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AGENDA ITEM

Action Item

Information Only

Date: June 11, 2021

Item Number: V

Title: Executive Officer Report

SUMMARY

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

REPORT

BUDGET CLOSING

The PEBP Budget was heard on May 7th at the Joint Meeting of the of Senate Committee on Finance and Assembly Committee on Ways and Means. Although the PEBP budget was largely approved as proposed in the Governor's Recommended Budget, there were some changes that were suggested and then approved by the Committee:

- Restoration of the Medicare Exchange HRA contribution from \$11 to \$13. The approximate cost of \$3.3M/yr. will be funded through PEBP differential (excess) cash.
- A one-month premium holiday for all members in PY22 and another premium holiday in PY23. The approximate cost of \$6M/yr. will be funded through a General Fund appropriation.

These changes to the budget do not have any adverse effects on elections made during open enrollment and are relatively simple to implement, however communication will need to be developed to inform Medicare Exchange retirees of the change and to PEBP participants in the month leading up to the premium holiday.

The legislature opted not to specify in which month the premium holiday should occur, and instead has left this decision up to the program. PEBP staff reached out to the largest pay centers (Central Payroll, NSHE, PERS) to identify any issues or complications this may have on automated payroll deduction processes that exist. The pay centers all indicated they would be able to accommodate any month PEBP chooses to implement the holiday, given sufficient timing to address simple data changes that would be necessary.

PEBP will be transitioning to a new Eligibility and Enrollment System vendor on January 1, 2022, so it is recommended that the holiday occur prior to the end of the year to avoid any potential issues that may surface with a newly implemented system.

Recommendation: To ensure proper planning and coordination with vendors and pay centers, as well as to avoid any potential system issues, PEBP recommends the holiday occur in August, September, or October 2021 and for consistency, the same month in 2022.

AMERICAN RESCUE PLAN ACT (ARPA) FUNDS

Earlier this month, the US Treasury released ARPA guidance, allowing states and local governments broad authority in their allocation of stimulus funds. Although welcome news, this information, and better than expected revenue projections from the Economic Forum, came late in the legislative session and did not allow sufficient time for the legislature to come up with a plan to distribute the funding. It is likely a special session will be necessary in order for the legislature to be able to distribute these funds and it is not expected to be known until that time whether PEBP will be granted any of those funds.

OPEN ENROLLMENT UPDATE

Open Enrollment (OE) began on May 1 and will continue through May 31. With all the changes this year, staff have put in a great deal of time and effort to preparing for this busy season. PEBP is ecstatic to report that in keeping with our commitment to conduct thorough outreach and educate members on benefit changes, open enrollment meetings were a huge success. Historically, PEBP staff have traveled around the state to put on in-person meetings the first week of OE. In more recent years, we introduced a hybrid version where members were able to participate in-person or virtually through the option of a live and interactive webinar. The combined attendance typically averaged around 400 participants/year. This year PEBP conducted virtual OE meetings using the webinar option and had a tremendous turnout of over 2,600 participants!

As of May 18th, 2,667 enrollment events have been completed and another 1,267 are pending. Each year, PEBP receives a migration report highlighting member movement and activity between plans. With the recent policy changes, migration between plans is no longer as impactful to the program, however it is an important tool and provides insight into member preferences. The chart below illustrates member enrollment changes that have taken place through May 18th.

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PEBP Migration as of 5/18 – total covered lives count

Plan	PY2021 Enrollment	PY2022 Enrollment
HMO	6678	6726
CDHP	41671	38923
EPO	8409	8138
LD	N/A	2972
Dental Only	10395	10348
Declined	2085	2100