

PEBP's initial recommendations (from November 2008) are below:

PROPOSED PLAN CHANGES:

- Eliminate the Health Assessment Questionnaire and the associated incentives. For the past three years employees who completed the Health Assessment Questionnaire during open enrollment received the following added benefits: 50% off their deductible (in the PPO Plan) and an increase in the dental benefit maximum to \$2000 (in both PPO and HMO).
- Implement a single deductible level under the PPO Plan. The proposed deductible will be \$725 per individual and \$1450 per family. The current high deductible plan (major medical plan) would be eliminated.
- Reduce the State Subsidy Percentage. PEBP currently subsidizes 100% of the employee portion and 85% of the dependent's premium in the high deductible plan; and 95% of the employee premium and 75% of the dependents' premium in all the other plans. Although the cost shift in the premiums has not been finalized, below is the information that was provided to the Board for consideration at the last meeting:

	Current Cost Share	Proposed Cost Share
Active Primary		
Base Plan (PPO)	100%	94%
All Other Plans (HMO)	95%	82%
Active Dependent		
Base Plan (PPO)	85%	79%
All Other Plans (HMO)	75%	66%

- Automatically increase the annual deductible level based on the medical inflation rate in increments of \$25 beginning July 1, 2010. For example, if the medical inflation rate in 2010 is 10% and the annual deductible is \$725, the deductible will go up to \$800.00 ($\$725.00 + \$72.50 = \797.50 rounded to the nearest \$25 increment equals \$800).
- Automatically increase the annual out-of-pocket maximum at 50% of the rate of medical trend each year beginning July 1, 2010. The current annual out-of-pocket maximum for the PPO plan

is \$3500 per individual and \$7000 per family. For example, if the medical inflation rate for 2010 is 10%, then the annual out of pocket maximum will be raised by half of that (5%) to the nearest \$25.00 increment increasing the annual out of pocket maximum to \$3675 per individual and \$7350 per family.

- Eliminate the subsidy for retirees with less than 15 years of service for those retiring after June 30, 2010 (this will require specific legislative action). Employees are still eligible to continue health insurance as retirees if they have at least 5 years of service (minimum vesting period), but they will have to pay the full cost of the insurance if they don't meet the 15 year minimum.

Additional information regarding the PEBP Board Actions in response to the PEBP Budget is available on-line at <http://www.pebp.state.nv.us/informed/informed.htm>