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Board Chair

AGENDA ITEM

- Action Item
- Information Only

Date: March 24, 2022

Item Number: V

Title: Executive Officer Report

SUMMARY

This report provides the Board and members of the public information on PEBP operations.

REPORT

STAFFING UPDATE

PEBP continues to face staffing challenges, particularly in the member services unit (call center). Recent promotional opportunities to other agencies and retirements have resulted in more vacancies at PEBP. Although supervisory staff are actively working to fill these vacancies, there is significant training required in most of these roles, so having sufficient staffing available during the Open Enrollment time frame is an on-going concern.

Of 34 total staff, PEBP has nine vacancies, five of which are in the member services unit.

BUDGET AND LEGISLATIVE SESSION PREPARATION

On March 9th, the Governor's Finance Office (GFO) held the state's budget kick off meeting. State agencies were given the direction to maintain flat budgets when building their agency request budgets, due on September 1. Due to the rising costs of healthcare, flat budgets for PEBP essentially amount to budget cuts. For example, with a 5% claims trend, the same subsidy dollars would not stretch as far, resulting in benefit cuts in order to stay within the same budget requirements.

Executive Officer Report

March 24, 2022

Page 2

Recognizing this, PEBP immediately communicated its concerns to the Governor's Office and GFO and is already in discussions regarding possible solutions and/or alternatives to avoid future benefit cuts.

In addition to budget building, bill draft requests (BDR) are another area that must be considered as we prepare for legislative session. Program changes that must be addressed statutorily will require a BDR. Non-Budgetary BDRs are due by May 20, 2022 and Budgetary BDRs that have a fiscal impact greater than \$2,000 are due by September 1, 2022.

PEBP will be bringing budget enhancements and possible budgetary BDR proposals to the Board for consideration in May. Board members are also encouraged to propose suggestions and ideas for staff to research.

FSA UPDATE

Flexible Spending Arrangements (FSA) are currently offered through a no cost contract through HealthScope Benefits. Because of the low utilization and work required to maintain a \$0 contract, PEBP chose to offer this product as a voluntary benefit. Initially, BenefitFocus had indicated they would be able to support this decision and could offer it through their voluntary benefits platform, however PEBP recently received confirmation that this is no longer the case. As a result, PEBP will instead be implementing this benefit through the UMR contract. Since it was included as part of the RFP and will not increase the contract amount, no contract amendments will be necessary.