NEVADA FACULTY ALLIANCE
840 S. Rancho Dr., Suite 4-571
Las Vegas, Nevada 89106

Date: September 28, 2022

To: PEBP Board

From: Kent Ervin, State President, Nevada Faculty Alliance

Subject: Excess Reserves and Restoration of Benefits

Excess reserves continue to be generated year-over-year at PEBP despite supposedly aggressive plans to spend them down.

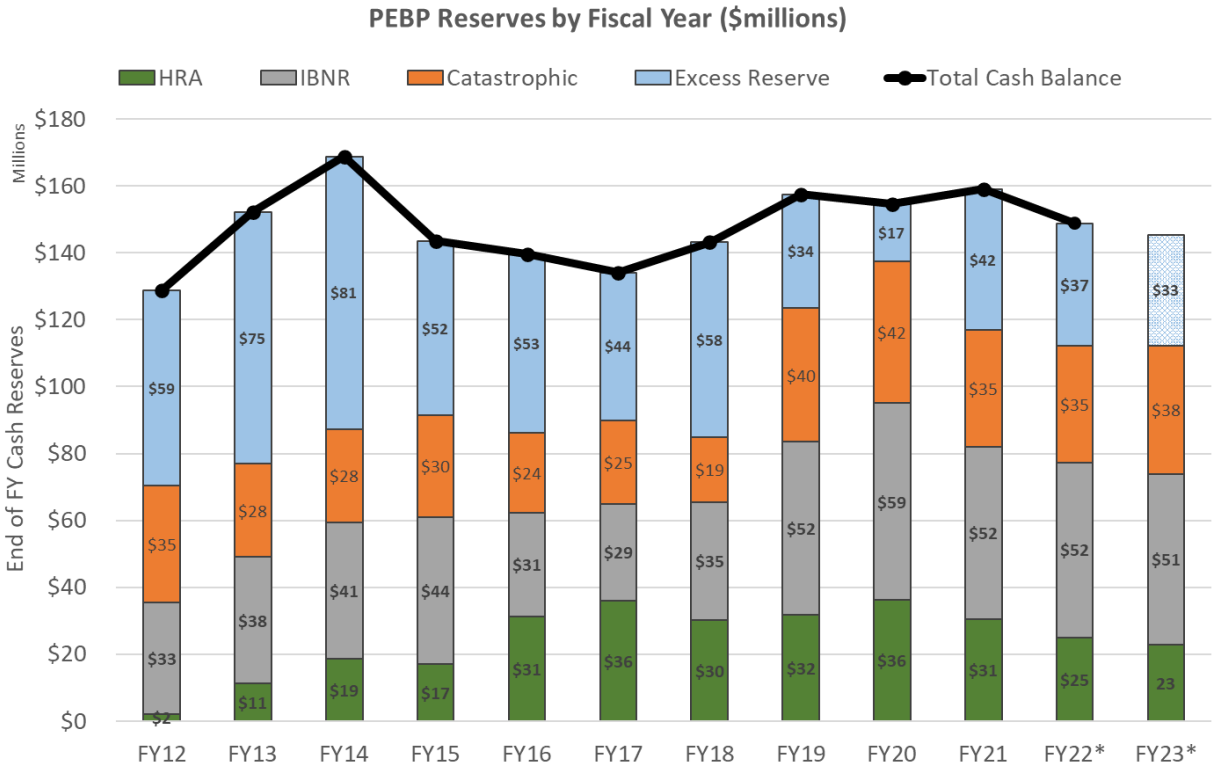
Here is a recent history of projections from PEPB's quarterly budget reports, along with the chart on the next page showing longer-term trends for reserves.

Quarterly Budget Report	Date	End-of-FY Differential Cash		
		Projected	Actual Close of FY	
2020Q4	6/30/2020	$15,246,375	$17,147,126	FY2020
2021Q1	9/30/2020	$23,800,414		
2021Q2	12/31/2020	$39,732,503		
2021Q3	3/31/2021	$36,303,286		
2021Q4	6/30/2021	$46,794,230	$42,111,629	FY2021
2022Q1	9/30/2021	$38,132,552		
2022Q2	12/31/2021	$16,194,527		
2022Q3	3/31/2022	$34,990,945		
2022Q4	6/30/2022	$38,892,897*	n/a	FY2022
		*including $8.667M "reversion" forward to FY2023		

We recognize that PEBP has noted that the quarterly projections are subject to high volatility. One year ago, at the September 2021 board meeting (https://pebp.state.nv.us/wp-content/uploads/2021/09/9-Plan-Year-23-options-Combined.pdf, page 10 of 11), PEBP staff estimated a end of FY2022 excess reserve (a.k.a. "differential cash") balance of $36.8M reduced to $29.5M after spend-downs, which was about $9.4M lower than the value of $38.9M as of 6/30/2022. The excess reserves actually increased over the course of the fiscal year rather than decreased due to the "spend downs". Those are funds that could have been used to restore benefits but are now additional excess reserves.

Hopefully, PEBP's new actuaries at Segal can help with more accurate modeling so that the Board can apply excess reserves to the benefits that the premiums were meant to fund. In the meantime, the Board should request staff to provide cost estimates at the December plan design meeting for full restoration of pre-pandemic benefits, which appear to be affordable for FY2024 given the Governor's budget instructions and continuing generation of excess reserves despite spend-down proposals. Current excess reserve projections for the end of FY2023 are likely too low given the history of the past dozen years.

Thank you.



Source: Total Cash Reserves per PEBP Budget Reports for Close of FY. Mandatory reserves as reported at beginning of fiscal year.
FY22* projected per Q42022 budget report, with $8.667M "reversion" forward to FY23 added back to the total cash balance.
FY23* IBNR and Catastrophic reserves per Segal and beginning excess and HRA reserves per Q42022 budget report. Compiled by NFA 9/27/2022.

From: Edwin C. Forges [redacted]
Sent: Wednesday, September 28, 2022 12:27 PM
[redacted]
Subject: Public comment

Dear PEBP,

I am requesting the board to have our out of state PPO Network- United Health Care Choice Plus Network to add the University of Utah Hospitals and Clinics and its doctors as In-Network Provider soon. They are located in Salt Lake City.
With our prior network Aetna, they are in our network but since we switched to UHC Choice Plus Network effective 7/1/2022, our insurance is now out of network with them.

Thank you,

Edwin Forges,
NV State Employee

NEVADA FACULTY ALLIANCE
840 S. Rancho Dr., Suite 4-571
Las Vegas, Nevada 89106

Date: September 28, 2022

To: PEBP Board

From: Kent Ervin, State President, Nevada Faculty Alliance

Subject: Agenda item 10: PY2024 Plan Initiatives

The 2020-2021 cuts to PEBP benefits are a big factor in the current crisis in state employment, with agencies losing employees and unable to fill vacancies given low state compensation and benefits. The highest priority for PY2024 and PY2025 plan changes should be restoration of benefits to pre-pandemic levels, or better, specifically:

- Keep deductibles for the HDHP at $1500/$3000 (single/family), which are the new IRS minimums for 2023 anyway. As a policy going forward, set the deductibles to the IRS minimums for HDHP plans with Health Saving Accounts, which will increase with future inflation.
- Increase the HSA employer contributions. With the new IRS minimum deductibles, it would be reasonable to set them by policy at 50% of the deductible, i.e. $750/$1500 (single/family). That would still be lower than most comparable plans in Attachment A, but closer to competitive.
- For the HMO/EPO plan, restore zero deductibles and zero coinsurance. Participants who choose this plan want fixed, predictable co-pays in exchange for the higher monthly premiums.
- For the Low-Deductible Plan, set the deductible at a percentage, say one-third, of the HDHP deductible with lower co-pays than the HMO/EPO and moderate co-insurance to provide for a true middle tier. The new Low-Deductible plan was not intended to mimic the HMO/EPO pricing structure.
- Fully restore Long-Term Disability Insurance.
- Keep employee premiums at no more than current levels or reduce to pre-pandemic premiums. Better, increase the employer contribution to zero out the single-employee premium for the base HDHP plan (currently $47/month), to match the zero cost for single employees for most other comparable plans in Attachment A.

The $9.5M in projected excess reserves could fund most of these restorations for FY2024, beyond which a commitment from the Governor and Legislature would be needed to maintain and fund benefit levels long-term.

Regarding elimination of the northern EPO plan, that should not be considered unless it is replaced by a plan comparable to the southern HMO plan or both are replaced by a new statewide high-tier plan, either fully insured or self-insured. One of PEBP's "Core Values" is "Fairness". It would be patently unfair to restrict plan options to some state employees based on geographic residence. One option

would be to price out a self-funded plan with the pricing structure of an HMO (zero deductible, zero co-insurance, fixed co-pays) but with the same statewide and national provider networks as for the other self-funded plans.

Regarding the Hinge Health, Cancer Concierge, Real Appeal, and Medical Travel add-ons, these types of programs should only be considered if they are cost-effective and participant-friendly—that is, they do not cause additional hurdles for participants to receive care. The proliferation of different vendors adds to the already-high complexity of accessing healthcare services.

Regarding DoctorOnDemand incentives, if the online behavioral health service provided are good all that is needed is more education about their availability. Otherwise, encouraging out-of-state online therapy services does not solve the problem of limited access to high-quality therapists.

Thank you to the PEBP Board and Staff for your serious consideration of these proposals.

From: Stephanie Dube [redacted]
Sent: Wednesday, September 28, 2022 6:49 PM
To: [redacted]
Subject: public comment for PEBP meeting

Hello,
My name is Stephanie Dube. I am an AFSCME with Local 4041. The last few years have been difficult for state of Nevada employees. I understand that all of Nevada was impacted by the pandemic but there were numerous state employees that were front line workers who are overworked, underpaid and understaffed. We showed up for Nevada every day to take care of our community in the middle of a pandemic. I happen to be one of those state employees that worked every day through the pandemic. I was a custodial worker at a psychiatric facility. I came to work and did my job, at first, without crucial PPE, and served the community. We survived the 6 furloughs that the Governor imposed on us. We continued to face the unknown of what the pandemic was.

My health benefits are costly. I have to choose what I am going to go to the doctor for because at times my insurance does not cover certain procedures. As I stated above, we are underpaid for the work we do. I cannot always afford multiple copays that accrue when one is sick or needing medical attention.

I am asking PEBP board to make changes to design plan for next year (July 1, 2023 to June 30, 2024) putting employees back to pre-pandemic plans by reinstating serviced that were cut. PEBP staff should request legislature to provide additional funding to PEBP for changes as well as the second-year premium so that employees DO NOT have to bear the burden of increased premiums on year two.

Thank you for taking the time to read this. Please remember my name. Stephanie Dube, state of Nevada employee who cannot afford to go to see my doctor. Please remember my name when you make decisions that impact my life.

Stephanie Dube
Custodial Supervisor
Rawson Neal Psychiatric Hospital

From: Sonja Whitten [redacted]
Sent: Wednesday, September 28, 2022 6:57 PM
To: [redacted]
Subject: Public Comment for 9/29/22 PEBP Board Meeting

Hello members of PEBP Board,

My name is Sonja Whitten, I am employed by the State of Nevada and a proud AFSCME Local 4041 member. I am writing to request that ARP funds be used to supplement our health care insurance costs.

It is unacceptable to not communicate with PEBP consumers when there is an issue with paying claims timely; both providers and consumers should be notified when there are issues with PEBP paying claims.

State of Nevada employees are the first to be cut but have never been made whole after cuts to our benefits or pay. The time is now to change. PEBP should request additional funding to prevent State employees from incurring increased costs during the second year of the biennium budget.

PEBP should not pass on increased costs to employees when there is money available. Our costs for health insurance continue to rise while the coverage and services provided are reduced. I know far too many coworkers who put off medical procedures because we cannot afford the out-of-pocket costs. Regarding plan design, I am requesting PEBP return our plans to pre-pandemic service options and restore services/benefits that were cut.

The State has a huge problem with attrition and that is directly related to the low pay and subpar benefit options. The services public employees provide to our communities are vital for them to thrive. Its time the State invest in their employees and provide affordable health insurance, short/long term disability, vision and dental benefits.

Sincerely,

Sonja Whitten
Vice President
AFSCME Local 4041

TO: Laura Freed, Chair, and Public Employee Benefits Program Board

FROM: Douglas Unger, President, UNLV Chapter, and Government Affairs Representative, Nevada Faculty Alliance; & Member, UNLV Employee Benefits Advisory Committee

[redacted]

PEBP BOARD MEETING – 9-29-22 – PUBLIC COMMENT

Doug Unger, President, UNLV Chapter, Nevada Faculty Alliance, and Government Affairs Representative. Thank you Chair Freed and members of the Board for your consideration.

Nevada is the midst of a state employee shortage that has driven many state agencies and vital services into partial dysfunction. If not remedied, this crisis will become catastrophic, and may be so already in some agencies. Deficient entry level salaries, including starting salaries for many ranked levels of NSHE faculty and staff, are clearly one reason for this; so are PEBP benefits widely perceived as inadequate compared to what they once were, and ever in danger of unanticipated cuts. In sum: state employees are sick and tired of seeing their salaries and benefits used like a bank account raided and emptied to balance Nevada's budget, so they are quitting. Very few applicants are willing to replace them for subsistence or less.

Implementing the budget the PEBP Board submitted to restore health and other benefits to pre-pandemic levels, including Life Insurance and Long Term Disability Insurance, is one part of a remedy needed to address deficient compensation for state workers, a remedy that is going to take years. Thank you for submitting that second budget. We hope it's approved. For today's agenda, we support Executive Officer Rich's proposal to study and report estimated costs for augmentations of the plan design, especially the Cancer Concierge, Medical Travel, Hinge Health, and Doctor on Demand for mental health. In the interests of fairness, we do not support elimination of the EPO in the North without preserving a third choice HMO, either self-funded or by seeking a new contract. However, more impactful to state employees than proposed augmentations would be increasing contributions to the HSA and HRA accounts for the HDHP plan, and to lower copays and deductibles for the PPO to make it more desirable. Thank you.