PEBP MEETING, NOVEMBER 30, 2017

NOTES

There were only 12 items on the agenda, but the November 30, 2017 Public Employees' Benefits Program (PEBP) Board meeting lasted nearly 8 hours with one hour break for lunch. The Board voted unanimously to get out of a contract with Hometown Health Plan of Nevada who operates a Health Maintenance Organization (HMO) in the North (including 15 of Nevada's 17 counties) and move to what's initially being called an Exclusive Provider Organization, AKA a self-funded HMO in the North.

RPEN's Lead Lobbyist Marlene Lockard went on the record several times asking the PEBP Board to wait a little while, at least until their January meeting, to give RPEN more time to educate our members in the HMO plan in the north about the change. But PEBP Executive Officer Damon Haycock told the Board the only real change would be that PEBP's name will be on member's ID Cards instead of HHP, and that they will be able to stay with their same doctor, etc, and that with PEBP funding the EPO with excess reserves (costing around 10+ million dollars for the first year) nothing else will likely change except rates could potentially go down, or perhaps stay flat as is the case with the HMO in the South (2 counties, NYE and CLARK).

This is a first step many said toward PEBP being totally self-funded, since the Consumer Driven High Deductible Plan for actives and non-Medicare retirees in the CDHP is also self-funded. Health Plan of Nevada operates the HMO in the South, and its representative told the board there was NO way she could raise rates for their participates since they've lost more than 2,000 members in recent years because of escalating costs they've had to pass along because to keep rates down for HMO participants in the North, rates for both HMO's have been blended, since rates in the South have traditionally been lower than the North.

Since the Board approved the change, their Plan Year 2019 incentives had to drastically be reduced to allow for the 10+ million dollars being spent for the EPO. That meant a one-time supplemental HRA (Health Reimbursement Arrangement) on the Medicare Exchange was denied, at least for now. Lockard expressed her hope that PEBP will be able to put that back on the table in March once PEBP knows exactly how much money will be left in their excess reserve account. She has always claimed the double digit excess reserves came once Medicare Retirees in PEBP were moved out, and onto the Medicare Exchange currently being operated by Willis Towers Watson's One Exchange. That vendor, however, was put on notice by PEBP after an audit showed they have missed performance guarantees 3 of the 6 years they've been with PEBP. The latest penalties PEBP will assess TW One Exchange is over $22 thousand.

The Board also approved changes to their Policies/Procedures as well as a Strategic Plan.