

## **LEGISLATIVE ALERT III/79<sup>TH</sup> SESSION OF THE NEVADA STATE LEGISLATURE**

**FRIDAY, FEBRUARY 24, 2017**

The session begins its fourth week Monday, February 27. During the third week Damon Haycock, Executive Officer at the Public Employees' Benefits Program (PEBP), made another budget presentation, where he presented seven options for the Legislature to consider as it is being asked to solve the ongoing dilemma for the so-called "orphan" retiree group in PEBP. This dwindling group of non-state retirees continue to face escalating health insurance costs in premiums and deductibles because they are not a part of the larger pool of actives and other state retirees who have not yet transitioned to the Medicare Exchange. Haycock presented statistics showing only 9 non-state active employees in PEBP versus nearly 18-hundred non-state retirees in their Consumer Driven High Deductible/Health Maintenance Option plans. Of the seven options Haycock outlined to solve the dilemma, the least favorite was the "do nothing" approach, or Option 7. RPEN's Lead Lobbyist/Legislative Advocate Marlene Lockard testified during public hearing that RPEN would favor Option 4, which would amend NRS 287.023 (4) (b) to allow for higher portions from local employers to cover some of the higher costs being experienced by this group...and still allow them to remain with PEBP. During her testimony, Lockard said local government should be willing to pay more for lower premiums rather than take the group back and paying higher claims. Lockard also presented the committee with a more detailed historical perspective of PEBP and the moving several years ago of the Medicare retirees to a Medicare Exchange that has been a bit controversial since its inception. She discussed the double digit reserves that PEBP continues to benefit from while taking benefits away or adding costs upon these retirees. (This year's proposed budget calls for adding two different fees onto retirees for life insurance and Health Reimbursement Arrangement (HRA) administrative fees). She said this proposed budget does not reflect any enhancements, but rather modest restoration of cuts established many years ago. PEBP's Board will meet again March 23 to consider where they are at and plan to set their rates accordingly at that time. Haycock said he will likely be presenting budget amendments to the Legislature following that meeting. RPEN has repeatedly called upon the Legislature to solve the "orphan" issue for the last several sessions and so we once again remain hopeful something will be done this year!

RPEN's public employee coalition met again February 21 to discuss our common issues. Assembly Bill 71 and Senate Bill 80 were once again discussed, but no hearings have been scheduled on either bill. It was also mentioned that the Governor may actually be submitting a replacement bill for SB 80. AB 71 is from State Controller Ron Knecht and seeks to add a Hybrid/401K plan to the Public Employees' Retirement System (PERS) while SB 80 as originally introduced seeks to move PEBP and Nevada's Deferred Comp program to the Department of Administration. RPEN is on record as being opposed to both bills.

Until then, however, we are still encouraging our members to sign in to the "Share Your Opinion" page at the Nevada Legislative website at <https://www.leg.state.nv.us/App/Opinions/79th2017/A/>

RPEN also attended Nevada Senior Issues Day at the Legislature, sponsored by the Nevada Commission on Aging Sub-Committee and Senior Services Strategic Plan Accountability Committee in collaboration with AARP Nevada, Nevada Senior Services, and Senior Coalition of Washoe County. Please note too that May 3 will be RPEN Day at the Legislature, with more to come as the date approaches!

Terri Laird, Executive Director