

DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or library@lcb.state.nv.us.

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
401 S. CARSON STREET
CARSON CITY, NEVADA 89701-4747
Fax No.: (775) 684-6600



LEGISLATIVE COMMISSION (775) 684-6800
RICHARD D. PERKINS, *Assemblyman, Chairman*
Lorne J. Malkiewich, *Director, Secretary*

INTERIM FINANCE COMMITTEE (775) 684-6821
MORSE ARBERRY, JR., *Assemblyman, Chairman*
Mark W. Stevens, *Fiscal Analyst*
Gary L. Ghiggeri, *Fiscal Analyst*

LORNE J. MALKIEWICH, *Director*
(775) 684-6800

PAUL V. TOWNSEND, *Legislative Auditor* (775) 684-6815
ROBERT E. ERICKSON, *Research Director* (775) 684-6825
BRENDA J. ERDOES, *Legislative Counsel* (775) 684-6830

MEMORANDUM

DATE: March 18, 2003
TO: Assemblywoman Ellen M. Koivisto
FROM: Susan E. Scholley, ^{SES} Senior Research Analyst
Research Division
SUBJECT: **Non-State Retirees in the Public Employees' Benefit Program**

You have asked for certain information on the non-state retirees in the Public Employees' Benefits Program (PEBP).

NON-STATE RETIREES

As to the identification of entities with retirees participating in PEBP and the number of participants, the PEBP staff provided the following information:

NON-STATE ENTITY	RETIREES
Carson-Tahoe Hospital	17
Churchill County School District *	43
City of Ely	3
Clark County School District	16
Eureka County *	16
Mineral County School District *	61
Mount Grand General Hospital	6
North Lake Tahoe Fire Protection District *	7
Nye County School District	31
Tahoe-Douglas Fire Protection District *	4
White Pine County School District *	20
PERS non-state retirees (entity unknown)	1186
Direct Pays (PERS check less than premium)	86
Total	1496

* Actives of the entity also participate in PEBP.

AMOUNT OF RETIREE SUBSIDY BY NON-STATE ENTITIES

According to PEBP, there are no entities that provide subsidies for their retirees directly to PEBP.

TYPE OF COVERAGE

As to the number of non-state retirees covered by a health management organization (HMO) versus the self-funded preferred provider organization (PPO), the PEBP staff provided the following information:

Type of Program	Non-State Retirees
HMO	291
PPO	1205

CONCLUSION

If you have any questions, please do not hesitate to contact me at (775) 684-6825.

SES/:W32976
Enc.

**Nevada Public Entity Rate Comparison
State, City, County & School Districts**

1700 per month for 1500

EO= Employee Only Coverage
ES= Employee + Spouse
EC= Employee + Children
EF= Employee + Family

RO= Retiree Only Coverage
RS= Retiree + Spouse
RC= Retiree + Children
RF= Retiree + Family

Public Entity	Active Employees				Total
	Coverage	Employer	Employee	Total	
City Las Vegas	EO	318	0	0	318
	ES	466	148	148	615
	EC	n/a	n/a	n/a	n/a
	EF	557	239	239	796
City Sparks	EO	452	0	0	452
	ES	840	0	0	840
	EC	n/a	n/a	n/a	n/a
	EF	1184	n/a	n/a	1184
City Carson	EO	342	0	0	342
	ES	159	159	159	319
	EC	n/a	n/a	n/a	n/a
	EF	328	328	328	656
Washoe County	EO	346	0	0	346
	ES	346	172	172	518
	EC	n/a	n/a	n/a	n/a
	EF	346	283	283	629
Clark County	EO	318	17	17	335
	ES	554	59	59	612
	EC	560	40	40	600
	EF	764	86	86	850
State Nevada	EO	466	0	0	466
	ES	466	148	148	614
	EC	466	113	113	578
	EF	466	257	257	722
Washoe County School District	EO	375	0	0	375
	ES	375	263	263	638
	EC	375	356	356	731
	EF	375	439	439	814
Clark County School District	EO	362	0	0	362
	ES	362	21	21	383
	EC	n/a	n/a	n/a	n/a
	EF	362	68	68	430
Carson City School District	EO	488	0	0	488
	ES	488	459	459	947
	EC	488	347	347	835
	EF	488	805	805	1293

Public Entity	Retirees, under 65				Total
	Coverage	Employer	Retiree	Total	
City Las Vegas	RO	0	469	469	469
	RS	0	905	905	905
	RC	n/a	n/a	n/a	n/a
	RF	0	1172	1172	1172
City Sparks	RO	0	446	446	446
	RS	0	835	835	835
	RC	0	796	796	796
	RF	0	1178	1178	1178
City Carson	RO	90	323	323	413
	RS	90	737	737	827
	RC	n/a	n/a	n/a	n/a
	RF	90	1157	1157	1247
Washoe County	RO	0	606	606	606
	RS	0	1197	1197	1197
	RC	n/a	n/a	n/a	n/a
	RF	0	1475	1475	1475
Clark County	RO	0	322	322	322
	RS	0	600	600	600
	RC	0	587	587	587
	RF	0	837	837	837
State Nevada	RO	264	105	105	368
	RS	264	407	407	671
	RC	264	335	335	599
	RF	264	629	629	893
Washoe County School District	RO	135	209	209	344
	RS	135	476	476	611
	RC	135	569	569	704
	RF	135	652	652	787
Clark County School District	RO	0	637	637	637
	RS	0	1274	1274	1274
	RC	n/a	n/a	n/a	n/a
	RF	0	1911	1911	1911
Carson City School District	RO	0	488	488	488
	RS	0	947	947	947
	RC	0	835	835	835
	RF	0	1293	1293	1293

Notes
Most plans here include PPO Medical, Dental, Vision, Life. Plan Year: Jan-Dec 2003 Retirees: No subsidy
Plan Year: July 2002-June 2003 Retirees: No subsidy
Plan Year: July 2002-June 2003 Retirees: Subsidy is \$6/yr of service. Retirees: Example of 15 years of service shown.
Plan Year: July 2002-June 2003 Retirees: Subsidy only if hired before '97, per years of service. Retirees: Example shown is without subsidy, for Medical PPO only. Retiree: Dental coverage not offered.
Plan Year: Jan-Dec 2003 Retirees: No subsidy
Plan Year: Jan-June 2003 Retirees: Set subsidy if retired before '94, per years of service after. Retirees: Example 15 years of service shown
Plan Year: Jan-Dec 2003 Retirees: Most retirees in category of receiving 40% subsidy. Retirees: Shown with 40% subsidy, Medical PPO + Dental only.
Plan Year: Jan-Dec 2003 Actives- Policy is by # of dependents. Actives: Example shown is +1 dep for ES, +3 dep for EF Retirees: No subsidy, plan not available to over 65 (must elect HMO).
Plan Year: July 2002-June 2003 Retirees: No subsidy Retirees/Active Employees currently blended. But Retiree costs are forcing a future separation, planned in 2 years. Will lower Active rates.

Some kind of retiree subsidy.

*Need other entities - Actives
No. 19 Annual ID in DEAP*

FAX TRANSMISSION

3/18/03

**TO: Nevada Assemblywoman Ellen Koivisto
ASSEMBLY Government Affairs Committee
Nevada State ASSEMBLY
Carson City NV**

**From: WENDY REINAN
6726 Larchwood Lane
Las Vegas, NV 89103
email: wprdiver@aol.com
PH: (702) 873-3027**

Number of pages, incl. this cover.....8

Dear Assemblywoman Koivisto:

I hope that you would **SHARE** this **FAXED** information with others on **BOTH** the Ways and Means Committee, and the Government Affairs Committee, where **AB 165, AB 222, and AB 286** are being heard. I have sent direct copies to *you*, Ellen Koivisto, and Chris "G", and Morse Arberry.

Thank you,

Wendy Reinan

Wendy Reinan

P.S. Yours is the ONLY direct fax I have so its all the more important that you share!

*Thanks,
Wendy R*

Wendy Reinan
 6726 Larchwood Lane
 Las Vegas, NV 89103
 (702) 873-3027
 email: wprdiver@aol.com

Assemblywoman Ellen Koivisto, ASSEMBLY Government Affairs Committee
 Nevada State Legislature
 Carson City, NV

Dear Assemblywoman Koivisto:

As one of the Las Vegas video-conference participants at the hearing on AB 165 and AB 222 on March 17, 2003, I thought I would send you a "flow sheet" of just WHERE the "benefits" for all PEBP PPO health insurance participants are currently, and will be as of 7/1/03, as compared to those for the Western States region, and other Nevada Public entities. I've found that seeing it laid out across the board, in black and white, more clearly shows just what we are *losing* in benefits, while paying additional premiums; especially for the NON STATE RETIREES.

Mr. Thorne has stated that the State of NV PEBP actuarial experiences, particularly over the past two years, have far exceed the regional norms, and so must be compared solely within this specific program.

In addition, I am enclosing a "scenario" from an office visit recently in terms of current payment, and for the NEW PLAN. Under the current plan, I ended up paying 52.6% percent of the discounted PPO rate, while insurance paid only 47.4%. Under the newly adopted \$30.00 co pay, I would incur a 78.9% expense of the discounted amount and the insurance would pay only 21.1%.

In Option 4, adopted on 3/14/03 by the PEBP board at the persuasion of Mr. Thorne, and occurring when they knew full well that the legislature had approved a 30 day waiver, and the pending legislation, the reduction in the amount of premiums including buy downs for higher deductibles in no manner is offset by the additional deductible exposure (for ALL levels of deductible).

If I were to pay what the STATE retiree must pay for IDENTICAL BENEFITS, I would be incurring a 46% increase over the STATE retirees premium before their subsidy, and 83% higher premium when their subsidy IS taken into account.

As the one woman who spoke yesterday said: "*I don't want the subsidy, I would be willing to pay what the STATE retirees pay. (before the subsidy).*" Perhaps this would be an option for the urgently needed immediate relief, and then to have the Interim Study Committee take action on the funding that is presented AB 286.

Please Support AB 165 and for AB 222 so that ALL PUBLIC EMPLOYEES are placed under one umbrella for the actuarial determination of premiums.

and obviously AB 286

Thank you for your consideration.

Sincerely,

Wendy Reinan
 Wendy P. Reinan

Individual Deductible
Family Deductible

\$250.00 } IN NETWORK
500.00 }

(0-500.00)
(only Calif. is 500.00
MOST ARE 200-300.
CA is 1,000.00
INDIV = 0-250 / FAML = 0-500

\$500.00 minimum with buy downs for higher Deductibles.
\$1,000.00
THIS IS 100% INCREASE AT MINIMUM

Out of Pocket Maximum

IN NETWORK
Indiv. 2400.00
family 4800.00
OUT OF NETWORK
Indiv. - 8,500.00
family - 17,000.00

\$1,000 → 3,000.00 CA
\$1,250 → 6,000.00 CA
Newmta Public Entities
C - 2,000
O - 4,000
Doesn't distinguish between "in" & "out" of network

3,500.00 (↑ 45.83%)
7,000.00 (↑ 45.8%)
\$10,000 (↑ 17.6%)
\$20,000 (↑ 17.6%)

Doctors Visit

Primary care - \$15.00
includes Gyn
specialist 20.00

\$10-15 → 20%
\$20 - 20%

Primary \$20.00 - ↑ 33.3%
Specialist 30.00 - ↑ 50%

Urgent Care

- \$30.00 - in network
50% - out of network

\$15-30.00 → 20%

\$45.00 (↑ 50%)

Emergency Room

\$75.00

\$50-75.00 → 25%
ID, WA, + CA
HAVE 50.00 → 75.00 DEDUCTIBLE

\$70.00 ADDITIONAL
Deductible, that doesn't apply to annual deductible then pays 80-20% of balance for in network + out of network
↑ 70.00 + 20%

Inpatient Hospitalization

in network - 80-20
out of network → \$150
\$600.00 deductible
then: 50%

80-20% AFTER ADDITIONAL \$105.00 DEDUCTIBLE (NOT APPLICABLE TO YRLY DEDUCTIBLE)

Outpatient Surgery

80-20% after 250.00 deductible - if, in network → 75.00

↑ 105.00 for "in-plan"

Outpatient Labs

80-20% after deductible → 0-25%

NO LONGER WILL PRE-ADMIT/PRE-OP LABS BE PAID AT 100%. STRAIGHT 80-20 after deductible ONE SOLE PROVIDER

Wellness Benefit

MAMMOGRAM, PAP \$300.00 PROSTATE - (PSA)

no set limit → \$300
ONLY IN MONTANA IS IT 25% BUT NO DEDUCTIBLE
0% → 25% → \$200

\$600.00
Now includes weight loss

Well Baby/Child care

\$15.00 - copay

IMMUNIZATIONS

0% → 25% (no deductible)

HEALTH DISTRICT WILL PROVIDE IMMUNIZATION FOR ADMIN. FEE OF \$15.00 PER VISIT + COST OF VACCINE IF ANY IF UNABLE TO PAY, CHILD WILL STILL GET HIS "SHOTS"

Benefit

Current Plan

Western Stocks

New 1 min 7/1/03 4

SECOND PHYSICIAN OPINION

paid at 100%

\$20-30.00 - SAME AS REGULAR OFF VISIT

RADIOLOGY NUCLEAR MED RAD. THERAPY

NO DIFFERENTIATION ON PRE-ADMISSION TESTING

DURABLE MEDICAL EQUIPT

LIMIT TO SOLE PROVIDER THROUGH P.P.O.

LIFE INSURANCE

ACTIVE - \$40,000
RETIREE - \$20,000

\$5,000 → \$40,000
NV ENTITIES \$15K → 40K

THIS IS THE ONLY AREA WHERE WE HAD EXCEEDED REGIONAL NORMS
NEVADA PUBLIC ENTITIES
\$15,000 → 40,000

ACTIVE - \$20,000
RET. - 10,000 ←

WITH GUARANTEED BUY UP. AT CURRENT AGE FOR PREMIUM PURPOSES - NOT AT AGE WHEN ORIG. INSURED

Vision

40.00 toward yearly exam
\$135.00 toward materials every 2 years

\$125

Vision care benefit totally removed

Dental Care

100% - 2 cleanings
80% - basic
50% - major
\$1,000.00 max/year
\$200.00 deduct toward

20-50% on major work
10-30% on basic work
MOST COVER PREVENTIVE
@ 100%
ANNUAL MAX: \$1,000 → 2500.00

to remain the same in lieu of vision care

Chiropractic

20% / 15% then 30%

10% → 30% (16 vs. limit) same with

not specified

Acupuncture

80-20% participant

NV. ENTITIES \$20 → 20% - usually 20 vs. 20% → 100% only city LAS \$20

not discussed

Physical Therapy

20% after deductible

\$10-20 → 20%

not discussed

Durable Medical Equip

20%

\$20 → (10-20%)

not discussed
but only sole payor only paid one P.M. only

Hearing Aids

50%

0% - 100%
Nv. entities = 20% → 100%

not discussed

Home Health

20% participant
Limit 60 vs

0% - 25% → \$20.00
Speds, Nv. allows 365 vs. 11 100% coverage

not discussed

PHARMACY BENEFITS

CURRENT PLAN

NO ANNUAL DEDUCTIBLE

LEVEL 1 - (GENERIC 50% (1MO))

MAIL ORDER - 15.00 (3MOS)

LEVEL 2 - (1MO)

RETAIL - \$22.00

MAIL - \$55.00

allergan new level 2 (3MOS)

LEVEL 3

RETAIL - \$40.00 (1MO)

MAIL - \$100.00 (3MOS)

WESTERN SURVEY

NO ANNUAL DEDUCTIBLE

\$0, 3, 5, 10

\$0-15

\$5 -> 25 / or 20%

\$5 - 55

\$5 -> 50% / or to 20%

5 -> 100

Nebraska State PEAP is highest cost to participants even prior to proposed increases

ADOPTED OPT. 4

effective 7/1/03

\$50.00 ANNUAL DEDUCTIBLE

MAIL ORDER - \$10.00 (33 1/3%)

allergan 2g tec in tier 3

40.00. (181.8%)

70.00. (127.3%)

150%

RETAIL - 100% copay of "discounted" price

- 100% copay

Claritin totally removed - Allergan to tier 3

Urox, Celecoxib omitted - others that are new tier 3

Current
to 6/30/03

ANNUAL
 Premium = 8,542.20
 (\$711.85 x 12)
 Deductible + 250.00
 \$8,792.20

+ 37.20
NET INCREASE

\$20.00 Co-pay
Scenario

off. visit 75.00 AS billed
 37.00 PPO disc
 38.00 remaining
 - 20.00 copay
 \$18.00 - pd. by insurance

\$20 my pay = 52.6%
38 discounted

18 = 47.4% pd. by insurance
38

Adopted
effective 7/1/03

Premium = 8,329.44
 + 500.00
 Deduct \$8,829.44

\$30.00 Copay Scenario

75.00 AS billed
 37.00 PPO disc
 \$38.00
 - 30.00 copay
 8.00

30 = 78.9% participant
38

8 = 21.1% - insurance
38

AND NONE OF THESE COPAYS
APPLY TO ANNUAL DEDUCTIBLE !!

at \$30.00 off visit,
pt. pays 40% of
usual (undiscounted
price.)

The premium reduction
 of \$212.76 off current doesn't
 offset \$250. in add'l deductibles
 to say nothing of drug costs
 and increased co-pays.

C11 of 11