

ASSEMBLY CONCURRENT RESOLUTION NO. 10—COMMITTEE ON
ELECTIONS, PROCEDURES, AND ETHICS

MARCH 24, 2003

Referred to Committee on Elections, Procedures, and Ethics

SUMMARY—Directs Legislative Commission to conduct interim study of operations of Public Employees' Benefits Program. (BDR R-1111)

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

ASSEMBLY CONCURRENT RESOLUTION—Directing the Legislative Commission to conduct an interim study of the operations of the Public Employees' Benefits Program.

- 1 WHEREAS, The Public Employees' Benefits Program was
2 established in 1999 as the state agency legislatively approved to
3 provide group life, accident or health insurance, or any combination
4 of these, for state and nonstate public active and retired employees,
5 and surviving spouses and children of certain persons formerly
6 employed by a participating public agency; and
7 WHEREAS, As of January 2003, there were 22,345 active state
8 employees and 5,105 retired state employees who rely on the
9 Program for their group health insurance coverage; and
10 WHEREAS, In addition, another 1,706 active nonstate public
11 employees and 1,570 retired nonstate public employees, and 288
12 eligible survivors rely on this health insurance coverage as well; and
13 WHEREAS, In recent months, allegations have been raised
14 regarding the effectiveness, efficiency and efficacy of the Program;
15 and
16 WHEREAS, Public employees and public employers across
17 Nevada are experiencing cost increases for this coverage and they
18 recognize that larger groups have stronger buying power when
19 seeking coverage; and
20 WHEREAS, Many public employees are covered under collective
21 bargaining agreements which need to be changed if a statewide
22 public employee insurance plan is to be established; and



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1 WHEREAS, Many of the employees and retirees and their
2 families who are covered under the group health insurance provided
3 by the Program are asking for assistance in resolving an untenable
4 situation which has resulted in extraordinarily high premiums for
5 this coverage; now, therefore, be it

6 RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE
7 SENATE CONCURRING, That the Legislative Commission is hereby
8 directed to appoint a committee composed of three members of the
9 Assembly and three members of the Senate to conduct an interim
10 study of the operations of the Public Employees' Benefits Program
11 relating to the provision of group health insurance; and be it further

12 RESOLVED, That the Legislative Commission shall designate a
13 Chairman of the committee who shall appoint an advisory
14 committee of at least nine members, who are not Legislators, as
15 follows:

16 1. At least one representative of the Retired Public Employees
17 of Nevada or its successor organization;

18 2. At least one representative of the Nevada Association of
19 Counties, or its successor organization, or the Nevada League of
20 Cities, or its successor organization;

21 3. At least one representative of the State of Nevada
22 Employees Association or its successor organization;

23 4. At least one person who possesses knowledge concerning
24 the management of risk or the management of insurance trusts;

25 5. At least one provider of health insurance;

26 6. The Executive Officer of the Board of the Public
27 Employees' Benefits Program; and

28 7. Representatives of other local public employee organizations
29 and representatives of public employers; and be it further

30 RESOLVED, That the study must include, without limitation:

31 1. An examination of the methods used for determining
32 premiums, equitable employee contributions based upon actual costs
33 to this state and coverage for active and retired state and nonstate
34 public employees and their dependents;

35 2. A review of the administration and solvency of the Fund for
36 the Public Employees' Benefits Program;

37 3. A review of the financial contributions, if any, that nonstate
38 public employers have made to assist their retired employees in
39 maintaining health insurance coverage;

40 4. The feasibility of soliciting proposals for a contract that
41 would take over the entire statewide operation or the regional
42 operation of group health insurance funded by public employees and
43 public employers;

44 5. An examination of relevant facts to determine whether all
45 members of the Public Employees' Retirement System should be



- 1 required to participate in a statewide program of health insurance
2 funded by public employees and public employers;
- 3 6. The desirability of eliminating or changing the composition
4 of the Board of the Public Employees' Benefits Program;
- 5 7. Consideration of whether it is feasible or desirable to allow
6 voluntary participation of public employees and public employers in
7 such a Program;
- 8 8. The feasibility and desirability of establishing a program
9 similar to the Federal Employees Health Benefits Program, which
10 provides a choice through local and national carriers;
- 11 9. Consideration of how the nonstate public employers should
12 contribute to the costs of insurance for employees who retire from
13 their service;
- 14 10. Consideration of requiring nonstate public employers'
15 benefit plans to include reinstatement rights for their retirees, as
16 currently required by the Public Employees' Benefits Program;
- 17 11. Consideration of options for prefunding retiree health
18 benefits for all members of the Public Employees' Benefits
19 Program;
- 20 12. Consideration of a state subsidy mechanism providing for a
21 specific dollar amount or a specific percentage of the cost for
22 employees and separately for their dependents, including an
23 appropriate funding method;
- 24 13. A review of this state's retiree subsidy formula for past,
25 present and future retirees and an appropriate funding method to
26 address the current structural deficit;
- 27 14. Consideration of the feasibility, desirability and financial
28 impact of authorizing large groups of participants to withdraw from
29 the Public Employees' Benefits Program to obtain group insurance
30 from other sources;
- 31 15. Consideration of the feasibility and financial impact of the
32 State of Nevada forming one or more purchasing coalitions with
33 surrounding states or private entities, or both; and
- 34 16. An analysis and review of issues related to:
- 35 (a) Pharmaceutical programs that are designed to reduce the
36 price of prescription drugs for:
- 37 (1) Persons of low income in this state;
- 38 (2) Enrollees in this state's health benefits plan; and
- 39 (3) Participants in programs administered by this state that
40 make available or provide prescription drugs;
- 41 (b) Prescription drug buying clubs that are used in other states
42 and the potential for such clubs to assist the residents of this state in
43 reducing their expenses for prescription drugs;



1 (c) Methods to access manufacturer rebates for prescription
2 drugs to assist the residents of this state in reducing their expenses
3 for prescription drugs;

4 (d) Interagency bulk purchasing and interstate buying of
5 prescription drugs to reduce the prices of prescription drugs for this
6 state's programs and health benefits plan;

7 (e) Methods to negotiate for lower prices on prescription drugs
8 and a plan to carry out the methods; and

9 (f) Methods to control the prices of prescription drugs for this
10 state's programs that provide pharmaceutical assistance to persons
11 of low income in this state and for enrollees in this state's health
12 benefits plan; and be it further

13 RESOLVED, That any recommended legislation proposed by the
14 committee must be approved by a majority of the members of the
15 Assembly and a majority of the members of the Senate appointed to
16 the committee; and be it further

17 RESOLVED, That the Legislative Commission shall submit a
18 progress report of the results of the study and any recommendations
19 for legislation to the 73rd Session of the Nevada Legislature and a
20 final report of the results of the study and any recommendations for
21 legislation to the 74th Session of the Nevada Legislature.

