NSHE PEBP Benefits Task Force

Summary Notes from Meeting – May 3, 2012

1. **Review of March 29, 2012 PEBP Board meeting public comment presentation.** Renee highlighted the comments she made at this last PEBP Board meeting, including: update on the joint survey; support for domestic partner benefit support the same as spouses; use of defined reserve; desire for a middle tier option in the future; financial data including non-state participants; and reading into the record the comments on PEBP/Health Care from Chair Geddes and Vice Chair Page from the last BOR meeting.

2. **Discussion of April 20, 2012 Board of Regents meeting agenda item on PEBP.** Renee updated the Task Force on her verbal report and update to the Board. This included activities of the Task Force, the hiring of BBI; the work on a joint survey with PEBP; the current vacancies in PEBP Board members and the fact that NSHE has one-third of the PEBP membership but only one of the nine PEBP Board seats; the work with PEBP through quarterly meetings; etc. The Task Force talked about the need to have a report/information item on the May 31/June 1 Board of Regents meeting on PEBP as well, and Renee will request this agenda item. We will draft an outline of the topics to be covered and share this with the Task Force for input (initial draft is attached).

3. **Status of data request to PEBP on NSHE participants.** BBI led this discussion. The original request from NSHE was sent to PEBP on 2/21/12, with a request for the data by March 6. The preliminary data was received on April 16. However, since that time we have been working with PEBP in order to get all the data and make sure it is in the format originally requested. Some of the additional information in the format needed has been received, but there remain outstanding items, including the information on month-by-month census data tied to each of the plans. We hope to have all of the data from PEBP in the needed format within two (2) weeks. BBI projects that once they have all the data from PEBP it will require about two (2) additional weeks for them to give us a precise schedule for when they can deliver all the reports and information to us. This would include a re-pricing overlay on the PEBP claims data over the past two (2) years. BBI may have some initial information on potential gap plan options to consider by the end of the month of May. BBI also noted they continue to review health care concierge options (claims review service paid only if they find savings). In our discussions with PEBP on the health care concierge options, they have indicated they would like to wait on this and issue an RFP after the open enrollment period. BBI was asked to follow-up with one specific health care concierge vendor to determine if in fact their services are so unique that it would eliminate a need for an RFP. It was also determined that Michelle and Pat should set up a meeting with this specific vendor in the near future, to better understand their program, offerings, and potential benefit to NSHE.

4. **Status of joint PEBP/NSHE Health Care Survey.** Dr. Chris Cochran led this discussion. The Task Force offered its thanks to Chris and his graduate student – Ann Wagoner – for their excellent work on this important project. The survey was official released on March 16, 2012 and it closed on April 15. The entire data set was received on April 17 from PEBP and the NSHE specific data was received on April 18. Raw data (without comments) was received April 18, and the raw comments were received on May 2.
NSHE respondents were about 45% of the total number of respondents, even though we are only 33% of the covered employees. There are 7740 total NSHE active PEBP participants, and with 3347 responses to the survey from NSHE that gives a 43% response rate. This is a very impressive response rate.

Chris has already distributed preliminary results from the NSHE survey to all Task Force members, along with the listing of all comments received from the survey participants. Chris hopes to have an executive summary of the overall survey completed by the end of the month, and in time for the Board of Regents meeting. We will want to share this summary within the NSHE, and we will rely on each HR office to distribute to their campus. Chris also hopes to complete additional analysis within the next 10 days or so, to include an analysis of whether there are north/south statistically relevant differences in any of the responses. The data provided so far is well presented and shows that health care is of great concern to NSHE employees and in need of attention.

5. **Next PEBP Board meeting is scheduled for May 4, 2012.**
The Task Force reviewed the agenda and discussed appropriate items to highlight during public comment section. It was agreed that Michelle Kelley would represent the Task Force at this meeting and highlight the following items:

* Significant technical issues with the open enrollment start. The automated system has had issues and has impacted the start of the open enrollment period.
* Given that the PEBP Board is going to be discussing planning for the future, we want to remind them of our interest in their consideration of a middle tier option.
* Health Care Concierge program consideration (claims review by a separate vendor who is paid only if they identify savings). We hope PEBP will seriously consider this program in the near future.
* Survey results - We want to thank PEBP for their cooperation on the survey. We have received all the data for NSHE employees and have some initial analysis that has been shared. We will be developing additional analysis summaries and plan to have an overall executive summary of the survey available by the end of the month, in time to share it with our Board of Regents.

6. **Copy of 4/11/12 Notes from G. Bomotti on Discussions with Jim Wells, et. al.** *(see attached information).*
Gerry Bomotti briefly reviewed these notes and his conclusions on some of the issues we had previously discussed, including the following:

* Although the employer contribution for PEBP is rising nearly 14% for FY13, PEBP cannot effectively use all these funds, and in fact they are projecting a surplus at the end of FY13 in the range of $13.8M - $15.5M. This effectively makes the nearly 14% employer increase about half this size. A question was asked about why PEBP cannot set employer contribution levels higher to utilize these funds and the understanding is that there are legislative parameters provided to PEBP, but G. Bomotti will follow-up.
* The net change in FY12 “projected” (for budget purposes) and actual HMO participation was off by about 2,500 employees, which is about 20% of the population. This has the net impact of costing the plan $7.9M per year above projected. BBI will determine whether or not they have direct information on total participant changes in HMO plans.
*Non-state participants (which are mostly all retirees) are separately rated for their experience and premiums.

*G. Bomotti had a different opinion from what PEBP sent out on why those in the HMO program did not benefit from the distribution of the excess reserve fund.

7. **Status of follow-up items from last quarterly meeting with PEBP staff, and schedule for next quarterly meeting.**

The following items remain on our listing for quarterly discussions with PEBP staff:

*Development of a viable “middle tier” option for employees in the future.
*Improve the customer service response to employees, both in terms of access (number of customer service staff) and quality (consistency and accuracy of information provided). PEBP continues to consider this issue. The PEBP continues to look at some options to make improvements in this area. There are still some negative comments from staff, but the level of negative comments has fallen off (with the fact the peak period for the new program has passed).
*Provide read-only access to E-PEBP system for NSHE employees by some key NSHE HR staff. Concern was expressed about how long NSHE would stay with PEBP. Apparently PEBP will prepare a memo outlining the plan and costs for such an approach and send it to us in the near future. Unfortunately, no significant action seems to have taken place on this item.
*Provide current contracted prices for health services to PEBP employees, in a similar approach to the prescription drug information currently available. PEBP indicated they are working with network providers to make this available, perhaps through a HealthScope secure website. However, no specific schedule was indicated.
*Address the current delays in new NSHE hires receiving their information from PEBP. A new form was created that we think will be helpful, in addition to the plans for NSHE to add some language/information to the standard offer letters.
*Status of HSA/HRA changes that impacted NSHE distribution of W-2’s. PEBP is going to make some schedule changes to help with this issue in future years, but noted they expect additional tax year 2011 adjustments to come forward in the near future – this will cause a problem for NSHE relative to manually issuing revised W-2’s (and the fact some employees likely already completed their tax filing) and the potential for additional fines. In fact, NSHE received another round of corrections impacting the W-2’s in April. We would like to recommend to PEBP that NSHE handle employee contributions to these accounts like all others we already handle, and then feed these deductions to health scope. This would eliminate this as a problem for the future.
*Status on PEBP health care survey for Medicare retirees, which closed the end of February. This was a manual survey, but when the PEBP has all the data they will share results with us (but there is no way to determine NSHE vs. non-NSHE retiree data in this survey). We need to check on the status of this item.
*Policy for when Medicare-eligible employees return to work. PEBP has expressed interest in revising their plan documents to allow Medicare-eligible employees to retain their program if they end up back as active employees (i.e. retired but teach part-time and go over the half-time level for a semester). They also agreed to consider plan revisions to address this issue during open enrollment.
*Health Care Concierge program. We would like to see PEBP move forward to issue an RFP to bring on such a vendor.

8. **Next Task Force Meeting.** We will schedule our next meeting prior to the PEBP Board meeting and prior to the May 31/June 1 Board of Regents meeting.

NOTE: Next meeting has been scheduled for Thursday, May 24, 2012 at 1:30 p.m.

9. **Potential Future Agenda Items:**
*Status of BBI’s analysis of data from PEBP on NSHE employee claims, and discussion of near term employee health care benefit options.
*Status of executive summary of health care survey.
*Priority items to highlight at May 31/June 1 Board of Regents Meeting.
*Status of follow-up items from last quarterly meeting with PEBP staff, and schedule for next quarterly meeting.
*Review Next PEBP Board agenda for possible comments during public comment.
*PEBP Board openings.
*Review “health care concierge” options with PEBP and follow-up from BBI on their investigation into one specific vendor, as well as follow-up on meeting of Michelle and Pat with this specific vendor.
*Information from BBI on HMO participant change from FY11 to FY12.
*Future quarterly meetings schedule with PEBP staff
*Meet with BBI to discuss longer term planning for NSHE health care options.
*Invite SDM and UNSOM representatives to discuss options for providing services to NSHE employees
Initial Draft of Summary Items to Highlight at May 31/June 1 Board of Regents Meeting

1. Status update on BBI work on NSHE employee data received from PEBP relative to potential Gap plans/options and/or schedule when more specific information may be available (including re-pricing overlay on PEBP claims data). If there is sufficient initial information on Gap plan options, we will provide an update to the Board of Regents.

2. Interest in getting PEBP to move forward on a “health care concierge” program, or at least allow NSHE to move forward on a pilot basis (claims review service which is paid only if they find savings).

3. Present Executive Summary of recent PEBP health care survey. We will ask Chris Cochran to be available for this presentation and expect this will take at least half of the time allocated.

4. PEBP Board Membership, and active participation by NSHE to promote NSHE employees for more than one of the nine Board seats (and the fact that currently only one of the nine PEBP Board seats is filled by an individual from Clark County).

5. Expectation that NSHE will bring forward some PEBP/health care related issues in their strategic plan for the next legislative session.

6. Regular follow-up meetings with PEBP on issues mostly related to customer service.