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AGENDA ITEM

- Action Item
- Information Only

Date: December 2, 2021

Item Number: V

Title: Executive Officer Report

SUMMARY

This report will provide the Board, participants, public, and other stakeholders information on PEBP activities and operations.

REPORT

FEDERAL FUNDING UPDATE

In October, the Interim Finance Committee (IFC) approved PEBP's \$5M work program for Coronavirus Relief Funds (CRF). In November, PEBP was informed by the Governor's Finance Office that an additional \$5M would be made available to PEBP but because CRF expire on 12/31/21, only claims through that date would be eligible. Since PEBP is not projected to have sufficient claims come in prior to the deadline, the amount was adjusted to almost \$3.6M. This will be placed on the December IFC agenda for consideration.

Although PEBP has received almost \$14.9M in CRF (not inclusive of the \$3.6M), it does not appear that PEBP will be receiving additional funding through the American Rescue Plan appropriations. Unfortunately, too many competing priorities coupled with the reluctance to use one time funding to fund long term benefits which will require on-going funding.

ENROLLMENT AND ELIGIBILITY SYSTEM UPDATE

Implementation Issues:

Around this time last year, LSI was awarded the contract for PEBP's Enrollment and Eligibility System RFP. LSI is also contracted through the Office of Project management to oversee the Smart 21 Statewide ERP implementation, which replaces the States legacy IT systems, including finance, payroll, and HR management. Although LSI won the contract, the work with PEBP is largely being performed by their sub-contractor, Benefitfocus.

With only weeks until PEBP is due to go live with the new system, it has become apparent that there is a significant chance some critical functionality may not be ready by January 1. A major component of this implementation has involved assumptions involving PEBP's ability to integrate with the new Smart 21 technology (rather than the current antiquated systems) but delays in the Smart 21 project have added additional unplanned for and out of scope integrations that have hindered PEBP's progress. In addition, the challenges experienced on the Smart 21 implementation have taxed critical resources, which are also vital to PEBP, DHRM, and OPM.

Throughout the implementation there have been many assumptions made, lack of communication, late changes, and components not thoroughly discussed that have contributed to concerns about a successful go live at the end of the year. In several cases, the issues causing concern were not brought to our attention until very recently. Most importantly, there are concerns for the payroll side which will potentially affect PEBP's ability to collect premiums post January 1.

PEBP, DHRM and OPM staff, as well as Benefitfocus have all been involved in overlapping activities that touch either Smart 21 or the enrollment and eligibility system, however they are each limited in their respective scope. LSI, the contract holder for both of these projects, is the only party who has insight and knowledge of both projects and how one may affect the other.

These issues have been escalated to LSI leadership, and PEBP has been assured the critical payroll issues will be resolved and there will be a successful go live of the new system on January 1.

Voluntary Benefits Update:

Due to the mid-year eligibility system change from Lifeworks/Corestream to Benefitfocus, a two-week voluntary benefits special enrollment period occurred between 11/8/21 – 11/19/21. This period allowed members to enroll or cancel in certain anytime voluntary plans or enroll in new plans being offered all with an effective date of 1/1/22. The below enrollment chart reflects approximately 72% of the total 2,960 additional enrollments during this period were for brand new plan offerings, mostly with The Standard who replaced Aflac for Accident, Critical Illness, and Hospital Indemnity plans as well as a new Long-Term Disability plan. This period also allowed members an opportunity to create new accounts and explore before the system goes fully live at the end of the year, with 2,370 new accounts created, and 4,355 logins.

Vendor	Run date of Benefit Detail Report		# Enrollment adds
	11/7/2021 (Corestream enrollment data)	11/19/2021 (11 AM EST)	
ID Watchdog	696	888	192
ID Watchdog® Essentials	224	261	37
ID Watchdog® Essentials - Retiree	24	32	8
ID Watchdog® Platinum Plus	389	524	135
ID Watchdog® Platinum Plus - Retiree	59	71	12
LegalEASE	786	936	150
The FamilyADVISOR with LegalGUARD Essentials Plan	0	114	114
The FamilyADVISOR with LegalGUARD Essentials Plan – Retiree	0	8	8
The FamilyADVISOR with LegalGUARD Gold Plan	690	715	25
The FamilyADVISOR with LegalGUARD Gold Plan - Retiree	96	99	3
Nationwide pet insurance	165	238	73
Nationwide Pet Insurance	165	238	73
The Standard	0	1998	1998
Accident - Enhanced	0	195	195
Accident - Premier	0	150	150
Accident (Retiree) - Enhanced	0	8	8
Accident (Retiree) - Premier	0	8	8
Critical Illness	0	360	360
Critical Illness - Retiree	0	14	14
Critical Illness - Spouse	0	106	106
Critical Illness (Retiree) - Spouse	0	5	5
Hospital Indemnity - Plan 1 (Low)	0	169	169
Hospital Indemnity - Plan 2 (High)	0	196	196
Hospital Indemnity (Retiree) - Plan 1 (Low)	0	11	11
Hospital Indemnity (Retiree) - Plan 2 (High)	0	10	10
Voluntary Long Term Disability	0	766	766
VSP	4603	5150	547
VSP Voluntary Vision - Base Plan	1817	2009	192
VSP Voluntary Vision - Base Plan - Retiree	190	213	23
VSP Voluntary Vision - Premium Plan	2255	2545	290
VSP Voluntary Vision - Premium Plan - Retiree	341	383	42
Total Enrollments	6250	9210	2960