



LAURA RICH
Executive Officer

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

STEVE SISOLAK
Governor

LAURA FREED
Board Chair

AGENDA ITEM

Action Item

Information Only

Date: March 24, 2022
Item Number: VIII
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

8.1 Contracts Overview

Below is a listing of the active PEBP contracts as of February 28, 2022.

PEBP Active Contracts Summary							
Vendor	Service	Contract #	Effective Date	Termination Date	Contract Max	Current Expenditures	Amount Remaining
Morneau Shepell LTD	Benefits Management System	15941	1/1/2015	12/31/2021	\$ 8,623,789.00	\$ 6,452,631.63	\$ 2,171,157.37
AON Consulting	Consulting Services	17596	7/1/2016	6/30/2022	\$ 3,651,585.00	\$ 3,305,012.96	\$ 346,572.04
HealthScope Benefits	Dental Claims	14574	7/9/2013	6/30/2022	\$ 6,100,000.00	\$ 5,535,250.59	\$ 564,749.41
The Standard	Group Basic Life Insurance	14276	7/1/2013	6/30/2022	\$ 80,587,091.00	\$ 78,867,857.76	\$ 1,719,233.24
Hometown Health Providers	In-state PPO Network	15510	7/1/2014	6/30/2022	\$ 9,955,139.00	\$ 8,564,330.59	\$ 1,390,808.41
HealthScope Benefits	National PPO	13330	7/1/2012	6/30/2022	\$ 15,455,000.00	\$ 12,620,697.23	\$ 2,834,302.77
HealthScope Benefits	TPA	11825	2/8/2011	6/30/2022	\$ 62,600,000.00	\$ 61,425,208.66	\$ 1,174,791.34
HealthScope Benefits	Voluntary Flexible Spending Account	14465	7/1/2013	6/30/2022	\$ 125,000.00	\$ -	\$ 125,000.00
Express Scripts, Inc.	Pharmacy Benefit Manager	17551	4/12/2016	6/30/2022	\$302,920,638.00	\$277,295,452.79	\$ 25,625,185.21
American Health Holdings	PPO Utilization Management Case Management	21376	7/1/2019	6/30/2023	\$ 8,000,000.00	\$ 5,284,134.56	\$ 2,715,865.44
Standard Insurance Company	Voluntary Life Insurance	15503	7/1/2014	6/30/2023	\$ 80,587,091.00	\$ 78,867,857.76	\$ 1,719,233.24
CliftonLarsonAllen	Financial Auditor	24088	5/15/2021	12/31/2024	\$ 212,485.00	\$ 50,710.00	\$ 161,775.00
Extend Health, Inc	Medicare Exchange	16468	7/1/2015	6/30/2025	\$ 1,546,000.00	\$ 1,233,741.92	\$ 312,258.08
Health Plan of Nevada Inc	Southern Nevada HMO	23802	7/1/2021	6/30/2025	\$192,093,848.00	\$ 26,739,339.59	\$165,354,508.41
Diversified Dental Services Inc.	Dental Contract	23810	7/1/2021	6/30/2026	\$ 1,601,613.00	\$ 229,589.12	\$ 1,372,023.88
Aetna	PPO Network	23846	7/1/2021	6/30/2026	\$ 7,127,250.00	\$ 987,292.00	\$ 6,139,958.00
Labyrinth Solutions, Inc.	Benefits Management System	23678	12/8/2020	6/30/2027	\$ 7,328,667.00	\$ -	\$ 7,328,667.00
Claim Technologies	Health Plan Auditor	24030	4/13/2021	6/30/2027	\$ 1,551,662.00	\$ 16,000.00	\$ 1,535,662.00
UMR, Inc.	TPA and Other Services	25155	7/1/2022	6/30/2028	\$ 62,789,120.00	\$ -	\$ 62,789,120.00

Recommendation

No action necessary

8.2 New Contracts

On March 25, 2021, the PEBP Board approved the solicitation for an Actuarial Consultant and a Life Insurance provider. Request for Proposals were released, and PEBP staff has successfully negotiated contracts for Actuarial Consulting and Life Insurance services.

8.2.1 SEGAL

On October 18, 2021, the Public Employees' Benefits Program released Request for Proposal (RFP) 95PEBP-S1797 for Actuary and Consulting Services. Vendor responses were scored based on the following criteria:

- Experience and Qualifications
- Technical
- Customer Service
- Financial
- Finalist Presentations

On November 29, 2021, PEBP received three (3) proposals in response to RFP 95PEBP-S1797. The evaluation period began on November 30, 2021 and ended on December 20, 2021. The five-member evaluation committee included one PEBP Board member and other subject matter experts. Segal received the highest score by the evaluation committee and PEBP began contract negotiations with the winning vendor. Some of the highest scoring areas by the evaluators were:

- Vendor Experience
- Technical Response
- Cost

Segal will be a new vendor for PEBP so some disruption is expected, however transition work has already begun to ensure Segal is properly briefed and prepared in advance.

The effective date of the contract is anticipated to be April 12, 2022 (upon BOE approval) through June 30, 2027. Services and fees are expected to begin on June 1, 2022.

Recommendation

Ratify and approve the evaluation committee's recommendation to contract with Segal for Actuarial Consulting services beginning July 1, 2022.

8.2.2 UNITED HEALTHCARE

On October 14, 2021, the Public Employees' Benefits Program released Request for Proposal (RFP) 95PEBP-S1790 for Life and Disability Services. Vendor responses were scored based on the following criteria:

- Experience and Qualifications
- Technical
- Customer Service
- Financial
- Finalist Presentations

On November 08, 2021, PEBP received six (6) proposals in response to RFP 95PEBP-S1790. The evaluation period began on December 13, 2021 and ended on January 5, 2022. The five-member evaluation committee included one PEBP Board member and other subject matter experts. United Healthcare received the highest score by the evaluation committee and PEBP has successfully negotiated a contract. Some of the highest scoring areas by the evaluators were:

- Vendor Experience
- Technical Response
- Cost

United Healthcare will be a new vendor for PEBP so some disruption is possible, but it is expected to be minimal.

The effective date of the contract is anticipated to be April 12, 2022 (upon BOE approval) through June 30, 2026. Services and fees are expected to begin on June 1, 2022.

Recommendation

Ratify and approve the evaluation committee's recommendation to contract with United Healthcare for Basic Life Insurance services beginning July 1, 2022.

8.2.3 VIVO

In order to upgrade the PEBP Board Room with technology to accommodate hybrid in-person and virtual meeting solutions, PEBP Information Technology staff purchased a fully engineered solution by a third party, Vivo Tech. The final product will result in a room capable of integrating both in-person and virtual attendance by board members and other meeting participants, with ceiling-mounted microphones, high-definition cameras and displays, and a simplification of the room layout. The system will be portable should the need arise to change the physical office location for PEBP, however there would be some cost in terms of mounting hardware, microphones, wiring, etc., in any new location.

The equipment for this project is being purchased through the State Purchasing requisition process; however, because the equipment needs to be installed professionally, PEBP is required to enter into a short-term service contract.

The effective date of the contract will be upon Clerk of the Board approval through April 30, 2022. The total cost of the services for this contract are not to exceed \$6,480.

Recommendation

Ratify the contract with Vivo for Installation Technology short-term services.

8.2.4 LIFEWORKS LTD

If the PEBP Board approves Option 3 in Agenda Item VII, PEBP will need to complete a solicitation waiver to enter into a new contract with LifeWorks LTD. PEBP is in the process of negotiating a contract for a term of four years and a contract not to exceed \$4,745,890 (subject to change).

Recommendation

If this option is chosen, PEBP recommends the Board authorize staff to contract with LifeWorks LTD for Eligibility and Enrollment System Services while a new Request for Proposal (RFP) is developed, and a new system is implemented.

8.3 Contract Amendment Ratifications

Below are the contract amendment ratification requests.

8.3.1 HEALTHSCOPE BENEFITS

PEBP contracted with Healthscope Benefits for Third Party Administration (TPA) services which became effective February 8, 2011, and has a termination date of June 30, 2022. This amendment increases the contract maximum from \$62,600,000 to \$62,894,027. This increase adds additional authority to pay for TPA services through the remainder of the contract.

Recommendation

PEBP recommends the Board authorize staff to amend the contract between PEBP and Healthscope Benefits for TPA services in contract #11825 to increase the contract maximum.

8.3.2 UMR, INC.

PEBP contracted with UMR Inc. for Third Party Administration (TPA) and other services which became effective December 14, 2021 and has a termination date of June 30, 2028. This amendment increases the contract maximum from \$62,789,120 to \$65,413,106. This increase adds additional authority to pay for claims runout services for 1 year after the contract terminates.

Recommendation

PEBP recommends the Board authorize staff to amend the contract between PEBP and UMR, Inc. for TPA and other services in contract #25155 to increase the contract maximum and add language for run in and runout services.

8.4 Contract Solicitation Ratifications

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

8.4.1 ENROLLMENT AND ELIGIBILITY BENEFITS MANAGEMENT SYSTEM

PEBP contracted with LSI Consulting for Eligibility and Enrollment Benefits Management Services on December 8, 2020 for services to begin on January 1, 2022. LSI Consulting has subcontracted with BenefitFocus to implement and manage the system technology.

Although PEBP staff have been working with LSI and BenefitFocus to ensure a successful implementation, staff brought an update to the January 27, 2022 board meeting and again on March 24, 2022 noting many serious issues that have arisen during the implementation process and post go-live. As it becomes clear that there are continuous system capability issues and growing frustration with staff and participants, staff will need to be prepared with an alternative solution.

Recommendation

This recommendation relates to Agenda Item VII. Should the decision be made to terminate the contract with LSI, PEBP recommends the Board authorize staff to complete a Request for Proposal for an Enrollment and Eligibility Benefits Management System.

8.5 Status of Current Solicitations

PEBP does not currently have any contract solicitations in progress.