



LAURA RICH
Executive Officer

STEVE SISOLAK
Governor

STATE OF NEVADA
PUBLIC EMPLOYEES' BENEFITS PROGRAM
901 S. Stewart Street, Suite 1001 | Carson City, Nevada 89701
Telephone 775-684-7000 | 1-800-326-5496 | Fax 775-684-7028
www.pebp.state.nv.us

LAURA FREED
Board Chair

AGENDA ITEM

Action Item

Information Only

Date: March 25, 2021
Item Number: VI
Title: Contract Status Report

Summary

This report addresses the status of PEBP contracts to include:

1. Contract Overview
2. New Contracts for approval
3. Contract Amendments for approval
4. Contract Solicitations for approval
5. Status of Current Solicitations

6.1 Contracts Overview

Below is a listing of the active PEBP contracts as of February 28, 2021.

PEBP Active Contracts Summary							
Vendor	Service	Contract #	Effective Date	Termination Date	Contract Max	Current Expenditures	Amount Remaining
HealthScope Benefits	TPA	11825	2/8/2011	6/30/2022	\$ 62,600,000	\$ 55,744,872	\$ 6,855,128
Health Claim Auditors Inc.	Health Plan Auditor	12614	10/11/2011	9/30/2022	\$ 2,827,910	\$ 1,535,497	\$ 1,292,413
HealthScope Benefits	National PPO	13330	7/1/2012	6/30/2022	\$ 15,455,000	\$ 10,716,315	\$ 4,738,685
The Standard	Group Basic Life Insurance	14276	7/1/2013	6/30/2022	\$ 95,000,000	\$ 73,784,962	\$ 21,215,038
HealthScope Benefits	Voluntary Flexible Spending Account	14465	7/1/2013	6/30/2022	\$ 125,000	\$ -	\$ 125,000
Diversified Dental Services Inc.	Dental Contract	14563	7/9/2013	6/30/2021	\$ 3,081,984	\$ 2,451,109	\$ 630,875
HealthScope Benefits	Dental Claims	14574	7/9/2013	6/30/2022	\$ 6,100,000	\$ 4,887,117	\$ 1,212,883
Hometown Health Providers	In-state PPO Network	15510	7/1/2014	6/30/2021	\$ 8,560,090	\$ 8,178,082	\$ 382,008
Standard Insurance Company	Voluntary Life Insurance	15503	7/1/2014	6/30/2023	\$ 22,500,000	\$ -	\$ 22,500,000
Morneau Shepell LTD	Benefits Management System	15941	1/1/2015	12/31/2023	\$ 8,623,789	\$ 5,808,523	\$ 2,815,266
Extend Health, Inc	Medicare Exchange	16468	7/1/2015	6/30/2025	\$ 1,546,000	\$ 1,233,742	\$ 312,258
KPS3	Website Redesign	17226	11/1/2015	6/30/2021	\$ 80,775	\$ 69,117	\$ 11,658
Casey, Neilon & Associates	Financial Auditor	17424	3/8/2016	12/31/2021	\$ 236,500	\$ 225,052	\$ 11,448
Express Scripts, Inc.	Pharmacy Benefit Manager	17551	4/12/2016	6/30/2022	\$226,500,000	\$ 215,766,935	\$ 10,733,065
AON Consulting	Consulting Services	17596	7/1/2016	6/30/2022	\$ 3,376,585	\$ 2,525,502	\$ 851,083
Health Plan of Nevada Inc	Southern Nevada HMO	18362	7/1/2017	6/30/2021	\$231,000,000	\$ 136,908,059	\$ 94,091,941
American Health Holdings	PPO Utilization Management Case Management	21376	7/1/2019	6/30/2023	\$ 8,000,000	\$ 3,387,670	\$ 4,612,330
Labyrinth Solutions, Inc.	Benefits Management System	23678	12/8/2020	6/30/2027	\$ 6,849,000	\$ -	\$ 6,849,000
Aetna	PPO Network	23846	7/1/2021	6/30/2026	\$ 7,127,250	\$ -	\$ 7,127,250
Health Plan of Nevada Inc	HMO Provider	23802	7/1/2021	6/30/2025	\$192,093,848	\$ -	\$192,093,848
Diversified Dental Services Inc.	Dental Provider	23810	7/1/2021	06/30/206	\$ 1,601,613	\$ -	\$ 1,601,613

Recommendation

No action necessary

6.2 New Contracts

The PEBP Board approved the solicitation for a Financial Auditor on May 28, 2020 and approved the solicitation for a Health Claims Auditor on September 24, 2020. Request for Proposals were released, and PEBP staff has successfully negotiated a contracts for Health Claims Auditing and Financial Auditing services.

6.2.1 CLAIM TECHNOLOGIES INC.

On November 24, 2020, the Public Employees' Benefits Program released Request for Proposal (RFP) 95PEBP-S1388 for Health Plan Auditing Services. The following were some items important to PEBP in the consideration of the award of this contract:

- Audits are essential to assure that services provided by PEBP and PEBP's contracted vendors are following contract requirements and performance guarantees.
- Provide audit services of PEBP's Third Party Administrator (TPA) that will include audits of the following:
 - Health Savings Accounts (HSA) and Health Reimbursement Accounts (HRA) and managed by PEBP's TPA;
 - Pharmacy Benefits Manager (PBM);

- PEBP's Preferred Provider Networks;
- Utilization Management Company; and
- Health Reimbursement Accounts (HRAs) administered by the IMME.
- Provide an audit of PEBPs internal practices in the management of its Eligibility and Enrollment processes, to include accounting, security, policies and procedures and contract compliance.
- Provide additional focus audits periodically as necessary to confirm contracted guaranteed savings that have been negotiated by PEBP with vendors.

Vendor responses were scored based on the following criteria.

- Experience in Performance of Comparable Engagements
- Demonstrated Competence
- Expertise and Availability of Key Personnel
- Conformance with the Terms of the RFP
- Cost

On December 22, 2020, PEBP received two (2) proposals in response to RFP 95PEBP-S1388. The evaluation period began on December 23, 2020 and ended on January 12, 2021. The four-member evaluation committee included one PEBP Board member and other subject matter experts. Claim Technologies Inc. received the highest score by the evaluation committee and PEBP has successfully negotiated a contract. Some of the reasons given by the individual evaluators for their scores were:

- Overall cost
- References
- 30 Years of Experience

Claim Technologies Inc. will be a new vendor for PEBP for Health Claim Auditing services; however, we don't expect any issues in the transition from our current vendor.

The effective date of the contract is anticipated to be April 13, 2021 (upon BOE approval) through June 30, 2027. The services are expected to begin on May 1, 2021. The contract maximum is \$1,407,656.

Recommendation

Ratify and approve the evaluation committee's recommendation to contract with Claim Technologies Inc. for Health Plan Auditing Services beginning May 1, 2021.

6.2.2 CLIFTONLARSONALLEN LLP

On January 8, 2021, the Public Employees' Benefits Program released Request for Proposal (RFP) 95PEBP-S1445 for Financial Auditing services. The following were some items important to PEBP in the consideration of the award of this contract:

- Provide financial audits of PEBP's two trust funds, the Self Insurance Trust Fund and the State Retiree's Health and Welfare Benefits Fund.
- Vendor must be licensed in the State of Nevada to perform certified financial audits.
- Vendors must be familiar with all relevant Governmental Accounting Standards Board (GASB) Pronouncements and any other applicable rules, regulations, accounting, or governmental audit standards covering financial, as well as compliance audits for self-insured group benefits programs for a governmental entity

Vendor responses were scored based on the following criteria.

- Experience in Performance of Comparable Engagements
- Demonstrated Competence
- Expertise and Availability of Key Personnel
- Conformance with the Terms of the RFP
- Cost

On February 16, 2021, PEBP received two (2) proposals in response to RFP 95PEBP-S1445. The evaluation period began on February 17, 2021 and ended on March 9, 2021.

CliftonLarsonAllen LLP received the highest score by the six-member evaluation committee that included two PEBP Board members and other subject matter experts. Some of the reasons given by the individual evaluators for their scores were:

- Overall cost
- References
- GASB Experience

CliftonLarsonAllen LLP will be a new vendor for PEBP for Financial Auditing services; however, we don't expect any issues in the transition from our current vendor.

The effective date of the contract is anticipated to be May 11, 2021 (upon BOE approval) through December 31, 2024. The services are expected to begin on July 1, 2021. The contract maximum is \$212,485.

Recommendation

Ratify and approve the evaluation committee's recommendation to contract with CliftonLarsonAllen LLP for Financial Auditing services beginning July 1, 2021.

6.3 Contract Amendment Ratifications

PEBP does not currently have any contract amendments for ratification.

6.4 Contract Solicitation Ratifications

Below are the services that are pending solicitations for a new contract.

6.4.1 ACTUARIAL CONSULTANT

PEBP's current contract for Actuarial Consulting services with AON Consulting (AON) began in 2016. Since then, the contract has been amended four times to correct clerical errors, and most recently to add additional expenditure authority to assist PEBP with the TPA and PBM solicitations. The original 6-year contract has never been extended and is now due to expire on June 30, 2022.

Recommendation

PEBP recommends the Board authorize staff to complete a Request for Proposal for an Actuarial Consultant.

6.4.2 BASIC LIFE INSURANCE

PEBP's current contract for Basic Life Insurance services with The Standard began in 2013. Since then, the contract has been amended three times (third amendment pending) to increase expenditure authority, extend the term, and update the fee schedule. The original 5-year contract has been extended one time and is now due to expire on June 30, 2022.

Recommendation

PEBP recommends the Board authorize staff to complete a Request for Proposal for a Basic Life Insurance Contract.

6.5 Status of Current Solicitations

The chart below provides information on the status of PEBP's in-progress solicitations:

Service	Anticipated RFP release date	Anticipated/Actual NOI	Anticipated Board Approval
Medical TPA	04/26/2021	08/15/2021	Nov 2021
Dental TPA	04/26/2021	08/15/2021	Nov 2021
Medical National Network	04/26/2021	08/15/2021	Nov 2021
Medical Statewide Network	04/26/2021	08/15/2021	Nov 2021
HSA HRA Admin	06/21/2021	10/01/2021	Nov 2021
2 nd Opinion	07/05/2021	10/15/2021	Jan 2022
Telemedicine	07/20/2021	11/05/2021	Jan 2022
Transparency	08/09/2021	12/01/2021	Jan 2022
Pharmacy	08/27/2021	12/05/2021	Jan 2022

Recommendation

No action necessary