

Assembly Concurrent Resolution No. 10—Committee on
Elections, Procedures, and Ethics

FILE NUMBER.....

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

WHEREAS, The Public Employees' Benefits Program was established in 1999 as the state agency legislatively approved to provide group life, accident or health insurance, or any combination of these, for state and nonstate public active and retired employees, and surviving spouses and children of certain persons formerly employed by a participating public agency; and

WHEREAS, As of January 2003, there were 22,345 active state employees and 5,105 retired state employees who rely on the Program for their group health insurance coverage; and

WHEREAS, In addition, another 1,706 active nonstate public employees and 1,570 retired nonstate public employees, and 288 eligible survivors rely on this health insurance coverage as well; and

WHEREAS, In recent months, allegations have been raised regarding the effectiveness, efficiency and efficacy of the Program; and

WHEREAS, Public employees and public employers across Nevada are experiencing cost increases for this coverage and they recognize that larger groups have stronger buying power when seeking coverage; and

WHEREAS, Many public employees are covered under collective bargaining agreements which need to be changed if a statewide public employee insurance plan is to be established; and

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

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

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

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

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

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

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

5. At least one provider of health insurance;

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

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

RESOLVED, That the study must include, without limitation:

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

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

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

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

5. An examination of relevant facts to determine whether all members of the Public Employees' Retirement System should be required to participate in a statewide program of health insurance funded by public employees and public employers;

6. The desirability of eliminating or changing the composition of the Board of the Public Employees' Benefits Program;

7. Consideration of whether it is feasible or desirable to allow voluntary participation of public employees and public employers in such a Program;

8. The feasibility and desirability of establishing a program similar to the Federal Employees Health Benefits Program, which provides a choice through local and national carriers;

9. Consideration of how the nonstate public employers should contribute to the costs of insurance for employees who retire from their service;

10. Consideration of requiring nonstate public employers' benefit plans to include reinstatement rights for their retirees, as currently required by the Public Employees' Benefits Program;

11. Consideration of options for prefunding retiree health benefits for all members of the Public Employees' Benefits Program;

12. Consideration of a state subsidy mechanism providing for a specific dollar amount or a specific percentage of the cost for employees and separately for their dependents, including an appropriate funding method;

13. A review of this state's retiree subsidy formula for past, present and future retirees and an appropriate funding method to address the current structural deficit;

14. Consideration of the feasibility, desirability and financial impact of authorizing large groups of participants to withdraw from the Public Employees' Benefits Program to obtain group insurance from other sources;

15. Consideration of the feasibility and financial impact of the State of Nevada forming one or more purchasing coalitions with surrounding states or private entities, or both; and

16. An analysis and review of issues related to:

(a) Pharmaceutical programs that are designed to reduce the price of prescription drugs for:

(1) Persons of low income in this state;

(2) Enrollees in this state's health benefits plan; and

(3) Participants in programs administered by this state that make available or provide prescription drugs;

(b) Prescription drug buying clubs that are used in other states and the potential for such clubs to assist the residents of this state in reducing their expenses for prescription drugs;

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

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

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

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

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

RESOLVED, That the Legislative Commission shall submit a progress report of the results of the study and any recommendations for legislation to the 73rd Session of the Nevada Legislature and a

final report of the results of the study and any recommendations for legislation to the 74th Session of the Nevada Legislature.