



A publication dedicated to health, plan benefits and agency news.

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**POINTS TO REMEMBER**

**Moving?**  
Be sure to contact PEBP with your new address

**Applying for disability retirement?**  
You may also qualify for long-term disability benefits through The Standard. For information, please call The Standard at 888-288-1270

**Plan Design Changes Effective July 1, 2011**

Fall 2010

The PEBP Board approved significant plan design changes for Plan Year 2012 in order to meet its budget target given increased projected costs due to medical inflation, plan utilization, and Federal Health Care Reform. The following is a summary of the changes effective July 1, 2011:

**PPO MEDICAL AND DENTAL PLAN**

- Replace the current PPO plan with a Consumer-Driven PPO High Deductible Health Plan (CD PPO HDHP).
- Increase the annual plan deductible amounts from \$800 to \$2,000 for an individual and from \$1,600 to \$4,000 for a family.
- Increase the annual out-of-pocket maximums to \$3,900 for an individual and \$7,800 for a family.
- Reduce the co-insurance percentage from the current 80% to 75%.
- Eliminate plan coverage for lab testing performed at hospitals except pre-admission testing, in-patient admission, emergency room, and urgent care.
- Reduce the temporomandibular joint (TMJ) disorder benefit from 80% to 50% coinsurance when using in-network providers.
- Expand pharmacy benefits to allow for the purchase of a 90-day supply of certain maintenance drugs at in-network retail pharmacies.

- Eliminate benefits for vision hardware, e.g., glasses, frames, lenses, and contacts; continue offering the benefit for annual vision exams.
- Eliminate dental benefits except routine preventive services (four routine cleanings per year, annual examination, bitewing X-rays, fluoride and sealant treatments).

**CHANGES RESULTING FROM FEDERAL HEALTH CARE REFORM**

- Keep the PPO wellness benefit, but remove the \$2,500 annual benefit limit.
- Remove the \$2 million dollar lifetime maximum (no lifetime cap on benefits).
- Expand dependent coverage to young adults to age 26 if they do not qualify for coverage through their own employers.

**HEALTH SAVINGS ACCOUNT (HSA)**

- Implement Health Savings Accounts for eligible active employees enrolled in the CD PPO HDHP (excludes HMO plans). Provide HSA contributions of \$600 for active employees and [a \$200 contribution for each covered dependent to a maximum of \$1,200 for the family.]

**HEALTH REIMBURSEMENT ARRANGEMENT (HRA) FOR NON-MEDICARE RETIREES**

- Implement an HRA for non-Medicare retirees enrolled in the CD PPO HDHP (excludes HMO plans). Provide HRA contributions of \$600 for the retiree and [a \$200 contribution for each covered dependent to a maximum of \$1,200 for the family.]

**Public Employees' Benefits Program**

901 South Stewart Street, Suite 1001, Carson City, NV 89701

775-684-7000 or 800-326-5496 Email: mservices@peb.state.nv.us www.pebp.state.nv.us

## BOARD MEMBERS

**Jacque Ewing-Taylor**  
*Vice-Chair*

**George Campbell**

**Leo Drozdoff**

**Jeffrey Garofalo**

**Karen Caterino**

**Dawn Stout**

**Julia Teska**

**Teresa Thienhaus**

**Vacancy**

## EXECUTIVE STAFF

**James R. Wells**  
*Executive Officer*

**Kateri Cavin**  
*Operations Officer*

**Vicki Smerdon**  
*Executive Assistant*

**Donna Lopez**  
*Quality Control Officer*

**Jon Hager**  
*Chief Financial Officer*

**Chris DeSocio**  
*Chief Information  
Technology Officer*

## BOARD MEETINGS

**January 13, 2011**  
**4:00 p.m.**

Tentative location:  
**Bryan Building**  
901 S. Stewart Street  
Room 1002, Carson City

Video-conference:  
**College of Southern  
Nevada (CSN)**

6375 W. Charleston Blvd  
Building D, Room 101

**To confirm meeting  
location, please visit:**

**[www.pebp.state.nv.us](http://www.pebp.state.nv.us)  
or call 775-684-7000 or  
800-326-5496.**

## Plan Design Changes Effective July 1, 2011

### HEALTH REIMBURSEMENT ARRANGEMENT (HRA) FOR MEDICARE RETIREES

- Retirees with Medicare Parts A and B will receive an HRA contribution based on their years of service. The monthly contribution amount is \$10 per month, per year of service, beginning with 5 years (\$50 per month) to a maximum of 20 years (\$200 per month). Pre-1994 retirees will be considered to have 15 years of service.

### INDIVIDUAL MEDICARE MARKET EXCHANGE FOR RETIREES WITH MEDICARE PARTS A AND B

- Provide insurance coverage to Medicare retirees and their Medicare covered spouses and domestic partners through an Individual Medicare Market Exchange (IMME). The IMME will provide a variety of medical plans and premium options to meet the healthcare needs of retirees, spouses and domestic partners.

### RETIREE PREMIUM SUBSIDY

- Non-Medicare retirees will continue to receive a premium subsidy based upon their years of service and/or date of retirement.
- Medicare retirees enrolled in the IMME will receive an HRA contribution based upon their years of service and/or retirement date, e.g., \$10 per month per year of service beginning at 5 years to a maximum of 20 years of service in lieu of the current years of service premium subsidy.

### OTHER PLAN DESIGN CHANGES

- Reduce the Basic Life benefit for active employees from \$20,000 to \$10,000 and retirees from \$10,000 to \$5,000.
- Eliminate the Basic Life benefit for dependents of active employees and retirees.
- Eliminate Accidental Death and Dismemberment (AD & D) coverage for all participants.

- Reduce active employees' Long Term Disability benefit from 60% of pre-disability earnings to 40%. Offer employees an option to buy-up to the 60% level.
- Eliminate coverage of spouses and domestic partners who have access to other employer group health coverage.

### HEALTH MAINTENANCE ORGANIZATION (HMO) PLANS

- Blend the rates for the Northern and Southern Nevada HMO plans to offer single **statewide** HMO rates based on the selected coverage tier, e.g., Participant Only, Participant plus Spouse, etc. Note: HMO plan participants are not eligible for the HRA/HSA.

### PLAN YEAR 2012 PREMIUM RATES

The rates for Plan Year 2012, effective July 1, 2011, will be established by the PEBP Board during their February meeting and will be published in the Open Enrollment material in March 2011.



**How to Get  
More  
Information**

Visit **[www.pebp.state.nv.us](http://www.pebp.state.nv.us)** to view or print the Fast Facts, Frequently Asked Questions (FAQs), and presentation handouts. These publications and free DVD of a pre-recorded live benefit meeting are also available by calling 775-684-7000 or 800-326-5496.

## Consumer-Driven PPO High Deductible Health Plan

The new Consumer Driven PPO High Deductible Health Plan is a high-deductible health plan that is coupled with a tax-exempt qualifying healthcare payment account, such as an HSA or HRA.

PEBP's new PPO HDHP will be structured with higher deductibles and out-of-pocket maximums (the maximum out-of-pocket costs a participant must pay in a plan year toward eligible healthcare expenses). The CD PPO HDHP and the HSA/HRA work together to help pay for current and future out-of-pocket medical expenses.

The CD PPO HDHP is intended to minimize excessive premium increases while promoting personal responsibility and accountability, and to create financial protection in the event of a catastrophic health event.

## Health Matters

### Newsletter Distribution

During these challenging times, we are all having to reduce costs. Therefore, in an effort to defray the costs associated with printing and mailing the *Health Matters* newsletter, PEBP will distribute future newsletters to active employees electronically via Email through designated agency representatives. Retirees who wish to receive the Newsletter via Email will need to submit their Email address to PEBP at [mervices@peb.state.nv.us](mailto:mervices@peb.state.nv.us) or call 775-684-7000 or 800-326-5496.

## Health Reimbursement Arrangement (HRA)

HRAs are PEBP owned accounts established for certain active employees and all retirees. HRA account balances at the end of Plan Year 2012 will carryover to Plan Year 2013. For future plan years, the maximum carryover will be determined by the PEBP Board.

The following participants are eligible for the HRA:

- Medicare retirees enrolled in the Medicare Exchange.
- Non-Medicare retirees enrolled in the CD PPO HDHP.
- Active employees enrolled in the PPO HDHP who have secondary coverage not defined as a high-deductible health plan.
- Active employees enrolled in the PPO HDHP who also cover a spouse who has Medicare.

Note: Active employees enrolled in an HMO plan are not eligible for the HRA or the HSA.

## Health Savings Accounts (HSA)

- Health Savings Accounts (HSAs) are for active employees enrolled in the CD PPO HDHP. HSAs are interest bearing accounts that allow employees to make pre-tax contributions through payroll deductions.
- HSAs provide a pre-tax savings vehicle employees can use to pay for qualifying out-of-pocket healthcare expenses with tax-exempt distributions.
- The HSA belongs to the employee. Remaining fund balances roll over from year to year (there is no "use it or lose it" provision). Plus, when the employee retires or leaves active employment, the HSA is theirs to keep.



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Carson City, NV 89701

*We're in it together*

### PLAN YEAR 2012 BENEFIT MEETINGS

Want to learn more about the changes for Plan Year 2012? PEBP will hold a series of meetings statewide for active employees and retirees. The meeting schedule is available at [www.pebp.state.nv.us](http://www.pebp.state.nv.us) or by calling 775-684-7000 or 800-326-5496. Meeting topics will include:

- CD PPO High-Deductible Health Plan
- Individual Medicare Market Exchange
- HMO plan options (plan design details will not be available)
- Health Savings Accounts
- Health Reimbursement Arrangements
- HSA/HRA contributions
- Basic Life and long-term disability insurance

#### At Your Fingertips - [www.pebp.state.nv.us](http://www.pebp.state.nv.us)

Medical Coverage	Company	Phone	Website
PPO Medical, Dental, Vision Plan	UMR	877-963-8232	<a href="http://www.umar.com">www.umar.com</a>
PPO In-State Network	PEBP Statewide PPO	800-336-0123	<a href="http://www.pebpstatewideppo.com">www.pebpstatewideppo.com</a>
PPO Out-of-State Network	Beech Street	800-432-1776	<a href="http://www.beechstreet.com">www.beechstreet.com</a>
PPO Pharmacy Plan	Catalyst Rx	800-799-1012	<a href="http://www.catalystrx.com">www.catalystrx.com</a>
PPO Pre-certification /Case Management	APS Healthcare	888-323-1461	<a href="http://www.apshealthcare.com">www.apshealthcare.com</a>
Live Well, Be Well Prevention Plan Diabetes Care Management	U.S. Preventive Medicine	877-800-8144	<a href="http://www.thepreventionplan/NevadaPEBP.com">www.thepreventionplan/ NevadaPEBP.com</a>
HMO Northern Nevada	Hometown Health Senior Care Plus Plan	775-982-3232 775-982-3112	<a href="http://stateofnv.hometownhealthplan.com">http:// stateofnv.hometownhealthplan.com</a>
HMO Southern Nevada	Health Plan of Nevada Senior Dimensions	702-242-7300 702-242-7301	<a href="http://stateofnv.healthplanofnevada.com">http:// stateofnv.healthplanofnevada.com</a>
PPO/HMO Dental	Diversified Dental Services	775-337-1180 702-869-6200	<a href="http://www.ddspgo.com">www.ddspgo.com</a>