Don't raise our premiums.

Gmail **Lars < >**

URGENT ESCALATION to Executive Officer & Board / Official Public Comment/ Re: QC 2376 Jensen

Lars < > Fri, Oct 2, 2026 at 4:10 PM

To: jcrane@peb.nv.gov
Cc: memberservices@nvha.nv.gov

Attention:
Celestena Glover; Executive Officer; PEBP
Joy Grimmer; Board Chair; and Members of the PEBP Board
PEBP Quality Control Division

Re: Refusal of Contractor Resolution on Complaint QC 2376 Jensen - 2954

Dear PEBP Executive Leadership and Board Members,

Please consider this an official escalation of my active complaint (QC 2376) and a formal submission for **Public Comment** at the next scheduled PEBP Board Meeting.

Previously, PEBP forwarded my complaint regarding deceptive practices to the contractor in question, Via Benefits. Via Benefits then investigated themselves and informed PEBP that the issue was resolved.

It is not resolved. Attached to this email are two documents for the Board's immediate review:

1. **Supplemental Notice.pdf:** A formal summary of the vendor's admissions, the federal statutes violated, and my requested regulatory actions by the Board.

2. **Via_Benefits_Conversation.pdf:** The complete written correspondence record obtained today (October 2, 2026) from Sarah Boise, Senior Escalation Resolution Specialist at Via Benefits.

In this written correspondence, the contractor explicitly admits to maintaining private contracts designed to bypass federal Medigap Open Enrollment Period protections (42 U.S.C. § 1395ss(s)(2)(A)) in order to impose medical underwriting on state retirees and systematically hide lower-cost Medigap plans from the exchange portal.

Because this is a matter of statutory compliance, deceptive trade practices, and a failure of a mandated state contractor; it cannot be "handled" by the contractor's own customer service team.

I am escalating this directly to PEBP Executive Leadership and the Board because PEBP holds the contract with Via Benefits. I request that the Executive Officer review the attached admissions and that this evidence be entered into the public record for Board review regarding vendor oversight.

Sincerely,
Lars Jensen
Retired Professor of Mathematics, Truckee Meadows Community College
PEBP Enrollee

2 attachments

Via_Benefits_Conversation.pdf
763K

Supplemental Notice.pdf
61K

Supplemental Notice: PEBP Executive Leadership and the PEBP Board

Subject: Formal Rebuttal & Supplemental Evidence: Via Benefits Admits to Suppressing Plans and Imposing Underwriting on PEBP Retirees
To: Public Employees' Benefits Program (PEBP) Executive Leadership and Members of the PEBP Board
From: Lars Jensen, TMCC Faculty, PEBP Enrollee
Dear Director and Members of the Board,
On July 9, PEBP issued a perfunctory notice asserting that my complaint regarding Via Benefits had been "corrected." I rejected that conclusion because the exchange software remained unchanged and suppressed contracted plans.
Today, October 2, 2026, Via Benefits' Senior Escalation Resolution Specialist, Sarah Boise, confirmed in writing that this plan suppression is an intentional, contractually designed restriction.
I have attached the complete correspondence record (Gmail_-_Via_Benefits_Boise_Conversation.pdf) for the Board's immediate review.

Summary of Written Admissions by PEBP's Mandated Contractor:

- **Intentional Plan Suppression:** Ms. Boise explicitly confirms that lower-cost options, specifically the Mutual of Omaha High Deductible Plan G, are deliberately excluded from the online portal:*"Because this plan is only available through an underwritten enrollment process when submitted through Via Benefits, it is not displayed as an available option within the online shopping and enrollment experience."*

- **Contracting Around Federal Law:** Ms. Boise claims that private contracts between Via Benefits and insurance carriers allow them to impose medical underwriting on state retirees. This directly contradicts **42 U.S.C. § 1395ss(s)(2)(A)**, which grants retiring employees with newly effective Part B coverage an unconditional right to purchase any Medigap plan without underwriting.
- **Demonstrated Deception:** Via Benefits claims this plan cannot be purchased without underwriting, yet after I spent hours disputing their claims, their agents processed my application for this exact plan with **zero medical underwriting**.

Impact on Nevada Public Employees

PEBP forces retirees into the Via Benefits exchange under penalty of forfeiting their $260/month Health Reimbursement Arrangement (HRA). Because state retirees are a captive audience, Via Benefits' intentional suppression of lower-premium plans deprives retirees of honest market access, rapidly depletes their HRA funds, and increases out-of-pocket costs by thousands of dollars per year.
Via Benefits has confirmed in writing that their platform is designed to restrict plan visibility and mislead retirees regarding their statutory rights. I urge the PEBP Board to:

1. Place the Via Benefits contract and compliance record on the agenda for the next scheduled Board meeting.

2. Direct an independent technical audit of the Via Benefits portal for Nevada zip codes.
3. Require Via Benefits to immediately display all 33+ contracted Medigap options to PEBP members without artificial underwriting filters.

Sincerely,
Lars Jensen
Professor of Mathematics, Truckee Meadows Community College

Gmail **Lars < >**

Via Benefits

Lars < > Fri, Oct 2, 2026 at 3:13 PM
To: Lars < >

Forwarded Conversation
Subject: Via Benefits

From: **Sarah Boise** < >
Date: Fri, Sep 4, 2026 at 3:33 PM
To: lars < >

Hi Mr. Jensen,

Thank you for speaking with me today. Please send me at least one screenshot of your account only displaying 15 plans.

Sarah Boise

Senior, Escalation Resolution Specialist Via Benefits®

WTW

Office Address:

USPS mailing address:

wtwco.com

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From: Lars <>

Date: Fri, Sep 4, 2026 at 5:43 PM
To: Sarah Boise < >

Dear Sarah,

Please find attached the requested screenshot, as well as a PDF version.

I will send additional documentation regarding GI, OEP, and the Social Security Law shortly.

Sincerely,
Lars

From: Sarah Boise < >

Date: Fri, Sep 11, 2026 at 2:23 PM
To: Lars < >

Hi Mr. Jensen,

We are still reviewing your screen shots.

Thank you for your patience.

Sarah Boise

Senior, Escalation Resolution Specialist Via Benefits®

WTW

Office Address:

USPS mailing address:

wtwco.com

From: Lars < >

Date: Fri, Sep 11, 2026 at 4:29 PM
To: Sarah Boise < >

Hi Sarah,

Thank you for the update.

Best,
Lars

From: Sarah Boise < >

Date: Thu, Oct 1, 2026 at 3:45 PM
To: Lars < >

Hi Mr. Jensen,

Via Benefits does have underwritten only plans. This would not bypass an individual who is losing group coverage. The carriers still require underwriting. Now someone who has Federal Medigap Open Enrollment Period. I am looking into it and will let you know what I find out.

Thank you,

From: Lars < >

Date: Thu, Oct 1, 2026 at 3:50 PM
To: Sarah Boise < >

To: Sarah Boise, Senior Escalation Resolution Specialist, Via Benefits

From: Lars Jensen

Subject: Formal Confirmation of Phone Conversation — Medigap Open Enrollment vs. Underwriting Exceptions

Dear Ms. Boise,

I am writing to memorialize our phone conversation earlier today regarding my ongoing complaint with Via Benefits and the Nevada Public Employees' Benefits Program (PEBP).

During our call, you stated that:

1. Via Benefits classifies retiring state employees in my situation strictly under Guaranteed Issue (GI) rather than the federal Medigap Open Enrollment Period (OEP).
2. Because consumers enroll through a broker (Via Benefits), insurance carriers offering plans on your exchange (including Mutual of Omaha, Aetna, and Monitor Life) are legally permitted to require medical underwriting for High Deductible Plan G, even when an applicant's Medicare Part B coverage is newly effective.

Please confirm in writing whether this reflects Via Benefits' official corporate and compliance position.

Under 42 U.S.C. § 1395ss(s)(2)(A), any individual 65 or older whose Medicare Part B coverage becomes effective is entitled to a six-month federal Medigap Open Enrollment Period. During this period, federal law explicitly prohibits any issuer from denying issuance, discriminating in pricing, or requiring medical underwriting for any policy it offers in the state. Federal statute provides no exemption allowing brokers or carriers to bypass these protections or impose medical underwriting on an OEP-eligible consumer.

If Via Benefits maintains that purchasing a policy through your exchange waives or alters these federal statutory protections, please cite the specific federal statute or CMS regulatory guidance that permits this broker exemption.

This written clarification is required for the formal filings currently being reviewed by the Nevada Division of Insurance, the Nevada Attorney General's Bureau of Consumer Protection, and the PEBP Board.

Sincerely,
Lars Jensen

Retired Professor of Mathematics, Truckee Meadows Community College
PEBP Enrollee

From: Sarah Boise < >

Date: Fri, Oct 2, 2026 at 9:57 AM
To: Lars < >

Good morning, Mr. Jensen,

We would like to clarify that Via Benefits does not offer every Medicare Supplement plan available in the market or every version of a plan that may be available directly from a carrier. As a private exchange, Via Benefits operates through contractual relationships with insurance carriers, and carriers determine the products and enrollment scenarios for which they authorize distribution through our platform.

While insurance carriers are responsible for complying with all applicable federal and state Medicare Supplement regulations, the plans available through Via Benefits are limited to those included in our contractual arrangements with participating carriers. As a result, there may be situations where a carrier offers additional plans or enrollment pathways directly that are not available through Via Benefits.

The fact that a plan may exist in a state or may be available directly from a carrier does not necessarily mean it is included in the portfolio of products that Via Benefits is contracted to offer. Our role is to present and enroll members into the plans that participating carriers have authorized for sale through the Via Benefits exchange.

I hope this helps with your prior concerns.

From: Lars < >

Date: Fri, Oct 2, 2026 at 1:03 PM
To: Sarah Boise < >

To: Sarah Boise, Senior Escalation Resolution Specialist, Via Benefits

From: Lars Jensen

Date: October 2, 2026
Subject: Re: Clarification Request — Mutual of Omaha High Deductible Plan G / Federal OEP Status

Dear Ms. Boise,

Thank you for your response. However, your explanation does not address the questions raised in my previous correspondence, and it contradicts the documented facts of my enrollment.

You state that Via Benefits does not offer every Medicare Supplement plan on the market and that products are limited by your contractual relationships with carriers. While that general principle is true for plans a brokerage is not appointed to sell, it does not apply to this case:

1. The Plan Is Within Your Contracted Portfolio:

Via Benefits is contracted and authorized to distribute the Mutual of Omaha High Deductible Plan G in Nevada. Proof of this is undeniable: after hours of dispute, Via Benefits licensed agents manually processed my application, and I am actively enrolled in that exact policy through your brokerage. If this product were outside your authorized carrier arrangements, your agency could not have legally bound the policy.

2. The Defect Is Algorithmic Suppression, Not Portfolio Availability:

   The issue has never been whether Via Benefits is appointed to sell this product. The issue is that your public-facing web portal deliberately hides this contracted, lower-premium plan from PEBP retirees, displaying only higher-premium alternatives (such as Humana).

3. Evasion of the Regulatory Inquiry:

   My previous letter asked for written confirmation of the explicit statements you made by phone: specifically, that Via Benefits classifies retiring state workers exclusively under Guaranteed Issue (GI) rather than statutory Open Enrollment Period (OEP), and that carriers through your exchange are permitted to demand medical underwriting from OEP-eligible consumers.

Your email avoids confirming or denying those statements.

Because Via Benefits is appointed to sell this plan, the only reason it was withheld from my screen—and the only reason your agents initially refused to enroll me—is because your intake platform improperly applied underwriting and Guaranteed Issue filters to an applicant in an active federal Open Enrollment Period (42 U.S.C. § 1395ss(s)(2)(A)).

Please provide direct answers to the following two specific questions:

1. Does Via Benefits acknowledge that a retiring individual 65 or older with a newly effective Medicare Part B date is in a statutory federal Medigap Open Enrollment Period (OEP), during which carriers cannot legally require medical underwriting for any plan they sell?

2. Why is an authorized, contracted product—such as the Mutual of Omaha High Deductible Plan G—systematically filtered out and hidden from your online portal when an OEP-eligible consumer inputs their Nevada zip code?

Because PEBP retirees are legally required to use Via Benefits to access their earned HRA funds, selective visibility of contracted plans directly affects consumer choice and retirement costs. This correspondence will be included in the formal records currently under review by the Nevada Division of Insurance, the Nevada Attorney General's Bureau of Consumer Protection, and the PEBP Board.

Sincerely,
Lars Jensen

Retired Professor of Mathematics, Truckee Meadows Community College

PEBP Enrollee

From: Sarah Boise < >

Date: Fri, Oct 2, 2026 at 2:45 PM
To: Lars <>

Hi Mr. Jensen,

1. Does Via Benefits acknowledge that a retiring individual age 65 or older with a newly effective Medicare Part B date is in a statutory federal Medigap Open Enrollment Period (OEP), during which carriers cannot legally require medical underwriting for any plan they sell?

Via Benefits is not an insurance carrier and does not establish carrier underwriting or enrollment policies. Our understanding is that insurance carriers are responsible for complying with all applicable federal and state Medicare Supplement regulations, including requirements related to Medicare Supplement Open Enrollment

Periods and guaranteed issue protections. Although carriers must offer plans as GI for Open Enrollment, Via Benefits has individual contracts with carriers that determine plan availability. Not all plans are available on our platform in every situation. While insurance carriers are responsible for complying with all applicable federal and state Medicare Supplement regulations, the plans available through Via Benefits are limited to those included in our contractual arrangements with participating carriers. As a result, there may be situations where a carrier offers additional plans or enrollment pathways directly that are not available through Via Benefits.

2. Why is an authorized, contracted product, such as the Mutual of Omaha High Deductible Plan G, not displayed in the Via Benefits online portal for consumers entering a Nevada ZIP code?

Under the terms of Via Benefits' contractual arrangement with Mutual of Omaha in Nevada, enrollment in the High Deductible Plan G product through the Via Benefits platform is subject to underwriting requirements. If someone is in a GI situation, Mutual of Omaha will not show as an option due to contracts between the carrier and Via Benefits. Because this plan is only available through an underwritten enrollment process when submitted through Via Benefits, it is not displayed as an available option within the online shopping and enrollment experience. Any underwritten situation requires participants to call Via Benefits due to the complexity and eligibility requirements for underwritten plans.

The fact that a plan may exist in a state or may be available directly from a carrier does not necessarily mean it is included in the portfolio of products that Via Benefits is contracted to offer. Our role is to present and enroll members into the plans that participating carriers have authorized for sale through the Via Benefits exchange.

Thank you,

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2 attachments

Screenshot 2026-09-04 at 17-37-37 Via Benefits - Shopping.png
1224K

Via_Benefits_-_Shopping.pdf
419K

Date: 10/21/2026

To: PEBP Board, Interim Retirement and Benefits Committee

From: Kent Ervin

Subject: **Where is the money?**

The generous 2025-2027 legislative budget for the Public Employees' Benefits Program explicitly adopted the plan design that had been approved by the PEBP Board for FY2026 and was also intended to restore actuarial reserves (to the extent the deficiencies were known at that time). Despite that generous funding, PEBP suddenly went into a fiscal crisis in early 2026, sharply raised employee premiums for FY2027, and is now "insolvent" according to Executive Officer Theresa Carsen at the October 2nd board meeting.

The table on page 2 compares the funding assessments, budgeted revenue, and actual revenue for FY2025 and FY2026. The legislative budget assumed a 6.3% increase in enrollment from FY2025 to FY2026 (excluding Medicare retirees), but the actual enrollment increase was 0.9%. Reducing the total budgeted revenue by 5.4% gives an adjusted budgeted revenue increase of $122 million or 26% (instead of $155 million and 33.1%). That is still more than the $71 million actual reported revenue into PEBP's 1338 operating account and implies there is **missing revenue into the PEBP operating account of roughly $50 million for FY2026.** Although the April 2026 memo on PEBP's internal review gave qualitative reasons for the shortfalls, they were not fully or transparently quantified for the PEBP Board. State agencies have presumably paid their PEBP assessments on behalf of their employees and retirees, but those funds appear not to be fully utilized.

Where is the money? A complete legislative or other independent audit, perhaps a forensic audit, is needed to shine sunlight on PEBP's funding mechanisms, rate-setting, and accounting procedures.

In the meantime, state employees and retirees are being hit with outsized premium increases. PEBP and the state as employer need to cover their fair share.

Thank you for your attention.

PEBP Funding versus Actual Revenue for FY2025 and FY2026

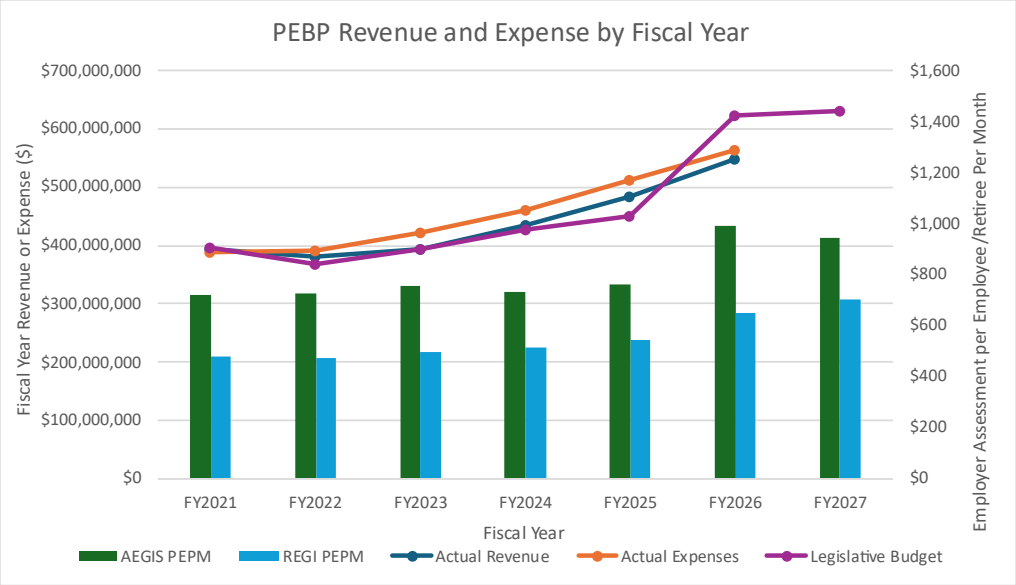
	FY2025	FY2026	Change	Change (%)
AEGIS PEPM assessment	$759	$991	$232	30.6%
REGI base subsidy (15YOS)	$545	$650	$105	19.3%
Employee premium (average)	$173	$197	$24	13.8%
Retiree premium (15YOS average)	$434	$480	$46	10.7%
Budgeted Revenue (2025 Legislative Closing)	$468,132,777	$623,308,671	+$155,175,894	33.1%
Budgeted Revenue (PEBP Q4 Reports)	$472,323,127	$623,273,579	+$150,950,452	32.0%
Actual Revenue (PEBP Q4 Reports)	$475,126,103	$549,279,055	+$71,149,952	15.0%
Enrollment (CDHP,LDPPO,EPO,HMO)	32,643	32,937	+294	0.9%

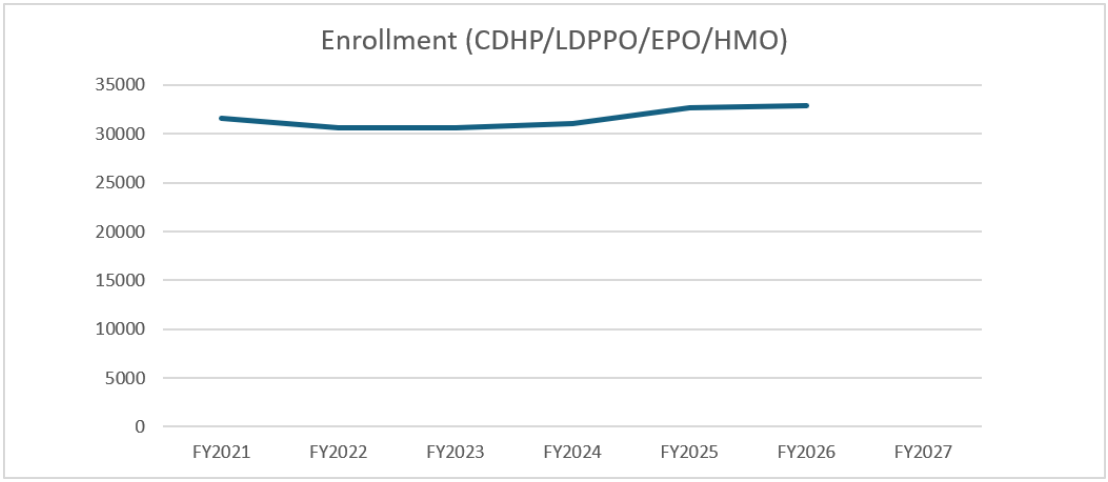
Sources:

FY2025 REGI and AEGIS assessments: SB501 (2023)
FY2026 REGI and AEGIS assessments: AB583 (2025)
Legislative Budgeted Total Revenue (less Balance Forward): 4/15/2025 Budget Closing page 33
PEBP Budgeted and Actual Revenue (less Balances Forward):

PEBP FY2026 Q4 Budget Report
PEBP FY2025 Q4 Budget Report

State Employee and Retiree Premiums: FY2025 and FY2026 rate tables (weighted averages by enrollment in plans and dependent tiers)
Enrollments Segal 3/19/2026 Legislature 4/15/2026





Graphics produced by K. Ervin and are not copyrighted. Corrections from authoritative sources welcome. Contact: Kent Ervin, kentmervin@gmail.com

Date: October 26, 2026

To: PEBP Board, Interim Retirement and Benefits Committee

From: Kent Ervin

Subject: **PEBP hid $50 million in unused employer contributions**

Public employee advocates have asked, ***"Where's the money?",*** because revenue reported by the Public Employees' Benefits Program (PEBP) is far short of expectations after the generous increases in legislated employer contributions for FY2026. The Agency Request Budget made public on October 15th provides Actual revenue, expenditures, and balances for FY2026 for all PEBP accounts. So now we can answer the question: As of the end of FY2026, **the AEGIS (active employee) and REGI (retired employee) employer contribution accounts held an astonishing total of $50.1 million in unused funds.** PEBP staff have not reported the high balances in these accounts to the PEBP Board, effectively **hiding tens of millions from the Board and the public**. The PEBP Board made decisions to raise health care expenses for state employees and retirees without knowledge of the unprecedented surpluses in these accounts.

The table below lists beginning balances, revenue, expenses, and ending balances for the three PEBP budget accounts, taken from the PEBP Agency Request Budget columns for FY2026 Actuals.

PEBP Account FY2026 Actual	FY2026 Beginning Balance	Revenue	Expenses	FY2026 Ending Balance / FY2027 Balance Forward
1338 Operating	$66,888,128	$549,297,901	$563,633,543	$52,552,486
1368 REGI	$15,334,302	$70,342,458	$64,977,289	$20,699,471
1390 AEGIS	$7,703,241	$359,528,876	$337,838,320	$29,393,797
Total Balance	**$89,925,671**			**$102,645,754**

The $52.6 million ending balance for the 1338 PEBP Operating budget (nearly) matches PEBP's FY2026 Q4 budget report. However, PEBP staff do not provide budget reports on the REGI and AEGIS accounts to the Board. From the PEBP Agency Request Budget recently released by the Governor's Finance Office, the balances forward to FY2027 are $20.7 million in the 1368 REGI retiree funding account and $29.4 million in the 1390 AEGIS active employees funding account, for a total of **$50.1 million in unused funds**. Note that "Expenses" for the AEGIS and REGI accounts represent disbursements included as revenue into the 1338 Operating account. The balances forward in AEGIS and REGI are funds state employers contributed to provide benefits for their employees and retirees—also intended to restore PEBP actuarial reserves according to the 2025 legislative PEBP Budget Closing—but were not disbursed to the PEBP Operating account.

The table on page 3 is a history of annual end-of-fiscal-year balances for the three PEBP accounts taken from state budget documents. From FY2015 to FY2021, either zero balances or at most a few million dollars were carried forward in AEGIS and REGI. The ballooning balances since then suggest deficiencies with PEBP's internal accounting. **The $50.1 million combined ending balance in AEGIS and REGI in FY2026 eclipses the previous record of $25.2 million in FY2013** when Chair Wells was Executive Director**.**

While PEBP sat on up to $50 million in collected but unused employer contributions, Executive Officer Carsten reported cash flow problems and claimed PEBP is insolvent (August 20th and October 2nd PEBP Board meetings). The actuary described PEBP as "technically" insolvent. At the March 2026 rate setting meeting and the October 2026 plan design meeting, dire financial forecasts led the PEBP Board to approve large employee premium increases. **It is outrageous and borders on malfeasance that the PEBP Board was not fully informed of excess funds in the AEGIS and REGI accounts while being asked to increase employee premiums.** What is the actuary's role and culpability in this? What is the responsibility of the PEBP Executive Officer and Board Chair to correct this egregious lack of transparency?

In March 2026, CFO McJoy identified $18.8 million in misallocated funds that would be transferred from AEGIS and REGI in FY2026. Chair Wells stated that he 'thought' an additional $9 to $10 million could be disbursed from the AEGIS and REGI accounts into the 1338 Operating account. Executive Officer Carsten told the Board, "We're not finding more money…". The Board approved transfers for FY2027 estimated at $9.4 million. In October, Carsten indicated the transfers in FY2027 would total $15 million. So evidently transfers from AEGIS and REGI to cover deficiencies are allowed, but that leaves up to $35 million untouched. **Transferring the remaining AEGIS and REGI balances to the Operating account would solve PEBP's cash flow problem and cover $103 million of the $121 million in required IBNR, Catastrophic, and HRA reserves**, as shown in the chart on page 4**,** reducing the deficiency in reserves from $69 million to $18 million as of the beginning of FY2027.

The Board and participants deserve complete, transparent explanations. Why have excess reserves accumulated in the AEGIS and REGI accounts? We have been told that the 2025-2027 budget was erroneous, but that has not been quantified. We have been told that the actuary used incorrect, inflated employer contributions for setting rates for FY2026—but the higher amounts used to calculate employer subsidies should have led to larger disbursements from AEGIS and REGI.

Given the huge available balances in AEGIS and REGI, **the PEBP Board should rescind the employee premium increases and benefit cuts for FY2028 approved in October and retract the phase-in of additional employee premium increases for FY2028 and FY2029.**

Finally, the balances forward in the PEBP Agency Request Budget for the next biennium increase to a total of $248 million at the end of FY2029 (see table on page 3), more than double required reserves. That is insane. Money collected from employees and employers should be used to pay for benefits, not held in a piggy bank with no rational explanation.

PEBP Board members, please demand explanations and remedial action. IRBC legislators, please ask questions and consider legislative remedies in 2027. **A full legislative or other independent audit of PEBP's rate-setting, contribution collections, and accounting procedures is sorely needed.** State employees and Nevada citizens need this action to restore faith in the competence and transparency of PEBP

Analysis and interpretations based on public documents as cited. Corrections or amplifications from authoritative sources are welcome. Contact: kentmervin@gmail.com

PEBP Accounts	Fiscal Year Ending Cash Balance				
Fiscal Year	**1338 Operating**	**1368 REGI**	**1390 AEGIS**	**Total**	**PEBP EO**
FY2011 Actual	$104,864,137	$4,234,554	$0	$109,098,691	Wells
FY2012 Actual	$128,851,573	$360,348	$4,714,643	$133,926,564	Wells
FY2013 Actual	$152,167,541	$2,583,795	$22,590,307	$177,341,643	Wells
FY2014 Actual	$168,828,144	$295,832	$17,823,668	$186,947,644	Wells
FY2015 Actual	$143,516,188	$3,703,531	$0	$147,219,719	Wells
FY2016 Actual	$139,569,074	$0	$0	$139,569,074	Haycock
FY2017 Actual	$134,046,196	$0	$0	$134,046,196	Haycock
FY2018 Actual	$143,129,728	$0	$0	$143,129,728	Haycock
FY2019 Actual	$150,276,433	$0	$3,584,188	$153,860,621	Haycock
FY2020 Actual	$154,541,328	$0	$3,455,133	$157,996,461	Haycock
FY2021 Actual	$159,011,280	$0	$3,464,250	$162,475,530	Rich
FY2022 Actual	$148,854,786	$0	$5,248,362	$154,103,148	Rich
FY2023 Actual	$120,714,437	$0	$9,652,806	$130,367,243	Rich
FY2024 Actual	$94,373,969	$0	$11,627,569	$106,001,538	Glover
FY2025 Actual	$66,888,128	$15,334,302	$7,703,241	$89,925,671	Glover
FY2026 Actual	$52,552,486	$20,699,471	$29,393,797	$102,645,754	Carsten
FY2027 Work Program	$62,328,090	$20,699,471	$29,393,797	$112,421,358	Carsten
FY2028 Request	$111,914,274	$35,724,213	$50,814,073	$198,452,560	Carsten
FY2029 Request	$125,356,306	$50,748,955	$72,234,349	$248,339,610	Carsten

Sources: Beginning and Ending Balances Forward for even-numbered fiscal year Actuals FY2012 - FY2026. PEBP Agency Request Budgets for FY2027 - FY2029.

https://www.budget.nv.gov/siteassets/statebudget/2014-2015/2013-2015_Agency_Request_Budget_-_Financial_Summary_by_Budget_Account.pdf
Pages 161 246 291

https://www.budget.nv.gov/siteassets/statebudget/2016-2017/FY2016-FY2017_Agency_Request_Budget-Line_Item_Detail_Report.pdf
Pages 371 641 790

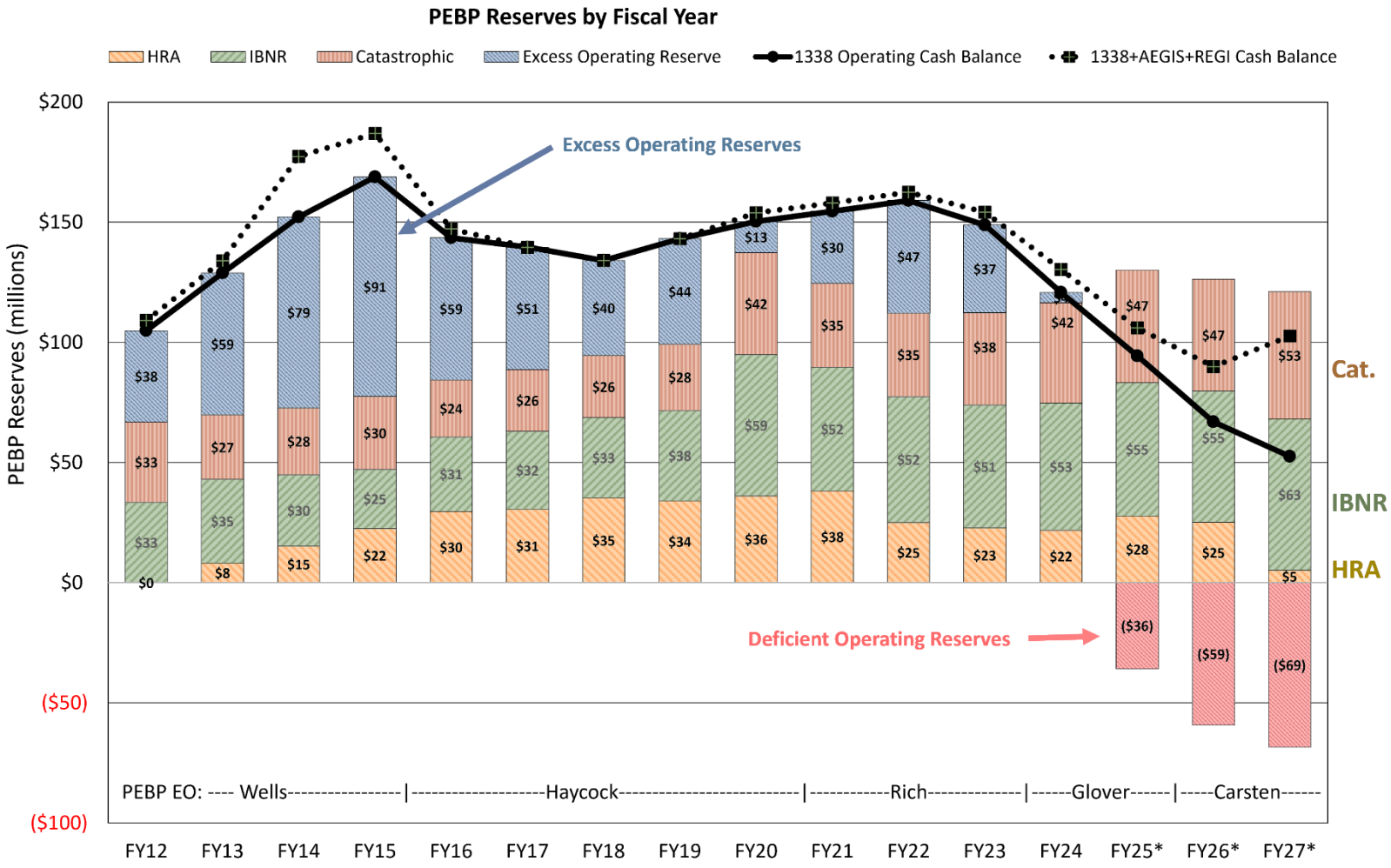
https://archive.leg.state.nv.us/Session/79th2017/Budgets/1338.pdf
https://archive.leg.state.nv.us/Session/79th2017/Budgets/1368.pdf
https://archive.leg.state.nv.us/Session/79th2017/Budgets/1390.pdf
https://archive.leg.state.nv.us/Session/80th2019/Budgets/1338.pdf
https://archive.leg.state.nv.us/Session/80th2019/Budgets/1368.pdf
https://archive.leg.state.nv.us/Session/80th2019/Budgets/1390.pdf

https://www.budget.nv.gov/siteassets/statebudget/2022-2023/Agency_Request_22-23.pdf
Pages 273 412 483

https://www.budget.nv.gov/siteassets/statebudget/2024-2025/FY2023_-_FY2025_Agency_Request_Budget_-_Detail_Report.pdf
Pages 300 458 542

https://www.budget.nv.gov/siteassets/statebudget/2026-2027/2025-2027_Agency_Request_Budget_-_Detailed_Report.pdf
Pages 378 538 623

https://www.budget.nv.gov/siteassets/statebudget/2027-2029/2027-2029-agency-request-budget-summary-report.pdf
Pages 155,158-159 235 273



Health Reimbursement Arrangement (HRA) reserves cover participant reimbursements (total liability through FY2020, at 80% for FY2021 and later). Incurred but Not Reported (IBNR) reserves are for services for which claims are submitted in the next fiscal year at 95% confidence. Catastrophic reserves are for extraordinary claims or rate stabilization (at 95% confidence through FY2020, 62 days FY2021 & FY2022, 50 days FY2023-FY2025, 45 days FY2026+). Excess (Deficent) Operating Reserves are beginning-of-fiscal-year actual cash balances forward (in 1338 Operating account only) above (or below if negative) the mandatory IBNR Reserve, mandatory Catastrophic Reserve, and HRA reserve. Sources: Cash balances for 1338 Operating, 1368 REGI, and 1390 AEGIS accounts from state budget documents. IBNR and Catastrophic reserve amounts from annual actuarial letters. HRA liabilities from the Self Insurance Fund annual audited financial statements (at 80% since FY2021). *FY2025 and FY2026 HRA liability from PEBP budget reports. *FY2027 HRA liability from 8/20/2026 EO Report. Complilation, analysis and graphic by K. Ervin. Updated 10/26/2026. Not copyrighted.

History of PEBP cash balances, actuarial reserves, and excess (deficient) reserves. The $69 million deficiency in reserves for FY2027 decreases to $18 million when cash balances from AEGIS and REGI are included.

Date: November 10, 2026

From: Kent Ervin

To: PEBP Board

Subject: FY2026 CTI Audits of UMR Claims Payments (Agenda Item 10 on 11/17/2026)

CTI Audit Solutions has presented its audit findings for UMR for each quarter of FY2026. CTI uses a random sampling methodology. Quoting the reports: "CTI's ***statistically valid*** Random Sample Audit included a stratified random sample of 200 paid or denied claims" (emphasis added). If the audit is truly statistically valid, then it should be possible to extrapolate the results from the 800 randomly sampled claims over four quarters to all 1,022,973 claims for the year, as follows.

UMR - CTI Audit		Total number of claims	Random sample size	Net overpayments in sample	Extrapolated overpayments	Total claims
FY2026	Q1	244,389	200	$1,865	$2,279,428	$75,860,760
FY2026	Q2	269,326	200	$416	$560,804	$71,592,539
FY2026	Q3	250,452	200	$13,049	$16,341,066	$77,640,150
FY2026	Q4	258,806	200	$28,747	$37,199,882	$87,687,803
FY2026	**annual**	**1,022,973**	**800**	**$44,078**	**$56,381,180**	**$312,781,252**

The extrapolation would imply $56 million in overpaid claims, or 18% of the $313 million total claims. That is probably (hopefully) implausible. A sample size of less than 0.08% of total claims seems insufficient. For example, the net overpayment in the fourth quarter is primarily based on a single overpayment of $28,779.68, which could be an outlier.

Nevertheless, the audits show errors of millions of dollars even if UMR is passing its performance standard in terms of the percentage of incorrectly paid claims. It may be telling that every quarter shows net overpayments, not underpayments.

The PEBP Board should ask CTI to defend their audit sample size as "statistically valid". Even if the actual overpayments are much lower than the extrapolation suggests, **there could be very significant savings by correcting UMR's claims payment processing, perhaps by retaining a payment integrity auditor to verify all claims payments.**

From: Kay Panelli
Subject: Via Benefits and open enrollment
Data: November 12, 2026 at 1:39PM
To: memberservices@nvha.nv.gov

To Whom it May Concern at PEBP

Hello, I am a retired state employee. I am attempting to enroll in a new Medicare advantage plan through Via Benefits per protocol, as my previous plan has been sold to Kaiser.

This is proving to be quite difficult and frustrating as the information on the Via Benefits website is inaccurate. I have several printed examples of the inaccuracies, such as providers being associated or disassociated with specific plans, pharmacies the same, etc. I am told the *Via* Benefits system was updated on October 1st, which is a big problem here in Northern Nevada with the changes in Kaiser and United Healthcare happening after that date. Also, the agent I spoke to was unaware of these changes and had no concept that there is no large "Kaiser" center such as in California and other states. I was told I would go to the Kaiser building to get my prescriptions! If you need examples of the discrepancies I will gladly provide them.

This whole thing is very distressing and anxiety laden for seniors trying to get quality health care. There is nowhere to turn, unless you can provide information that is accurate and in a timely fashion.

I see the PEBP board is meeting on November 17th. Surely, they will be made aware of this disastrous situation. At the very least, PEBP needs to reach out to its members affected by the Senior Care Plus disaster with strategies for dealing with this situation. They should also apologize for Via Benefits and its very poor performance. This should be taken to contract management and oversight with direct consequences.

Please let me know how to proceed with enrollment and where I can find accurate information as soon as possible.
Kay Panelli

Date: November 12, 2026

To: PEPB Board and Interim Retirement and Benefits Committee

From: Kent Ervin

Subject: PEBP: Where's the money? Addendum

The 2025-2027 Governor's and legislative budget for the Public Employees' Benefits Program was the first in my memory that fully funded the plan design, the projected medical and pharmacy inflation, and also restored deficient reserves. At least, it was intended to do all that. Instead, accounting and management errors over the past several years have led to "technical insolvency". PEBP is struggling to explain what the true fiscal status is.

As first reported in my open letter of 10/26/2026 based on the PEBP Agency Request Budget released on 10/15/2026, the employer contribution accounts for active state employees (AEGIS) and retired state employees (REGI), held carryover balances of $50.1M at the beginning of FY2027. Nevertheless, the operating PEBP account (1338) was reported by the Executive Officer and actuary to be insolvent during the first quarter. Nevada Health Authority Director Weeks wrote a response on 11/5/2026; she stated that $16M of the AEGIS and REGI balances have yet to be reconciled and could need to be returned to employers, and $18.7M was an early payment for FY2026. Since the early payment became available as of 7/1/2026, about $34M was immediately available as of the beginning of the fiscal year, including the $15M already slated to be transferred in monthly installments in FY2027. The remaining $16M is potentially available after reconciliation.

Director Weeks argued that the "existence of balances was disclosed, not hidden". Although the existence of the AEGIS and REGI accounts was of course known, in fact the ***dollar amounts*** of the AEGIS and REGI balances were never reported to the Board prior to the upcoming meeting on 11/17/2026. Instead, the Executive Officer emphasized in the September and October 2026 meetings that the 1338 operating account was having severe cash flow problems. It was therefore a shock to learn of remaining cash balances of tens of millions of dollars in AEGIS and REGI, reconciled or allocated or not.

In my 10/21/2026 open letter, "Where's the Money", comparing FY2025 and FY2026 funding levels and revenue in the 1338 Operating account with the FY2026 budget, after adjusting for overall lower enrollment than was budgeted, indicated a shortfall in expected revenue of tens of millions of dollars, roughly $50 million for FY2026. With the recent release of PEBP's accounting information (through a public records request and in the packet for the 11/17/2027 PEBP Board meeting), more detailed analysis can be done. Some revenue decreases unrelated to employer and employee contributions can now be identified:

- Pharmacy rebates, FY2026 $7.7M less than budgeted, $4.4M less than FY2025
- Interest income, FY2026 $2.3M less than budgeted, $1.3M less than FY2025
- General Fund appropriations: $12M in FY2025, zero in FY2026

Also, based on PEBP Medicare retiree enrollment and subsidy figures reported by Segal for the 11/17/2026 meeting, about one-third of REGI revenue is attributable to Medicare Retiree HRA contributions, which did not increase from FY2025 to FY2026, while the other two-thirds should have seen the 19.3% increase in the base subsidy for non-Medicare retirees.

Adjusting the various employer and employee/retiree contribution categories for the changes in monthly contributions and reported enrollments in FY2025 and FY2026 (detailed spreadsheet available upon request), the following apparent discrepancies remain:

- AEGIS disbursements to 1338, apparently short by roughly $11.6M.
- REGI disbursements to 1338, apparently short by roughly $7.0M. REGI disbursements actually decreased from FY2025 to FY2026 despite the 19.3% increase in the legislative base subsidy for non-Medicare retirees.
- State employee premiums and non-state contributions, apparently short by roughly $3.6M combined.

That's a total suspected shortfall in revenue of $22M for FY2026 into the 1338 operating account. At the same time, AEGIS and REGI had an FY2026 ending balance of $50.1M.

Questions:

- Have employer and employee/retiree contributions, both state and non-state, for FY2026 been fully reconciled? If not, that should be a high priority before the IRBC meeting in December 2026, GovRec in January 2027, and rate-setting in March 2027.
- When will reconciliations of AEGIS and REGI receipts and disbursements for prior fiscal years be completed? What is the evidence that some of the funds received could be owed back to employers? Is it even possible to recoup funds from prior biennia?
- Is there any reason the remaining available balances in AEGIS and REGI cannot be immediately disbursed to the 1338 operating account, to solve the cash flow issues and partially replenish the actuarial IBNR, Catastrophic, and HRA reserves?

With the 11/17/2026 Board meeting packet, the PEBP Board is finally being provided financial information in sufficient detail to make informed decisions as fiduciaries for participants. There are still questions regarding murky accounting, rate-setting, and actuarial procedures. I completely agree with Director Weeks that an independent or legislative audit of PEPB's accounting, budgeting and rate-setting procedures is needed. A review of Board governance and the roles of PEBP staff and consultants is also needed.

Thank you for your attention.

TO: Jim Wells, Chair; and Public Employee Benefits Program Board

FROM: Douglas Unger, Past President, UNLV Chapter, Nevada Faculty Alliance; & Member, UNLV Faculty Senate Benefits Committee

PEBP BOARD MEETING – 11–17-26 PUBLIC COMMENT

Doug Unger, Past President, UNLV Chapter, Nevada Faculty Alliance; and Member, UNLV Faculty Senate Benefits Committee.

It's both disappointing and frustrating to see agenda item #7 for possible action by the PEBP Board, once more proposing the elimination or the cannibalizing of the HMO plan in southern Nevada. This Board should have on record hundreds of past Public Comments arguing for preserving the HMO plan for PEBP members who have chosen the added stability and predictability of this third choice option. PEBP leadership is obviously tone deaf about this proposed elimination that would leave hundreds and hundreds of PEBP members disrupted in their healthcare, dissatisfied, and very unhappy. The only reason you're not seeing more written Public Comments about this is the scheduling of the meeting for a Tuesday with barely two days (or less) to be able to respond to this draconian proposal that keeps rising from the dead like a horror movie nightmare to PEBP members who rely on and appreciate their HMO. And why, when the EPO in the North has proven to be so costly, is Seagull proposing the merger of the much more cost-efficient HMO plan with the loss-leader EPO? None of this makes sense. At least wait until the accounting mess that has plagued PEBP for almost year has been fixed. **We ask the PEBP Board to vote for Option 3 – No Change.**

Agenda item #5 – the Executive Officer's report – presents, for the first time, sets of numbers with past histories that begin to make sense. However, state employee advocates are confused by the presentation of this accounting, especially by the funds labelled as negative "reversions" when these millions should be accounted for as positive rollovers into any given next fiscal year's budget and—as mandated by provisions of NRS 287—must be used for the benefit of PEBP members and retirees (via their separate accounts). The amounts posted for reserves also appear to be in arrears in the context of the legislatively approved increases in contributions for fiscal year 2026 and actual PEBP revenues. Even though the effort of this Executive Officer's report is appreciated, what seems clear to state employee advocates is that PEBP leadership still doesn't know for sure how much money PEBP actually has in its budgets and reserves. These continuing inaccuracies and accounting discrepancies are unacceptable. We have reached the point at which PEBP members do not trust PEBP's numbers anymore. And we do not believe the PEBP Board should be making plan design changes nor raising premiums and cutting benefits based on such uncertain and ever-shifting accounting. **We ask the PEBP Board to pause any plan design decisions and premium increases, including the three-year and two-year phased in increases already approved, until the Board, PEBP members, and Public are presented with an external, trustworthy audit of PEBP funds and actuarial projections.** The PEBP Board should not be persuaded to make decisions that cause financial strife for PEBP members based on inaccurate fiscal reports and accounting. Thank you.

Date: November 13, 2026
From: Kent Ervin
To: PEBP Board
Subject: Executive Officer Report and Segal presentation (agenda items 5 & 7 on 11/17/2026)

[*Revised 11/15/2026:* 9/30/2026 amounts for the 1368 REGI account mistakenly used 10/23/2026 numbers. Corrected in tables on page 3 and text.]

The Executive Officer's report and the Segal presentation include significantly more budget detail than has previously been presented to the Board, which is much appreciated. However, some of the information needs clarification or correction.

EO Page 4. The "Total Reserves Needed" column does not match previously established actuarial IBNR and Catastrophic reserves and HRA reserves as set by Board policy. Here is an expanded and corrected table, for cash balances and reserves as of the beginning of each fiscal year:

PEPB 1338 Operating Cash and Reserves

		HRA Reserve*	Actuarial Reserves		Total Mandatory Reserves	Excess (Deficient) Reserves, 1338 only
Fiscal Year	Beginning Cash (1338 only)		IBNR	Catastrophic		
FY22	$159,011,280	$25,038,985	$52,286,000	$34,875,000	$112,199,985	$46,811,295
FY23	$148,854,786	$22,769,657	$51,080,000	$38,426,000	$112,275,657	$36,579,129
FY24	$120,714,437	$21,840,748	$52,874,000	$41,762,000	$116,476,748	$4,237,689
FY25	$94,373,969	$27,730,202	$55,437,000	$46,974,000	$130,141,202	($35,767,233)
FY26	$66,888,128	$25,096,147	$54,601,000	$46,525,000	$126,222,147	($59,334,019)
FY27	$52,552,486	$5,094,000	$62,967,000	$53,010,000	$121,071,000	($68,518,514)

Sources: Annual actuarial letters (IBNR & Catastrophic). Annual audited financial statements (HRA)

*FY25 to FY27 HRA reserves per PEBP/EO reports.

Although the previous Executive Officer arbitrarily reduced reserve amounts in PEBP budget reports to avoid showing deficient reserves, the Board did not approve a change in the reserve policies.

"PY 2026--State funding increased by $37M (30%)": Actual AEGIS+REGIS disbursements into the 1338 operating account increased from $329.1M in FY2025 (Appendix, page 15) to $402.8M in FY2026 (p 16), an increase of $73.7M or 22.4%. AEGIS receipts increased by $99.6M from $259.2M (p 27) to $358.8M (p 28) and REGI receipts decreased by $10.9M from $80.3M (p 21) to $69.4M (p 22), for a net increase in state funding by $88.7M from FY2025 to FY2026.

[PY 2026] "…PEPB YOY picked up trend and inflation costs by not increasing premiums." While HDHP employee premiums were held constant from FY2025 to FY2026, the LDPPO premiums

increased by 6.4% to 17.5% and the HMO/EPO premiums increased by 21% to 23%, depending on tier. Segal reported an average increase of employee premiums of 13% or 14%.

"PY 27 … member premiums will be phased in and is a loss of $30M in member premiums. Total projected loss of $36M in PY 27". Based on the presentations from Segal at the January, February, and March 2026 meetings, total rates for FY2027 before the phase-in of premiums were set to fully restore the reserves (as then estimated) in one year. Therefore, if the actuarial projections hold, the shortfall of $30M to $36M should be relative to reserves of $126M and the end-of-FY2027 cash balance should end up at $90M, before the additional transfer of $15M from AEGIS and REGI. That yields an expected FY2027 ending cash balance of $105M, deficient of the required reserves of $121M by $16M. ***However, on November 4 Executive Officer Carsten stated in a meeting with PEBP and NvHA staff and me that she did not know whether the total rates before the phase-in were intended to restore reserves in one year, so that needs to be clarified with Segal.***

The historical notes for 2021 to 2025 on page 4 give selective citations of past events and board versus staff and actuary actions, but that's water under the bridge.

EO Pages 12 -16, 21-22, 24-29. The negative revenues categorized as "reversions" are actually ending cash balances retained and forwarded to the next fiscal year. NRS 287.0435(3), 287.04362(1, 3 &6), 287.04364, and 287.044(6 &7) stipulate that payments from the three PEBP funds may only be made for the benefit of the participants in the Program under the control and administration of the PEBP Board. The employer and employee contributions are held in trust and do not revert to the General Fund.

EO Pages 17, 23, 29. The FY2027 budget updates are dated 11/9/2026 for 1338 (Operating) and 10/13/2026 for 1368 (REGI) and 1390 (AEGIS), so they cannot be combined. An updated table of cash balances for all three PEPB accounts for FY2027 through the first quarter is provided on the following page. The total cash balance for the three accounts combined was $100.7 million as of 9/30/2026, including the $18.7M in payments for FY2027 received in FY2026 per Director Weeks' memo of 11/5/2026. Excluding the $16M in AEGIS and REGI that Director Weeks stated still needs to be reconciled, that **left available cash of $81.9 million as of 9/30/2026 in the three accounts, versus the $52M available cash in 1338 alone as reported on page 3 of the Executive Officer report as of 11/9/2026.** *Is there any reason the remaining available cash balances in AEGIS and REGI (again excluding the $16M in "unreconciled" funds) as of 10/13/2026 should not be immediately disbursed into 1338 to cover any cash-flow deficits and partially replenish operating reserves?*

PEBP FY2027 Q1 (as of 9/30/2026)					
Acct	**7/1/2026 Beginning Balance**	**Revenue**	**Expenses / Disbursements**	**9/30/2026 Ending Balance**	**Change of balance**
1338 Operating	$52,552,487	$122,092,367	($144,583,079)	$30,061,775	($22,490,712)
1368 REGI	$20,699,471	$15,666,264	($18,076,377)	$18,289,359	($2,410,112)
1390 AEGIS	$29,393,798	$80,932,674	($60,823,619)	$49,502,853	$20,109,055
TOTAL	**$102,645,756**			**$97,853,987**	($4,791,769)
	AEGIS & REGI to be reconciled			($16,000,000)	
	Available Cash Balances			**$81,853,987**	
	Required IBNR, Catastrophic, HRA Reserves			**$121,071,000**	
	Overall Excess (Deficient) Reserves as of 9/30/2026			**($39,217,013)**	
Notes: "Expenses" for 1368 and 1390 represent disbursements to 1338 as revenue.					
Available Cash Balances include the remainder of $15M in transfers already in progress.					
Source: PEBP account ledgers provided through a public records request.					

EO pages 14-17, Segal pages 4-9. The following table compares various reports of Revenue minus Expenses by fiscal year.

PEBP Revenue minus Expenses by period				
	1338	1338+1368+1390	PEBP/EO Report	Segal
FY2024	($26,251,586)	($25,155,205)	($40,447,142)	($51,142,000)
FY2025	($27,485,841)	($17,138,537)	($36,405,785)	($40,827,000)
FY2026	($14,373,887)	$11,305,205	($10,310,232)	($14,634,000)
FY2027 YTD*	($22,490,712)	($4,791,769)	($419,355)	

***YTD** as of 9/30/2026 (Q1) for 1338 and 1338+1368+1390 from public records request. As of 11/9/2026 for PEBP/EO Report.

Explanation of the table columns:

1338 Actual total revenue minus expenses for the 1338 Operating account only.

- The cash balances in this account represent the traditional measure of reserves (aka "differential cash").
- Negative amounts in this column represent the spenddown of recognized reserves over each period.
- Excludes employer contributions in AEGIS and REGI that have not yet been credited to the 1338 Operating account as of the end of each period.

1338+1368+1390 Combined revenue vs expenses in the 1338 Operating account and the 1368 REGI (retirees) and 1390 AEGIS (actives) employer contribution pass-through accounts.

- Broadest measure of the total cash position of PEBP at any time.
- May include employer contributions for a different fiscal year or contributions that are not yet reconciled. As of the end of FY2026, per Director Weeks memo of 11/5/2026, the FY2026 amounts includes $18.7M in an early payment for FY2027 (which became available for disbursement at the beginning of FY2027), $16M in funds to be reconciled, and $15M in funds already being transferred to 1338 in monthly installments in FY2027.

PEBP/EO The highlighted subsets of revenues and expenses on pages 14-17 of the Executive Officer report for 11/17 (agenda item 5).

- Apparently intended to show revenue in 1338 from employers and employees versus insurance expenses.
- For FY2024 and FY2025, excludes appropriations of about $12M in each year as revenue, but includes as expenses the one-time supplemental HSA/HRA contributions and the extra life insurance amounts the appropriations paid for. That overstates the shortfalls by up to $12M per year.
- For all periods, excludes smaller sources of revenue such as interest income that can be used, but excludes administrative expenses that must be covered.

Segal. Pages 4 -9 of the Segal presentation on 11/17/2026 (agenda item 7).

- Net revenue minus expenses with adjustments noted in the footnotes.
- Insufficient information is available to reconcile these purported larger operating deficits with the actual accounts. *Segal should be asked to itemize the adjustments.*

Segal page 11. Actuarial Value is defined as the percentage of the total cost of covered services paid by the plan (including employer and employee contributions). The table below calculates the resulting full values by plan for FY2027.

PEBP Plan values FY2027			
Plan	**Actuarial Value Percentage**	**Unsubsidized Rate (Employee Only)**	**Full Value (Rate / AV%)**
HDHP	78%	$820	$1,051
LDPPO	83%	$1,064	$1,282
HMO/EPO	90%	$1,309	$1,455

Clearly full coverage is more costly for the LDPPO and HMO/EPO plans. Is that solely because participants who choose those plans have higher risk factors? Can that be quantified? Are there other factors increasing the coverage costs?

Segal page 12. What were the enrollment changes for the HMO?

Segal page 15. We have repeatedly been told over the years that the southern HMO is less expensive because of favorable capitation contracts with its providers. With conversion to an EPO, how are the projected savings achieved?

Segal page 17. Are the combined two networks the same as the current EPO/HMO networks? *Why do the actuarial values decrease from the current EPO and HMO?*

Date: November 13, 2026
To: PEBP Board
From: Kent Ervin
Subject: **PEBP Agency Request Budgets**

The Public Employees' Benefits Program's 2027-2029 budget request restores the financial health of PEBP on the backs of state workers with huge increases in employee premiums, more than double in FY2028 versus FY2026, and builds up extraordinary excess reserves in the AEGIS and REGI accounts.

The PEBP Board should formally request that the Governor rework the budget recommendations for PEBP so that the state covers its fair share of employee and retiree health care costs.

The online PEBP Agency Request Budgets for 2027-2029 do not include underlying assumptions for enrollments, rates, or trends, nor were those provided to the PEBP Board in advance. Member Davis asked for the budget requests at the October meeting, but it's not on the Nov. 17th agenda. Because the budget for FY2027 is known to be erroneous, the comparisons below are between the FY2028 requests and FY2026 Actuals.

PEBP 1338 Major Revenue Sources	FY2026 Actual Revenue	FY2028 Budget Request	Two-Year Change ($)	Two-Year Change (%)
AEGIS Employer Contributions	$337,838,320	$354,041,908	$16,203,588	4.8%
REGI Employer Contributions	$64,977,289	$66,088,979	$1,111,690	1.7%
State Employee Premiums	$84,884,821	$176,455,404	$91,570,583	107.9%
Non-State Subsidies & Premiums	$21,910,800	$23,362,812	$1,452,012	6.6%
Pharmacy Rebates	$37,133,745	$42,522,788	$5,389,043	14.5%
Other	$2,552,926	$5,337,846	$2,784,920	109.1%
Total	**$549,297,901**	**$667,809,737**	**$118,511,836**	**21.6%**
Source: Agency Request Budget Detail				
https://www.budget.nv.gov/siteassets/statebudget/2027-2029/2027-2029-agency-request-budget-summary-report.pdf				

- **2027-2029 PEBP Operating Budget (1338).** PEBP is requesting a revenue budget of $667.8 million in FY2028, an i**ncrease of 22%** over the actual revenue of $549 million in FY2026.
- **AEGIS (1390)** and **REGI (1368)**. The requested budget increase for the AEGIS and REGI state employer contributions, combined, is a modest $17.3 million or 4.3% from FY2026 actuals ($403 million) to FY2028 ($420 million).
- The premium revenue from state employees and non-Medicare retirees would increase from $84.9 million in FY2026 to $176.5 million in FY2028, **an astounding $91.6 million or 108% increase for employee and retiree premium revenue**. In contrast, the budgeted insurance expense increases by only $56 million or 9% over the two years.
- The budget requests building up reserves by the end of FY2029: HRA reserve of $5,490,93, IBNR reserve of $119,865,363, $50,748,955 in REGI, and $72,234,349 in AEGIS—for **total reserves of $248 million, far in excess of mandated actuarial reserves, currently $121 million**. This is holding excess reserves from employee premiums and employer contributions for no known reason

- **One-Shot Appropriation Request.** Despite the build-up of huge excess reserves in the regular budget request, PEBP requested an additional $25 million in FY2028 and $20 million in FY2029 in one-shot General Fund appropriations to replenish the IBNR (Incurred But Not Reported) reserve. One-shot appropriation requests are contingent on final budget considerations late in the legislative session—approval is both uncertain and too late to build into rate-setting in March.

This budget restores PEBP to financial health on the backs of state employees, while retaining huge excess reserves. ***The PEBP Board should formally request that the Governor rework the budget recommendations for PEBP so that the state covers its fair share of employee and retiree health care costs.***

Public Comment for PEBP Board – Member John Curry

I write in regard to the meeting being held on November 17, 2026 to address some of the recent issues that have come to light in regard to PEBP policy.

I am against the proposed agenda item #7 that proposes the elimination of the HMO plan in southern Nevada. Some PEBP members require the added stability and predictability of this third choice option, even though it is not the most popular one. It also seems very unwise, given the costs of the EPO in the North, to propose a merger of a much more cost-efficient HMO plan with this one.

I also strongly urge the Board to avoid taking *ANY* further action until the massive confusion over accounting that has plagued PEBP over the past year has been rectified. It has been a bit worrisome that some of our members seem to be better at figuring out where the money went than either the Board or its accountants. For the time being, the PEBP Board must vote for Option 3 – No Change, until we have a clear picture of what the actual fiscal situation is. Doing anything else will suggest a cavalier disregard for the health and well-being of all PEBP members.

I am especially worried about the E.O. report, which presents accounting involving funds labelled as negative "reversions." This is a violation of the provisions of NRS 287, which mandates that these funds should be accounted for as positive rollovers into any given next fiscal year's budget and must be used for the benefit of PEBP members and retirees. The amounts posted for reserves also appear to be in arrears in the context of the legislatively approved increases in contributions for fiscal year 2026 and actual PEBP revenues.

In sum, even though the efforts of the Board to rectify these serious problems is much appreciated, it seems that unraveling the full picture is still ongoing, and we still don't know how much money PEBP actually has. I do not believe the PEBP Board should make plan design changes or drastically raise premiums and cut benefits based on potentially problematic accounting. The Board should pause any plan design decisions and premium increases, including the three-year and two-year phased in increases already approved, until all stakeholders are presented with an external, trustworthy audit of PEBP funds and projections for them. Given the serious fiscal implications for many members, the alternative is extremely unwise. Thank you.

With best regards, John Curry, Professor, University of Nevada, Las Vegas and NFA Treasurer