



PEBP

Public Employees' Benefits Program

PRESETATION TO THE INTERIM RETIREMENT AND BENEFITS COMMITTEE

December 17, 2024

About PEBP

State Actives, Retirees and Dependents

Non-State Actives, Retirees and Dependents

☐ Health Insurance

- ☐ Medical
- ☐ Dental
- ☐ Vision
- ☐ Basic Life

☐ Voluntary Benefits

- ☐ Voluntary life insurance (buy up)
- ☐ Long Term Disability
- ☐ Accident and Critical Illness
- ☐ Vision buy up
- ☐ Home, Auto insurance
- ☐ Pet insurance

FUNDING

1. Legislatively approved employer contributions (subsidy) and
2. Employee premiums

State agencies and participating local governments pay the employer subsidy for each active employee enrolled in the plan and a percentage of payroll to fund retiree benefits.

PEBP Plans

Self-funded Plans

- ▶ Consumer Driven Health Plan (CDHP) – Statewide
- ▶ Exclusive Provider Plan (EPO) – North
- ▶ Low Deductible Plan (LDPPO/copay) – Statewide

Fully insured Plans

- Health Maintenance Organization (HMO) – South
 - Offered by Health Plan of Nevada

Medicare Exchange

- ▶ Offered to Medicare retirees and their Medicare eligible dependents
- ▶ Medicare Retirees receive a Health Reimbursement Arrangement (HRA) based on years of service

Presentation on upcoming changes adopted by the PEBP Board for Plan Year 2026

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BACKGROUND



Each year in September PEBP staff bring ideas regarding plan design and/or benefit changes to the PEBP Board for consideration for the following plan year.



The Board reviews those ideas and approves items for analysis and further consideration.



PEBP staff work with their vendors (TPA, PBM and Consultants) to conduct the needed analysis



The analysis and recommendations are then brought back to the PEBP Board for their review and approval. This is usually at the November/December meeting.

*Plan Design and Benefit
Changes*

BACKGROUND (CONT.)

Plan Design and Benefit Changes



Plan documents are updated with approved plan design changes along with any technical adjustments needed to ensure compliance with state and federal statute. Documents are approved at the January board meeting.



Rates are developed and brought to the PEBP Board for final approval in March.



Open enrollment begins on May 1st of each year for a plan start date of July 1st.

Plan Year 2026

Life Insurance at \$25,000 for employees and \$12,500 for retirees

\$700 HSA/HRA contributions for the primary member and an additional \$200 per dependent up to a max of 3

The deductible will increase from \$1600/\$3200 to \$1650/\$3300 per IRS rules.

Note: HSA, HRA and Life Insurance Benefit changes are dependent upon inclusion in the Governor's Recommended Budget and approval during the 2025 Legislative Session.

PEBP Utilization

Plan Year ending June 30, 2024

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Utilization for the Self Funded Consumer Driven Health Plan (CDHP)

Enrollment		
Primary	10.0%	Decrease
Overall	12.0%	Decrease
Plan Spend Per Member		
Primary	6.5%	Increase
Overall	8.9%	Increase
Total Spend		
Plan	4.1%	Decrease
Employee	4.6%	Decrease

High-Cost Claimant (HCC)		
HCC /1000	5.2	Increase
HCC % of plan paid	33.6%	Decrease
Emergency Room Visits		
Visits/1000	5.2%	Increase
Paid Per Visit	5.8%	Increase

RX Utilization		
Net Claims	9.4%	Decrease
Gross Cost	1.3%	Increase
Net Plan Cost PMPM	17.3%	Increase
Avg Plan Share Per Claim	13.6%	Increase
Avg Member Share Per Claim	5.8%	Increase

Note: High-Cost Claims are reported as claims over \$100,000

CDHP NET PAID CLAIMS

Inpatient 13.6%

Outpatient 1.0%



Top 10 Diagnosis Summary

Diagnosis	Total Paid	% Paid
Cancer	\$ 10,652,139	12.2%
Cardiac Disorders	\$ 6,934,310	8.2%
Gastrointestinal Disorders	\$ 6,897,237	8.1%
Health Status/Encounters	\$ 6,864,506	8.1%
Neurological Disorders	\$ 6,316,554	7.4%
Trauma/Accidents	\$ 4,697,673	5.5%
Pregnancy-related Disorders	\$ 4,526,499	5.3%
Musculoskeletal Disorders	\$ 4,450,108	5.2%
Mental Health	\$ 3,624,664	4.3%

Utilization for the Self Funded Low Deductible Health Plan (LDPPO)

Enrollment		
Primary	35.6%	Increase
Overall	33.7%	Increase
Plan Spend Per Member		
Primary	10.2%	Increase
Overall	11.8%	Increase
Total Spend		
Plan	49.4%	Increase
Employee	46.1%	Increase

High-Cost Claimant (HCC)		
HCC / 1000	4.7	Increase
HCC % of plan paid	24.2%	Increase
Emergency Room Visits		
Visits/1000	12.2%	Increase
Paid Per Visit	5.2%	Increase

RX Utilization		
Net Claims	37.3%	Increase
Gross Cost	66.8%	Increase
Net Plan Cost PMPM	26.7%	Increase
Avg Plan Share Per Claim	23.5%	Increase
Avg Member Share Per Claim	11.1%	Increase

Note: High-Cost Claims are reported as claims over \$100,000

LDPPPO NET PAID CLAIMS

Inpatient 33.1%

Outpatient 54.6%



Top 10 Diagnosis Summary

Diagnosis	Total Paid	% Paid
Gastrointestinal Disorders	\$ 7,319,784	8.7%
Cancer	\$ 7,006,433	8.4%
Health Status/Encounters	\$ 6,505,125	7.8%
Cardiac Disorders	\$ 6,353,152	7.6%
Mental Health	\$ 6,297,625	7.5%
Pregnancy-related Disorders	\$ 6,229,241	7.4%
Neurological Disorders	\$ 6,068,107	7.3%
Musculoskeletal Disorders	\$ 4,752,155	5.7%
Trauma/Accidents	\$ 4,218,886	5.0%

Utilization for the Self Funded Exclusive Provider Organization (EPO)

Enrollment		
Primary	10.4%	Decrease
Overall	10.8%	Decrease
Plan Spend Per Member		
Primary	6.0%	Increase
Overall	6.5%	Increase
Total Spend		
Plan	5.0%	Decrease
Employee	4.2%	Decrease

High Cost Claimant (HCC)		
HCC /1000	10.5	Increase
HCC % of plan paid	35.9%	Increase
Emergency Room Visits		
Visits/1000	5.3%	Increase
Paid Per Visit	9.1%	Increase

RX Utilization		
Net Claims	6.3%	Decrease
Gross Cost	5.1%	Increase
Net Plan Cost PMPM	20.3%	Increase
Avg Plan Share Per Claim	14.3%	Increase
Avg Member Share Per Claim	1.6%	Increase

Note: High-Cost Claims are reported as claims over \$100,000

EPO NET PAID CLAIMS

Inpatient 9.9%



Outpatient 2.7%



Top 10 Diagnosis Summary

Diagnosis	Total Paid	% Paid
Cancer	\$ 4,118,121	10.3%
Cardiac Disorders	\$ 3,335,077	8.3%
Gastrointestinal Disorders	\$ 3,253,155	8.1%
Neurological Disorders	\$ 2,579,799	6.4%
Health Status/Encounters	\$ 2,452,681	6.1%
Musculoskeletal Disorders	\$ 2,390,218	6.0%
Mental Health	\$ 2,284,472	5.7%
Trauma/Accidents	\$ 1,993,943	5.0%
Infections	\$ 1,722,497	4.3%

Utilization for the Health Maintenance Organization (HMO) Health Plan of Nevada

Enrollment		
Primary	2.1%	Decrease
Overall	3.0%	Decrease
Plan Spend Per Member		
Primary	25.9%	Decrease
Overall	25.7%	Decrease
Total Spend		
Plan	29.0%	Decrease
Employee	27.1%	Decrease

High-Cost Claimant (HCC)		
# of HCCs	72	No Chg
HCC % of plan paid	4.6%	Decrease
Emergency Room Visits		
Visits/1000	6.9%	Increase
Paid Per Visit	14.6%	Increase

RX Utilization		
Enrolled Members	3.0%	Decrease
Avg Paid Per Prescription	2.3%	Increase
Net Paid PMPM	4.3%	Increase

Note: High-Cost Claims are reported as claims over \$50,000

HMO NET PAID CLAIMS

Inpatient 8.9%



Outpatient 3.6%



Top 10 Common Conditions

Top 10 Common Condition	# of Members	% of Members	Members Per 1,00	PMPM
Mental Disorders	904	11.0%	109.8	\$16.48
Intervertebral Disc Disorders	669	8.1%	81.2	\$8.32
Breast Cancer	69	0.8%	8.4	\$7.39
Diabetes with Complications	494	6.0%	60.0	\$5.89
Hypertension	707	8.6%	85.9	\$4.57
Coronary Atherosclerosis	121	1.5%	14.7	\$3.90
Prostate Cancer	27	0.3%	3.3	\$2.00
Acute Myocardial Infarction	11	0.1%	1.3	\$1.83
Asthma	290	3.5%	35.2	\$1.41
Congestive Heart Failure (CHF)	53	0.6%	6.4	\$0.78

Reports on material provided to plan
participants

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- **Plan Benefit Changes**
- **OE meetings**
- **Quarterly Newsletters**
- **Medicare Pre-Medicare meetings**
- **Medicare HRA cap reminders**
- **Medicare OE reminders**
- **Flu shot/vaccine clinics**



Email



US Mail



HR
Reps/Stakeholder
groups

MEMBER COMMUNICATION

Reports on Audited Financial Statements as of June 30, 2023

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MOST RECENT FINANCIAL STATEMENT
FISCAL YEAR 2023
EIDE BAILLY, AUDITOR

Fund for the Public
Employees' Benefits
Program
(NRS 287.0435)

State Retirees' Health
and Welfare Benefits
Fund
(NRS 287.0436)

Other Post Employment Benefits (OPEB)

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WHAT IS OPEB?

Other Post Employment Benefits (OPEB)

Retiree benefits other than pensions

- ▶ OPEB valuations are required at least every 2 years (more often if significant changes have occurred).
- ▶ Results of the valuation entered as a disclosure in the annual financial statements
- ▶ Estimates the Total OPEB liability (TOL) – the portion of present value of future benefits for current employees and retirees.
- ▶ NV has opted for the pay as you go model
- ▶ This is an unfunded liability
- ▶ NV is taking steps to address the liability
 - ▶ Employees hired after 12/31/2011 may enroll in the retiree health plan but will not be eligible for a subsidy.

Biennial Compliance Report

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Biennial Compliance Review

November 2024

- ▶ NRS 287 requires an independent biennial review of PEBP to determine whether we are in compliance with state and federal law.
- ▶ The review is completed every other year in the even numbered years.
- ▶ The latest review is based on documents in effect for Plan Year 2025 (July 1, 2024 – June 30, 2025)

QUESTIONS?

