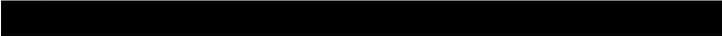


Date: Wed, Dec 2, 2020, 11:44 AM

Subject: Comment



I was reviewing the PEBP proposal for the FY22 insurance changes and am really disappointed. Each legislative cycle the insurance costs seem to be increasing and the benefits decreasing. Prescription costs and the medications that are covered are changing frequently, which is hardship for many staff and their families. It takes both time and money to figure out what is now covered and work with our doctors to change the prescriptions. In some cases, this is requiring additional office visits at additional costs.

I understand the request for PEBP to cut 12%, but why are these changes being passed down to the state employees who are already facing cuts from furlough? Any COLA we have received over the years is instantly eaten up by the increases by PEBP. And with the changes being proposed this year, I'm not sure that if we received COLA, that it would cover the increase in insurance costs for many NSHE families. It's also important to note that Administrative and Academic faculty do not receive regular pay increases and merit pay was eliminated many years ago. Most in these categories are taking home less pay each year. This impacts morale and the ability to retain staff. I hope PEBP is able to reconsider these proposed changes.

**From:** Samantha Hilton [REDACTED]  
**Sent:** Wednesday, December 9, 2020 10:31 PM  
**Subject:** Concern about cuts to PEBP health insurance benefits

Good evening,

My name is Samantha Hilton, and I work as an administrative faculty member at UNLV. I am writing tonight to express my deep concern over the proposed changes to the PEBP healthcare plans for the upcoming fiscal year.

My apologies for not taking the time to write personalized emails to all involved - as a combination full-time employee and stay-at-home mom to a budding toddler since COVID shutdowns began in March, I have had to learn to be as efficient with my time as I can be. "Close of business" likewise does not mean much in my world, as much of my work happens after my daughter goes to bed, so I hope you will still accept my comments for consideration.

I am currently pregnant with my second child, with a due date of July 11, 2021, shortly after these changes are set to take place. I currently have the HMO plan for Southern Nevada, and the changes to hospital rates are nothing short of alarming. For my first delivery via C-section, I had a \$500 copay for the hospital stay. The proposal is now \$750 in addition to the added deductible - a total of \$1,250. This amount would be nearly triple that of my first delivery, and ONLY for the delivery. With increased rates for other medical visit categories as well as additional co-insurance, this doesn't even account for additional care that I may need throughout the year after birth. After my last birth, I had admissions to the ER and Urgent Care, as well as regular medical visits. Increases to all of these individual visit categories can start to add up rapidly.

I recognize that this is an extremely difficult budget situation, and there are no easy cuts or answers. However, I respectfully request that you re-examine and reconsider the proposed cuts, not just for myself but for all of my colleagues within NSHE, to determine whether less painful alternatives exist. We all have unique medical situations and stories, and some are struggling financially to begin with during this pandemic. In this time more than most, people cannot afford to be priced out of going to the doctor or seeking medical care.

Thank you very much for your time and consideration.

**From:** Anderson, Craig [REDACTED]  
**Sent:** Thursday, January 21, 2021 9:26 AM  
**To:** Wendi Lunn <wlunn@peb.nv.gov>  
**Subject:** Public Comment for PEBP

Hi,

I am a professor at [REDACTED], and I would like to leave a comment about the proposed changes to our PEBP plans. Please do not make any changes to our plan. Our deductibles are very high as is, and raising the deductibles will be very hard on faculty and staff (and their families). Also, reducing the HAS amount is going to hurt families as well. Finally, please do not increase the rate for any of the plans, as that will also hurt families that rely on the lower rates just to make sure they are covered. I say this with peace and love, please do not make the proposed changes as it will hurt the already hurting families of the state of NV.

Thanks,

Craig Anderson

[REDACTED]

**From:** Danforth, Courtney [REDACTED]  
**Sent:** Thursday, January 21, 2021 10:17 AM  
**To:** Wendi Lunz <wlunz@peb.nv.gov>  
**Subject:** comment: budget/PEBP/long-term disability insurance

I am writing to express my frustration and disappointment about the proposal to eliminate long-term care insurance for PEBP members. I am absolutely sympathetic to the need to cut costs in response to diminished income during/following the 2020 (and ongoing) pandemic. However, eliminating the insurance that will care for people who are disabled by that very pandemic is insulting, bordering on immoral. Cut elsewhere. Tax industries that insult the environment, not public employees who serve the state.

Thank you for your consideration.

Courtney S. Danforth  
[REDACTED]

**From:** Jodie M Barker [REDACTED]  
**Date:** Monday, January 25, 2021 at 11:36  
**To:** "[wlunz@peb.state.nv.us](mailto:wlunz@peb.state.nv.us)" <[wlunz@peb.state.nv.us](mailto:wlunz@peb.state.nv.us)>  
**Subject:** Public comment for 25 January PEBP board meeting

Dear Ms. Lunz,

As a State of Nevada benefits eligible employee, I am concerned about the proposal to eliminate the Long-Term Disability Benefit from the PEBP Comprehensive Health Insurance Package. Unlike private sector employees, State of Nevada employees do not pay into Social Security. If I were to suffer a catastrophic illness or injury that caused me to be permanently disabled and unable to work, *I would not be able to draw a Social Security Disability Benefit.* The Long-Term Disability Benefit is an extremely important benefit for this reason.

I understand that all State budgets must be revised as a result of the current pandemic and budgetary crises. I would like to recommend reconsideration of *reducing* the Long-Term Disability Benefit to 50% of pre-disability earnings with a monthly earning cap of \$5000.00 instead of eliminating this vital benefit.

Respectfully,

Dr. Jodie Barker

[REDACTED]

**From:** McPherson, Frank [REDACTED]  
**Sent:** Monday, January 25, 2021 2:48 PM  
**To:** Wendi Lunz <wlunz@peb.nv.gov>  
**Subject:** PEBP comment

Good Afternoon,

I hope this email finds you well. Thank you for the opportunity to be able to provide feedback/comment to the PEBP proposal forwarded in today's (Monday, January 25, 2021) email to members. While I understand and appreciate the budgetary considerations and restrictions in place as a result of the downturn in Nevada's economic forecast, it seems unfair that the PEBP benefits are being further curtailed for state employees, many who are facing a reduction in pay as a result of this economic downturn. By imposing this reduction in planned benefits, it appears that state employees are being penalized two-fold. The first with the imposed payroll reduction and furloughs and the second would be the reduction/elimination in our benefits.

Where responsible government spending is required to balance the budget and get the State of Nevada back to "normal," it should not be on the backs of state employees, who are not exempt from getting sick or needing our benefits in this especially uncertain time and environment. As I write this, please note that I am only speaking on my behalf, however, I am certain that many of colleagues share my thoughts and opinions on this matter.

Thank you in advance for the opportunity to provide this feedback.

Respectfully,

Frank McPherson  
[REDACTED]

**From:** Yevonne Allen <[REDACTED]>  
**Sent:** Monday, January 25, 2021 5:07 PM  
**To:** Wendi Lunz <wlunz@peb.nv.gov>  
**Subject:** PEBP Board January 28, 2021- Public Comment

Please consider below as my public comment:

Hello PEBP Board and attendees.

I am submitting comment as the current TMCC Faculty Senate Chair

I am against the elimination of Long-Term Disability Benefits.

Three reasons I am against this elimination are:

1. Many current NSHE employees are not eligible for social security benefits.
2. Non-PERS employees are not eligible for the existing benefits to PERS folks.
3. Concern that if Long-Term Disability Benefits become an elected benefit, most people will not opt-in.

I understand that this elimination was part of the Governor's Recommended Budget, but not part of the PEBP proposed 12% budget reduction.

I ask that Long-Term Disability Benefits NOT be eliminated.

Thank you.

Thank you,  
YeVonne Allen, MS

[REDACTED]

**From:** John Starkey [REDACTED]  
**Sent:** Tuesday, January 26, 2021 9:27 AM  
**To:** Wendi Lunz <wlunz@peb.nv.gov>  
**Subject:** PEBP Update: January 28 Board Meeting/Public Comment

To whom it may concern,

I'm a 33 year old [REDACTED] patient that works as an administrative faculty member within the [REDACTED] system. As one of 30,000 [REDACTED] patients in America, I am required to take several prescribed medications in order to stay alive and have a decent quality of life. Some of these medicines are very specialized and are very expensive. As of today, I get 3 very expensive medicines monthly from speciality pharmacies + numerous medications from my local pharmacy. In addition, because of my [REDACTED], I suffer from [REDACTED] and am required to get [REDACTED] surgery every 1-2 years. As a [REDACTED] patient, you are required to see your [REDACTED] specialist once every three months since 50% of all [REDACTED] patients only live into their early-mid 40's. Simply put, I take lots of medicines and see doctors quite often in order to make sure my lungs and other organs are not deteriorating fast enough to kill me in the next 1-2 decades. I'm also constantly seeing my ENT and PCP because of [REDACTED] side effects. I recently got [REDACTED] because of what [REDACTED] has done to my digestive system and had to once again visit the ER. This is all true and besides seeing specialists constantly and taking several medications, I also am often getting chest x-rays or ct scans of my lungs and sinuses. I'm getting blood work constantly as well....and the proposed PEBP changes really seem to impact the wallet of sick state employees, rather than healthy ones. I'm very worried about the proposed changes due to how often I seek and need medical assistance.

I've been receiving all of the PEBP emails about proposed plan changes and to be frank, I'm scared to death. Soon, I'll be receiving a pay cut via furlough because of mass cuts and in addition, it appears I'll be paying a lot more to get my meds, medical tests and be seen by doctors if recent proposals for PEBP changes are approved in March. I'm a lower level employee at my institution and I fear these potential PEBP changes will make me want to leave the [REDACTED] system strictly because they will cause great financial problems for me and all employees that have illnesses specifically. The proposed changes really hurt those that are sick the most and it obviously hurts those drastically that are still considered lower middle class. I'm sad to think that my health care coverage will be the reason I leave [REDACTED]. Please consider me, someone who needs medicine and treatment often to be paid by my insurance in order to just even pay my rent, car payments, utilities and student loans off.

I wanted to keep this as short as possible while still getting my concerns across. Proof can easily be provided for everything I've stated above. I hope you all had wonderful holidays and I wish you good health and happiness in 2021. Thank you for your time and consideration.

John Starkey [REDACTED]

**From:** Jennifer Sullivan [REDACTED]  
**Sent:** Tuesday, January 26, 2021 12:28 PM  
**To:** Wendi Lunn <wlunn@peb.nv.gov>  
**Subject:** Public Comment - Meeting 01/28/21

Good Morning,

I writing to express my concern regarding changes to the PEBP plans for state workers.

Without going into too much detail, I have a 16-year-old daughter who has required hospitalization for [REDACTED] issues very recently. Within a two-week period, I had to pay two hospital admission co-pays of \$500 each for her to get care and we did not have any choice in where we could send her for help even though there is another option in Reno for this type of care.

Given the changes you are considering for the EPO plan, I would have to pay more than I take home in a single pay period for her to have care. This is not reasonable and not affordable. After I (and many other state employees) have worked every single day for almost a year amidst a global health crisis, I find it utterly appalling that you would consider such a drastic change with a huge negative impact on state employees in order to balance the state budget and cut your budget.

I am not naive to think this only impacts me and that you will change your mind based on one person, but I can't sit silently by while these changes are being made. I have to express my concern about the benefits of state employee that continue to be cut back with no future recovery and no incentive to remain a state employee.

Thank you,

**Jennifer Sullivan**

[REDACTED]

Members of the PEBP Board:

My name is Amy Pason, and I am an Associate Professor of Communication Studies at the University of Nevada, Reno. This year I also serve as the Faculty Senate Chair. NSHE faculty, including those at the University, rely on the Public Employees' Benefits Program (PEBP) for our healthcare and other benefits, which are essential for keeping the workforce productive and for recruitment and retention.

The proposed benefits cuts outlined in the Governor's budget have raised concern with faculty, especially the Governor's proposal to eliminate the Long-Term Disability Benefit completely. I want to raise the same concern as Assembly member Maggie Carlton raised in the Legislative Budget Subcommittee earlier this week: eliminating this benefit would put many faculty at risk of having no possible coverage while alternatives might be explored in a year or so. Most NSHE faculty are not part of PERS, therefore, cannot rely on the disability retirement provision there.

Unlike private sector employees, State of Nevada employees do not pay into Social Security. If we were to suffer a catastrophic illness or injury that caused us to be permanently disabled and unable to work, ***we would not be able to draw a Social Security Disability Benefit.*** The Long-Term Disability Benefit is an extremely important benefit for this reason.

We understand that all State budgets must be revised as a result of the current pandemic and budgetary crises. We would like to recommend reconsideration of *reducing* the Long-Term Disability Benefit to 50% of pre-disability earnings with a monthly earning cap of \$5000.00 instead of eliminating this vital benefit.

Although faculty appreciate the Governor's proposal keeping premiums steady, the general consensus from Faculty Senate was that faculty would rather see a temporary increase in premiums (a "COVID Surcharge") if that would mean retaining benefits and keeping the deductible and out-of-pocket costs lower or being able to retain the Long-Term Disability Benefit all together.

Faculty recognize that we are living in unprecedented times, and that we all must be part of the shared sacrifices to see us through our current economic crisis. Maintaining health care benefits is especially important now. We ask that the PEBP Board review the initial PEBP proposal along with the Governor's recommendations, and reconsider the plans to find ways to maintain benefits for faculty.

Respectfully,



Amy Pason, PhD  
University of Nevada, Reno  
Faculty Senate Chair

**From:** Lisa M Taylor [REDACTED]  
**Sent:** Thursday, January 28, 2021 1:08 AM  
**To:** Wendi Lunz <wlunz@peb.nv.gov>; Laura Rich [REDACTED]  
**Cc:** Lisa M Taylor [REDACTED]  
**Subject:** Re: Public Comment: Long Term Disability Benefit  
**Importance:** High

Ladies,

After reviewing the public comment that I submitted, I realize that I cannot speak for every NSHE employee.

**Instead, I would like to provide feedback that I have received. Thank you.**

I would like to edit the comments slightly.

**Please submit this revision to the Board:**

I would like to offer a public comment that is important to many of our employees who are employed by the Nevada System of Higher Education (NSHE).

As State of Nevada, benefits eligible employees, many are concerned about the proposal to eliminate the Long-Term Disability Benefit from the PEBP Comprehensive Health Insurance Package. Unlike private sector employees, State of Nevada employees do not pay into Social Security. If these benefits eligible NSHE employees were to suffer a catastrophic illness or injury that caused them to be permanently disabled and unable to work, **they would not be able to draw a Social Security Disability Benefit.** The Long-Term Disability Benefit is an extremely important benefit for this reason.

Many understand that all State budgets must be revised as a result of the current pandemic and budgetary crises. It is the hope of many NSHE employees that the Long-Term Disability benefit would only be reduced slightly if it must be impacted by budgetary constraints. **Many NSHE employees would like to recommend reconsideration of eliminating this vital benefit.**

Respectfully,

Lisa M. Taylor, SPHR  
[REDACTED]



TO: Laura Freed, Chair, and Public Employee Benefits Program Board

FROM: Douglas Unger, Member, UNLV Employee Benefits Advisory Committee, &  
President, UNLV Chapter, Nevada Faculty Alliance

RE: Agenda Item #5: Governor's Recommended PY 22 Plan Design

**PUBLIC COMMENT – PEBP BOARD MEETING – January 28, 2021**

Doug Unger, Member, UNLV Employee Benefits Advisory Committee, & UNLV Chapter President, Nevada Faculty Alliance, & Southern Nevada Government Affairs, *for the record*:

I am sure Chair Freed and distinguished members of the PEBP Board will agree that the process of determining plan designs and benefits for next year have been unlike any other in Nevada history. This is of course because of state budget uncertainties during the economic crisis of the COVID-19 pandemic; but this process has been, in our reading of it, also subjected to mandates and interventions by the Governor's Office unlike any other, which have affected the decision-making powers of the Board. There is good reason for the statutory independence of PEBP. The PEBP Board and its Executive Officer stand much closer to state employee and public interests. The members of the Board are far better informed about potential impacts of plan design changes in response to budget constraints. NRS 287.043 establishes that the Board will make these decisions to the best of its abilities and in good conscience independently, to the benefit of state employees in balance with their judgment of the best interests of Nevada citizens. This process has not happened the way it normally would, so the plan designs you are considering on Agenda Item #5 appear as a *fait accompli* dictated from on high about which we feel powerless.

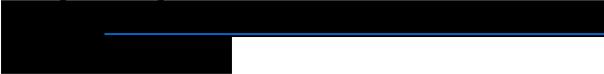
What we sense in the plan designs you are being asked to approve today is that there may be entrenched, outdated convictions by the powers-that-be that premiums must be kept low or flat at the expense of other benefits. The impact of this approach is obvious—high out-of-pocket maximums in the CDHP and new PPO plans shift costs to the sickest state employees who can least afford that burden; the cutting of \$2 per month to retiree contributions is in effect a regressive tax on members living on fixed incomes; and the proposed elimination of Long Term Disability insurance is dangerous and cruel for workers who by state and federal agreement are not covered by Social Security. Thousands of PEBP members do not have enough accumulated in PERS to be able to survive being disabled for very long. And the 7,000 Higher Education faculty in our state would be left with nothing should they face an illness or accident that prevents them from working, or if they contract COVID-19 and be among the growing number of cases who suffer a long-term disability. The elimination of LTD insurance is asking state workers to do their jobs on a tightrope without a net. This is a dangerous oversight, and it must be fixed, somehow, by the PEBP Board in its actions today.

Looking to the future, we ask for an in depth discussion by the Board of the ethics and ideology of the approach to keep premiums low or flat balanced against financial burdens to the health and lives of state employees who suffer from serious illnesses and to retirees who see their fixed incomes reduced so that the healthy and young may pay less. This discussion should go to the heart of what health insurance is and benefits should be for future plan designs. Deciding this will better enable the Board to determine a more stable and more just approach to future policy.

Thank you to Executive Officer Laura Rich for her continued outreach and openness to state employee advocates and for her willingness to listen to the concerns of the many thousands of state employees, faculty, retirees, and PEBP members we represent. Thank you to all who serve on the PEBP Board for your consideration, for the time and care you devote to your discussions and deliberations, and for your wisdom.



Douglas Unger





NEVADA FACULTY ALLIANCE

840 S. Rancho Dr., Suite 4-571  
Las Vegas, Nevada 89106

Date: January 27, 2021

To: Public Employees' Benefits Program Board

From: Kent Ervin, Legislative Liaison, Nevada Faculty Alliance

Subject: Agenda Items, 1/28/2021 PEBP Board Meeting

The Nevada Faculty Alliance is the independent association of faculty at NSHE colleges and universities. We work to empower faculty to be fully engaged in our mission to help students succeed. Empowerment includes protecting employees who face serious health issues from catastrophic consequences.

We very much appreciate that Executive Officer Laura Rich has been responsive to our concerns and questions, and we understand the extreme state budget situation, but we are highly troubled by some of the decisions being contemplated today.

PEPB Board members have primary fiduciary responsibility to the participants of the program, within the available funding provided by the state. The Board has always had to make difficult decisions in balancing benefits versus employee premiums. We very much appreciate that the 12% budget cuts from November have been pulled back, but the recommendations in the Governor's executive budget (GovRec) do not balance the interests of participants and are an apparent attempt to micromanage plan design. Because there is a reasonable probability that the Legislature will reverse some of the budget cuts in GovRec before the March rate-setting meeting, the Board must retain that possibility.

The elimination of the Long-Term Disability Insurance Benefit in GovRec is the most egregious override of Board decisions. Employees who become disabled will be left without a safety net and will be less likely to be able to return to work after a period of rehabilitation or retraining. Instead, they are more likely to become homeless and wards of the state. PEPB has a fundamental duty to prevent catastrophic consequences from health issues of employees. The fact that long-term disability is relatively rare does not mean the essential protection of the benefit does not apply to all state employees. The PERS disability retirement is no substitute, since it is earned only at 2.5% of salary per year of service and would not match the LTD income benefit until 20 or more years of service. Most NSHE faculty are not members of PERS and do not have even that option.

**Agenda #5.** We recommend accepting the restoration of the dental plan as a bundled benefit and accepting the changes to plan design as shown in today's packet, although the high out-of-pocket maximums are very troubling and hurt the employees who have serious health needs the most.

**We strongly recommend against elimination of the Long-Term Disability Insurance Benefit at this time.** For rate calculation purposes, the Board should maintain its action of November 23, reducing the income benefit from 60% to 50% and reducing the monthly cap from \$7500 to \$5000. Based on the estimates from The Standard in November, the cost of this lower benefit would be reduced from \$14.30 per employee per month to between \$9.60 and \$10.50. Then final decision on this option can be made at the March meeting. If it is eliminated now, you won't know the final cost calculation in March.

**Agenda #6.** There is no apparent need to hurry to change the contract with The Standard for life insurance and long-term disability benefit amounts. That decision should be deferred to March, when more will be known about the budget.

**Agenda #7.** The calculation of the employer contributions on page 11 of the AON presentation deviates from board policy and past practice (FY2020 and earlier). In particular, applying a lower employer contribution of 85% to both the employee portion and the dependent portion of the rates for the tiers with dependents is inconsistent with board policy and creates unfair variations in employee premiums for dependents by tier. The Board should return to past policy where the employer contribution percentage (90% to 95%) is the same for the employee portion of the rate for all tiers and a lower employer contribution percentage (70% to 75%) is applied only to the dependent portions of the rate for spouses and children. (See attached detailed explanation with examples.) That methodology avoids the need for an ad hoc adjustment to the Employee+Children tier. A different, higher employer contribution percentage for children versus spouses could be considered as a policy decision to support the Governor's family-friendly budget goals.

**Agenda #9.** Regarding contracting, the proposed changes to the Duties, Policies, and Procedures manual do not provide sufficient oversight by the Board over the Request for Proposals process. At a minimum, the Board should (1) review and approve Scopes of Work for RFPs before they are issued and (2) should review contract details before approval (i.e., before the approval by the Board of Examiners). Both are a fiduciary responsibilities of the board.

Regarding the other changes to the Duties, Policies, and Procedures manual, the explanations of the rate setting process, especially how tiers are calculated and how employer contributions are determined, are confusing and inadequate. These should be revised so that a new board member or a new executive director could completely understand and reproduce the methods. In particular, explicit for formulas the components of the rates by tier and for the employer contributions for employees and dependent are needed.

We pledge to continue to engage with the Legislature on budgetary fixes, but respectively request that PEPB Board members retain your authority and fiduciary responsibility to make decisions in the best interests of participants and the program.

Thank you.

Rate setting in 1/28/2021 PEBP Board practice:

Page 11 formulas do not match past practice.

Y = 0.375

Tier	Example X = \$585	State Contribution
Single Active	$\$585 * 1$	\$585.00
EE + Spouse	$\$585 * 2 * 0.85$	\$994.50
EE + Child(ren)	$\$585 * (1+Y) * 0.85$	\$683.72
EE + Family	$\$585 * (2+Y) * 0.85$	\$1,180.97

Employer contribution for single active to add children: \$98.72.

Employer contribution for EE+Spouse to add children \$186.47

Employer contribution for single active to add spouse: \$409.50

Employer contribution for EE+Children to add spouse: \$497.25

**The past practice, 2011-2019, maintained equal increments for an employee to add children or add a spouse regardless of whether they already covered a spouse or children, respectively. The proposed method does not.**

**Pact practice example.** Employer contribution for the employee portion is the same for all tiers. Employer contribution for dependents use multiplier on dependent portions of rate only.

ASSUMING, for this comparison:

A = Life + LTD + Exchange = \$24.48 (Added to all tiers, employee-only cost)

$(X + A) * 95\% = \$585.00$  Employer contribution for Employee-Only Tiers

X = \$591.31 Y =  $\$591.31 * 0.375 = \$221.74$

Dependent contribution percentage=70% to approximately match employer contributions above.

	Rate Formula	Rate Amount	Employer Formula	Employer Amount	Employee
EE	X+A	\$616	$(X+A) * 0.95$	\$585.00	\$30.79
EE+spouse	X+X+A	\$1,207	$(X+A) * 0.95 + X * 0.70$	\$998.92	\$208.18
EE+children	X+Y+A	\$838	$(X+A) * 0.95 + Y * 0.70$	\$740.22	\$97.31
EE+family	X+X+Y+A	\$1,429	$(X+A) * 0.95 + (X+Y) * 0.70$	\$1,154.14	\$274.70

Employer contribution for single active to add children: \$155.22

Employer contribution for EE+Spouse to add children: \$155.22

Employer contribution for single active to add spouse: \$413.92

Employer contribution for EE+Children to add spouse: \$413.92

Under the new flat contribution policy, these employer contribution amounts calculated for the CDHP would apply to the LDP and EPO/HMO plans also, tier by tier



## Duties, Policies and Procedures – Appendix A Plan Year Rating Methodology

biennium. Generally, budgeted Excess Reserves at the end of the biennium will be zero.

- IMME retirees will not be charged for PEBP operating costs, life insurance costs or HRA administration costs. The following costs will be allocated only to IMME retirees who choose PEBP dental coverage:
  - √ Contracted dental network and claims payment administrative fees
- Reserves
  - √ Catastrophic Reserves will be established at a level necessary to ensure plan solvency over the long term at a 95% confidence interval.
  - √ IBNR Reserves will be established at a level to achieve a 95% probability that all incurred claims can be paid.
- Participant contributions for HMO rates are blended between the northern and southern HMOs after all of the above adjustments are applied. The blended HMO rate is based on the average cost of coverage by tier and projected enrollment. The purpose of the following reserve adjustment is to offset errors in rate blending caused by variation in the estimated HMO enrollment for the current plan year. The adjustment will be allocated only to HMO participants:
  - √ Adjustments to the Excess Reserves (Category 86) in an amount that is equal to the difference between
    - The product of the projected HMO enrollment used to calculate the blended rates for the current plan year multiplied by the premiums charged by each HMO; and
    - The product of the latest projection for HMO enrollment for the current plan year multiplied by the premiums charged by each HMO.

### Subsidy Allocation and Participant Contribution

2016 version (later versions removed explicit percentages, but methodology remained the same).

- Base subsidy allocation
  - √ State subsidy percentages for the primary insured in the base plan as listed below may be adjusted by staff +/- 1.0%, rounded to the nearest tenth of one percent, to account for any projected surpluses or deficits in the Active Employees' Group Insurance Subsidy (AEGIS) budget account and Retired Employees' Group Insurance (REGI) budget account:
    - Active Employee : 93.0% This percentage has varied from 89% to 95%
    - Retiree: 64.0%
  - √ State subsidy percentages for the primary insured in the non-base plans will be equal to the state subsidy percentages for the primary insured in the base plan less 15%. (Policy change July 2020, now the dollar amount of employer contribution is equal to that of the base plan for each tier.)



## Duties, Policies and Procedures – Appendix A Plan Year Rating Methodology

- √ State subsidy percentages for dependents will be equal to the state subsidy percentages for the primary insured in each plan less 20%. Lower percentage to the dependent portions of rates only.
  - √ Non-State Active Employee: Determined by employer
  - √ Non-State Retiree: Determined by State Retiree amount (NRS 287.023(4)(b)) as set in session law and is based only upon years of service, regardless of plan selection or participant tier.
- Retiree Years of Service (YOS) subsidy adjustment to the base subsidy (NRS 287.046):
    - √ Retirees who retired prior to January 1, 1994: No adjustment.
    - √ Retirees who retired on or after January 1, 1994:
      - For each YOS less than 15, subtract 7.5% of the amount set in session law from the base subsidy.
      - For each YOS greater than 15, add 7.5% of the amount set in session law to the base subsidy (maximum, 20 YOS).
    - √ Retirees who were hired by their last employer on or after January 1, 2010 and who have less than 15 YOS do not receive a YOS or base subsidy.
    - √ Retirees who were hired by their last employer on or after January 1, 2012 do not receive a YOS or base subsidy.
  - Medicare Part B premium credit – Retired primary participants enrolled in the Consumer Driven Health Plan or HMO plan with Medicare Part B coverage will receive a CDHP or HMO premium reduction equal to the cost of the Part B premium as published by the Centers for Medicare and Medicaid Services (CMS) approximately six weeks before the rates are set. In no case shall the premium contribution for an individual be less than zero.