



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 24, 2022
Item Number: VII
Title: Enrollment and Eligibility System

SUMMARY

This report will provide the Board, participants, public, and other stakeholders information on the roll out of PEBP's new enrollment and eligibility system.

REPORT

ENROLLMENT AND ELIGIBILITY SYSTEM UPDATE

PEBP's new enrollment and eligibility system, Benefitplace managed by Benefitfocus, went live on 1/3/22. While PEBP's contract is with LSI, the bulk of the sub-contracted work is performed by Benefitfocus. There have been challenges and risks identified since the system went live. These are Data Discrepancies, Demographic File Feeds, Accounting and Billing, System Functionality, and Vendor File Integrations.

Current Challenges and Risks:

- Data Discrepancies
Data integrity and reconciliations are part of system changes and since "go-live" there continues to be data discrepancies for the conversion. For example, some retiree years of service subsidies were calculated differently or removed entirely. Currently, staff is continuing to do their best to attempt to manually reconcile these accounts and resolve issues immediately such as performing urgent updates direct with vendors so services can be accessed. While Benefitfocus has audited and reconciled data from PEBP's previous vendor, this was not done properly. When looking up historical data, it is different to

how Benefitfocus converted it. This includes members in a certain status or coverage tier (retired, active, terminated, on COBRA, primary only, family, etc.) that are different in the new system. Many times, staff come across an error for one individual that impacts hundreds after further investigation.

Impact: Volume unknown as staff is relying on member feedback, internal audits, and feedback from carriers and agencies.

Mitigation: PEBP staff is correcting account statuses, coverages, and tiers, including years of service subsidies as they are made aware.

- Demographic File Feeds

This implementation focused heavily on creating demographic file feeds with Central Payroll and NSHE. This idea was that agencies know what statuses their employees are supposed to be in, but there have been too many complications, added workload on all sides, and member coverages being affected.

Impact: Central Employee and NSHE employees are no longer able to have one address in their HR system and another with PEBP. This affects employees who wish to have confidential addresses only with their HR. Seasonal and critical hires entered in both systems are coming over on the demographic files overriding and canceling out their retiree coverages and PERS deductions. Further configuration is required to on both the Central Payroll/Smart 21 and NSHE side.

Mitigation: We have stopped the demographic file with Smart 21 and moved back to a manual entry process we used prior. This will help ensure members are in the correct status with minimal disruption. The demographic file with NSHE is paused but NSHE is submitting a manual change file that is uploaded into Benefitplace with correct changes being conveyed in lieu of the demographic file.

- Accounting and Billing Reconciliation/Deduction Files

PEBP staff and members still do not have access to the billing platform to view or make payments. Invoices continue to not be produced and employees in a direct billed status have not received a bill for their health insurance causing PEBP to ask direct billed members and groups to send payments based off old invoices. Deduction files with PERS, Central Payroll, and NSHE continues to need fixes and development work for deductions to be conveyed appropriately. File integrations with our Medicare Exchange vendor, Via Benefits, needs new file development so members can be reimbursed appropriately. Rates are configured incorrectly on survivors and unsubsidized members.

Impact: Volume of impacted members is unknown. Some members are continuing to have incorrect deductions (premiums and HSA) without being refunded three months since go live. These issues have continued to cause heavy reconciliation efforts with frustration on staff, members, and agencies. A custom PEBP billing solution that can take up to 12 months to be finalized with unknown costs. Direct billed members with voluntary benefits have not received their bills. The long-term effects of billing not being available is that PEBP will not have the required documentation needed to provide auditors for this time period which will lead to delayed audit results and likely lead to audit exceptions.

Mitigation: PEBP staff coordinating with agencies to keep track of members needing refunds or different deductions without visibility to a billing platform.

- Benefitplace System Functionality for Staff and Members

Benefitplace serves as the member portal and the Admin/Staff portal. It is not a true CRM system as it lacks much needed functionality for PEBP staff and members. Benefitfocus notified us in January of some fixes to the message center to be deployed in February that never happened. Staff cannot add notes directly into a member's record. Staff and members cannot cancel an event they started, needing a case to be created for Benefitfocus' team to cancel. Staff cannot manually correct accounts in many instances. If a member uploads a document without a pending task it is not added to a work queue and is automatically added without approval, forcing staff to run reports and do searches for potential outstanding work items. PEBP's open enrollment rules are to keep it a passive enrollment, meaning that members who wish to do nothing, will keep their same exact coverage or elections for the upcoming plan year. It was recently conveyed that members in an HSA plan will have to re-attest their eligibility, essentially turning a passive enrollment into an active enrollment for everyone with an HSA account. This will cause thousands of tasks on Eligibility staff to approve and heavy communication to everyone.

Impact: Internal operational processes and procedures taking longer and being more manual which means new coverage, terminations, and coverage changes will take longer to take effect. This delay impacts member coverage and added workload on PEBP staff and vendors.

Mitigation: The current system functionality will remain, contributing to the continuation of issues.

- Vendor File Integrations

File integrations with our vendors are still not set up and working as expected with multiple integration calls continuing weekly. PEBP recently found out, through our own research, when members initiate a qualifying life event and have a pending task or have an expired event, they are not sent on files to carriers until documentation is loaded; essentially causing the entire family or tier coverage to be disenrolled from coverage and unable to access services. Benefitfocus is unable to send to our TPA, HealthScope Benefits, (soon UMR) Care Management enrollments appropriately on dependents. This was not conveyed until recently causing PEBP, HealthScope Benefits, and ESI to potentially pursue a new care management file integration without Benefitfocus, with an estimated cost of \$10,000. With this direction, care management enrollments would not be reflected in Benefitplace, forcing PEBP staff and members having to reach out to HSB/UMR and ESI to confirm enrollments.

Impact: Members being dropped or conveyed inaccurately on carrier files not allowing them to access services. Added manual workload on PEBP staff, carriers, and agencies.

Mitigation: The current system functionality will remain, contributing to the continuation of issues and forcing work arounds on all parties to accommodate the lack of system functionality. Potentially pursuing a new care management file integration with HSB/UMR and ESI with current estimated cost of \$10,000.

File Integration Work/Change Orders totaling \$470,494.00

Prior to just receiving these invoices, and after the fact, it was never communicated to PEBP the potential costs, scope, or needs of these below orders. The below files are either a combination of being in scope, not working as expected, and/or still in the testing, configuration, or creation process.

1. Central Payroll Advantage Payroll Integration due to Smart 21 delay- \$261,424.00

LSI owns the Smart 21 and PEBP contracts, and this shift was caused by a Smart 21 go-live delay, not due to anything in PEBP or Central Payroll's control. The only option presented from Benefitfocus to PEBP was to continue with Lifeworks for January 2022 which was not possible at the time. The file integration is not working as deductions are incorrect for all members (either HSA, voluntary benefits, or premiums due to the one cent rounding rule) and there are not adjustment files being sent to provide members with necessary refunds. Central Payroll and PEBP accounting staff are manually keeping track of members needing refunds to their premiums.

2. ESI File - \$19,205.00 currently (estimated to be around \$39,205.00)

The file is not working as expected with some members having disruption in coverage. The proposed next step towards a potential solution would be a second change order (currently estimated to be another \$20k on top of the \$19,205) so Benefitfocus can convey the necessary information in a manner that ESI can load into the system, so members can hopefully maintain coverage without disruption.

3. HSB File - \$26,450.00

HealthScope Benefit's IT department has spent hundreds of hours customizing, configuring, and creating brand new files and formats to accommodate Benefitfocus with members still not being sent to HSB properly with constant member disruption. Benefitfocus cannot accommodate conveying care management enrollments appropriately (despite this being in the RFP) which was not conveyed until recently when we have been having integration calls for over a year.

4. WTW HRA File - \$75,698.75

A HRA dental reimbursement file has not been created, so all retirees relying on the automatic HRA reimbursement process have to manually submit receipts, causing manual work on WTW to process each claim individually. Years of service is calculated incorrectly on many members changing the amount of their HRA causing more manual research and processes on PEBP and WTW.

5. WTW Eligibility File - \$68,310.00

File is still in the testing and QA process with an estimated QA date of 3/24. We just recently finalized requirements and specifications with Benefitfocus after over a year of integration calls. The outcome of these changes is unknown currently. WTW as a good partner, also waived a \$10,000 vendor change fee from this transition and implementation assuming this integration would be simplified.

6. Medicaid File - \$19,406.25

File is still in the testing and QA process without an estimated completion and go-live date requiring further configurations on both the Benefitfocus and Medicaid side.

Due to the continuation of risks and issues, PEBP is presenting three different options to the Board.

Options:

1. Stay the course with LSI and Benefitfocus.

Positive outcomes: System and offerings remain the same for the members.

Risks: Functionality to suit PEBP's needs and processes does not exist due to lack of system functionality or inefficient processes with Benefitfocus. PEBP processes and functions will continue to take longer. File integrations with vendors and agencies still need solutioning requiring development work on all sides. A complete billing solution to meet PEBP's needs is 9-12 months away, requiring a one-off custom development specifically for PEBP with added costs. Hundreds of thousands of dollars of invoices for file integrations that continue to not work properly causing more manual work on PEBP staff, vendors, agencies, and member coverage disruption.

2. LSI pursue a new sub-contractor to replace Benefitfocus.

Positive outcomes: Unknown currently.

Risks: Disruption to members and carriers since it will be a change of systems including voluntary benefit changes, requiring heavy communications. Starting a new implementation process again with all vendors, agencies, carriers, and staff will take another 12-18 months with an unknown outcome. There would be reluctance from carriers, staff, and agencies to participate in a new implementation with an unknown vendor. Additional fees will be incurred by PEBP since all vendors will be required to integrate with the new E&E vendor.

3. PEBP pursue an emergency contract using a solicitation waiver to contract with prior Enrollment and Eligibility vendor Lifeworks and concurrently releasing a new RFP.

Positive outcomes: System functionality, PEBP processes, file integrations with vendors and agencies, and billing processes work to suit all parties' and members' needs.

Risks: Short notice disruption to members and carriers since it will be a change of systems including some voluntary benefit changes, requiring heavy communications. Data conversion and reconciliation will be a new process as some data coming from Benefitfocus is incorrect and unable to be trusted. If Smart 21 payroll goes live for July,

the timeline to integrate and test with a new system and vendor is shortened. With this option, comes a recommendation to change the dates of PEBP's Open Enrollment to Monday, May 16th – May 31st.

Voluntary Benefits

PEBP and Lifeworks are currently researching solutions and gaps. A verbal update will be provided to the Board.

Recommendations:

- 1. Staff recommends not paying the costs of file integration work orders as they are either: 1) not working as expected 2) arguably in scope 3) still in the testing and creation process or 4) a combination thereof.**
- 2. Staff recommends Option 3 to pursue an solicitation waiver with Lifeworks while releasing a new RFP in the future**
- 3. Due to the challenges with the system, regardless of what option is selected, staff recommends delaying Open Enrollment to May 16 – May 31st.**