

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Eighty-First Session  
February 26, 2021**

The Committee on Government Affairs was called to order by Chair Edgar Flores at 9 a.m. on Friday, February 26, 2021, Online. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/81st2021](http://www.leg.state.nv.us/App/NELIS/REL/81st2021).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Edgar Flores, Chair  
Assemblywoman Selena Torres, Vice Chair  
Assemblywoman Natha C. Anderson  
Assemblywoman Annie Black  
Assemblywoman Tracy Brown-May  
Assemblywoman Venicia Considine  
Assemblywoman Jill Dickman  
Assemblywoman Bea Duran  
Assemblyman John Ellison  
Assemblywoman Susie Martinez  
Assemblyman Andy Matthews  
Assemblyman Richard McArthur  
Assemblywoman Clara Thomas

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Jered McDonald, Committee Policy Analyst  
Judith Bishop, Committee Manager  
Zachary Khan, Committee Secretary  
Cheryl Williams, Committee Assistant



**OTHERS PRESENT:**

Laura Rich, Executive Officer, Public Employees' Benefits Program  
Priscilla Maloney, representing American Federation of State, County and Municipal  
Employees Local 4041 Retiree Chapter  
Terri Laird, Executive Director, Retired Public Employees of Nevada  
Chris Daly, Deputy Executive Director, Government Relations, Nevada State  
Education Association  
Kent Ervin, representing Nevada Faculty Alliance

**Chair Flores:**

[Roll was called. Procedures were explained.] With that, I would like to open up the hearing on Assembly Bill 48.

**Assembly Bill 48: Authorizes certain retired public officers and employees to reinstate insurance under the Public Employees' Benefits Program. (BDR 23-321)**

**Laura Rich, Executive Officer, Public Employees' Benefits Program:**

I have with me today Ms. Nancy Spinelli, the Public Employees' Benefits Program's (PEBP) quality control officer and subject matter expert, as well as Deputy Attorney General Brandee Mooneyhan, who has researched and can speak on the legislative history related to today's agenda item. I am here today to present Assembly Bill 48, which is a bill that is intended to fix an unintended problem that has disenfranchised many retirees from participating in PEBP. I will start off with a little bit of background.

Prior to November 30, 2008, local governmental retirees were eligible to join PEBP regardless of their former employer's participation in the program. Those retirees who retire from their employer could come to PEBP and participate in the PEBP program. However, Senate Bill 544 of the 74th Session amended PEBP's eligibility provisions by disallowing retirees of local governments to join PEBP if that local government that had employed the retiree did not participate in the program at the time. *Nevada Administrative Code 287.095* defines who is eligible to participate in PEBP and incorporates those members who are grandfathered into the program on November 30, 2008. Currently, PEBP has 8 active nonstate local governmental employees and 5,936 nonstate retirees who are primarily the nonstate population that were grandfathered into the plan on November 30, 2008. As of 2011, PEBP requires, with some exceptions, that Medicare-eligible retirees participate on the Medicare Exchange by enrolling in a PEBP directly through Via Benefits, which is a PEBP vendor. Retirees enrolled through Via Benefits receive a years-of-service subsidy, which is provided in the form of a monthly health reimbursement arrangement, also referred to as an HRA contribution. Retirees may be eligible for up to \$260 a month, which can be used to reimburse eligible medical expenses and Medicare plans or dental premiums. If a retiree fails to enroll in a plan through Via Benefits or disenrolls in a plan through Via Benefits, they are terminated from the program.

What is the Medicare Exchange and why does PEBP require it? First of all, PEBP is a self-funded plan. This means that premiums coming in must cover the claims being paid out. During the last recession, PEBP was faced with an enormous budget challenge and had to come up with ways to reduce the program's overall liability. In general, the older you get, the more you utilize health care and the more expensive you become to insure. That is why the exchange was implemented. The Public Employees' Benefits Program was able to shift the cost of health care entirely onto Medicare while we were able to continue to provide Medicare-eligible retirees access to a menu of Medicare plans to choose from. It also allowed PEBP to provide Medicare retirees with that HRA account that I spoke about. That is determined by years of service. This HRA account helps them recover the costs of their Medicare premiums, which are usually much less expensive than those offered to pre-Medicare and non-Medicare retirees that are on our PEBP plans. It is also meant to help cover the costs of other qualifying medical expenses not covered by Medicare.

What is the problem here? It is the nonstate retiree disenrollment problem. Currently, *Nevada Revised Statutes* 287.0475 addresses the reinstatement of insurance by a retired public officer, employee, or surviving spouse. That statute, as it currently reads, allows retirees from a participating state agency or local government to reinstate coverage if they have no more than one period not covered by the program. This allows retirees from the state and participating local governments one opportunity to return to the program as late enrollees during open enrollment period, should they disenroll. However, it does not provide the same opportunity to nonstate retirees since they do not fall under the definition of a participating local government agency. Those local government agencies do not have their active employees on the plan, so they are not considered participating. Since 2011, numerous state and nonstate Medicare Exchange retirees have been affected by this rule and many nonstate retirees have permanently lost their benefits.

Retirees enrolled through Via Benefits have the opportunity every year to change plans during that Medicare open enrollment period. It is usually during this period that retirees mistakenly enroll directly with the carrier, which results in an agent of record change. Once that agent of record is altered, the retiree is no longer covered in a medical plan through Via Benefits. In other cases, Medicare plans are discontinued, and retirees are required to choose a new plan. In some cases, carriers are authorized to—what is called crosswalking—members on a discontinued plan to a comparable plan should the member not actively choose a new plan. However, in some cases there is no comparable plan, and insurance carriers are not able to crosswalk those members, and so they have to actively select and enroll in a new option. If a retiree fails to do this, then they are disenrolled. In both cases that I just described, they are no longer enrolled in the medical plan through Via Benefits, and they are subsequently disenrolled from the program and terminated from PEBP because statute requires participation in the PEBP plan. It is not until they receive termination notices from PEBP that retirees begin to realize the consequences of their actions. Recognizing this, PEBP includes language stressing the importance of making any plan changes through Via Benefits, and in all of our communications of our retiree guides, resources, and training, we even send reminders before every open enrollment period. But, of course, there are still situations where this happens and, unfortunately, there are retirees that fall into this category

every single year. Those retirees end up disenrolling and they end up losing their HRA subsidy. State retirees can mitigate the damage by reinstating during PEBP open enrollment as late enrollees, they have one chance to do this per statute, but nonstate retirees do not have that. They lost their ability to participate in the program and lose their HRA subsidies permanently.

Based on the data that has been provided by Via Benefits, PEBP estimates approximately 1,403 nonstate retirees have been disenrolled from the plan in this matter since 2011. Those retirees no longer are receiving their HRA subsidy. The Public Employees' Benefits Program believes it is reasonable to provide nonstate retirees the same opportunity state retirees are offered to reinstate their Medicare Exchange plan. This change does not have a budgetary impact to PEBP since the HRA subsidies are funded by the local governments. Had these retirees not disenrolled, the local governments would have been required to provide that funding regardless.

Essentially, this is a bill that I believe is very important because the retirees on Via Benefits, in many instances, are obviously older, and in some cases they have family members who are administering or guiding those retirees through their health insurance selections and they may not understand the rules. Before my role as the executive officer, I was the operations officer. As the operations officer, eligibility is one of the tasks that is overseen, and I can tell you that we saw a handful of these a week. Because of statute, we cannot make exceptions, and it has caused a lot of problems to these retirees and, unfortunately, lifetime benefits have been lost because of this. This is an attempt to fix that and give them a one-shot opportunity similar to what those state retirees have. With that, I will take any questions.

**Chair Flores:**

I know some of the members pointed out that we believe you were reading those remarks. I think you did a good background history on, here is where we are at and here are the issues. If you would not mind sharing those remarks with our committee manager, Judi Bishop, and she can then give those to the members. I think that would be very helpful to everyone, if you are comfortable doing that, please. And members, Ms. Bishop will get that via email, and she will disperse it to all the members accordingly. And again, thank you for that thorough presentation and walking us through the history and helping us understand where we are and where we stand and where we are going with this. We will start off first with Assemblyman Matthews.

**Assemblyman Matthews:**

You touched on this briefly, but it seems to me that anytime you broaden access to a public program there will be some type of cost borne by government at some level. However, the Legislative Counsel Bureau (LCB) drafting this bill indicates there would be no fiscal impact underneath the state or local governments. On the surface at least, that seems a little bit counterintuitive. Presumably, there would be some difference in costs somewhere with this bill or absent this bill. I am wondering if you might be able to talk through that a little bit and let me know if I am missing something. You can just explain why there would be no fiscal impact according to LCB.

**Laura Rich:**

There is no fiscal impact to the state. However, there would be a fiscal impact to the local government agencies where these retirees came from. For example, because these are coming from local government agencies, like the Clark County School District (CCSD), CCSD does not currently participate in PEBP. However, as part of that grandfathering in, we have many nonstate retirees whose previous background comes from CCSD. In this situation, if a nonstate retiree came back and they had lost their benefits, at one point CCSD was paying their HRA. They were liable for that retiree's HRA benefit, which today is up to \$260 a month depending on the years of service. Clark County School District would have been paying for that HRA benefit, and then when that member terminated and left the plan, they no longer were funding that. If that member came back through their one-shot opportunity, this would be funded by the CCSD. I am just using that as an example. The other side of that is, sometimes it is multiple agencies. So, it could be that CCSD was the employer for ten years and then another local government agency was the employer for another ten years, so it would be split among those two local governments. There is a potential that these members that came back would have to absorb that cost. It is unknown as to who is going to come back. Out of these 1,400 members, we do not know how many are deceased. It is unknown. We cannot put a dollar figure onto who is going to have to foot how much of the bill. But it is not a fiscal note to the state, if that makes sense.

**Assemblyman Matthews:**

It does and thank you for that. My confusion comes from reading here that it says there would be no fiscal note on local government. If I am understanding you correctly, presumably there would be some indeterminate but still likely existent fiscal impact on local government. So, maybe there was something that got into the bill text that was not supposed to be there or could have been clarified a little bit. I am not asking you to call anybody out, that is not my intent. There would likely be some local government fiscal impact, is that correct?

**Laura Rich:**

That is correct.

**Assemblyman Ellison:**

I am following what my colleague said. I had the same question. I know there are a lot of people in local governments, like the cities and the counties, that were elected officials or were not elected officials or people that are retiring. Would they put this into somebody that was in those programs? That part did not make sense, when you said local government. With school districts, I can understand the program because of the school teachers and so on, but when you said local government that is where I got confused. Say people were there 10 years or 20 years, they still qualify for this. Is that correct?

**Laura Rich:**

I think I understand your question. I am going to try to answer it; if I am not answering it please let me know. Yes, prior to 2008, PEBP had many local governments that participated in the program, mainly with the retirees. They covered their active employees, but their

retirees would come to PEBP. Obviously, this changed within PEBP during that time because if PEBP is covering retirees it is lopsided. You need the active employees to subsidize the retirees because one population is a lot more costly than the other. At the time, knowing that trend was not going to make PEBP a successful program for active employees, it shut down the ability for those nonstate local government retirees to participate in PEBP. It was an all or nothing. You either have to come with your active and retirees or nothing to participate in PEBP with a local government agency. But because they were already a group of retirees, they were not just kicked off the plan, they were grandfathered in. So, these are the retirees that we are talking about, the retirees that are left. These local agencies or these local governments do not participate in PEBP today with their active employees but we still have their retirees, so they continue to fund the HRA portion of that cost with their retirees. As I said, it could be multiple agencies. One retiree could have a city, a county, and maybe a school district that they come from, so that \$260 a month is split between those three agencies. There could be multiple; it could be one. Does that answer your question?

**Assemblyman Ellison:**

Yes, it does. I was confused because we are looking at the state agencies, the way it is through PEBP, and then I am looking at the cities and counties—there are a lot of people who left there. When they left, they had no insurance or retirement. I did not know if that would fall under this or not. I am going to send a copy of this to the county in one of my districts and have them look at this also.

**Assemblywoman Thomas:**

I read and looked over Assembly Bill 48 a couple of times. I want to make sure that I am understanding this. Nonstate employees would be a person like me, who worked for a local government and retired. I could, as a nonstate retiree, be enrolled in PEBP? That is one question; I have a couple more.

**Laura Rich:**

You would had to have been grandfathered in at the time. After 2008, it is an all or nothing; you come with your actives and you come with your retirees.

**Assemblywoman Thomas:**

Would the spouse of a retiree prior to 2008 be eligible for PEBP?

**Laura Rich:**

If they had a spouse as a dependent at the time, yes. They do not receive an HRA subsidy though.

**Assemblywoman Thomas:**

What about an ex-spouse?

**Laura Rich:**

No. They would not be eligible.

**Assemblywoman Anderson:**

It is not necessarily in the new language that is being discussed. In section 1, subsection 1, it is very clearly stated that it does not include life insurance. I think it was 2011 that the decision was made to take out the life insurance. Why was life insurance not in consideration to add back in?

**Laura Rich:**

If you disenroll from PEBP, regardless if you are a state or nonstate retiree, life insurance is terminated and does not get reinstated. I believe the reason it was done this way is because of adverse selection. Let us say that you have a retiree who has a better option and decides to participate in another health plan and does not participate in PEBP. However, they unfortunately discover that they have a terminal illness, so they decide to come back to the plan in order to get that life insurance benefit. In the insurance world, that is called adverse selection. You want to try and avoid that as much as you can because you want to ensure that the people that get the benefit receive that benefit, and it is not because you found out. Everyone would love to have insurance and only pay their premium when they may need to go to the doctor, but we force people to pay for the 12 months because of that adverse selection. It is the same thing with life insurance.

**Assemblywoman Dickman:**

I am wondering if it would be fair to say that we are talking about people who were made a promise while they were working for local government or other entities who have now fallen through the cracks because of a statute that was changed and the effects were not seen at the time.

**Laura Rich:**

Yes, and that is essentially what we are trying to do. When this statute was changed, when the Medicare Exchange was established, it was not foreseen that retirees would make these types of mistakes and disenroll in the program with our vendor, and in turn with PEBP. This is essentially trying to fix that and give those retirees one shot to come back and to undo their mistake, if that makes sense.

**Assemblywoman Dickman:**

It does make sense. I think that if it is a promise that we have made to these people we have to keep it.

**Assemblywoman Considine:**

Reading this bill outside of the context that you just gave us this morning was a little difficult, so thank you so much for that. I look forward to getting that in writing because then I can solidify all of this. My question is a follow-up to Assemblywoman Dickman's question. But for a mistake, a senior retired person can potentially make in a confusing health plan selection, they get one shot to make that mistake. I am assuming the selection of these plans, especially as seniors get older, could get more and more confusing. Are there any protections or guardrails or do we have any sort of plan to help these seniors avoid these mistakes, especially when someone in their family is trying to help them and accidentally

disenrolls them five years from now or ten years from now? We are just worried about the one shot, but we have not really gotten a plan to make sure these seniors do not make this same mistake again.

**Laura Rich:**

I really appreciate that question because it is something that I would like to focus on down the road, possibly fixing it next session and maybe changing the language to where it is no longer tied to participation with a Medicare vendor specifically, but maybe just participation in our HRA administration. That way it does not tie them to the vendor specifically. In order to get this HRA contribution they have to participate with our current vendor; Medicare Exchange Via Benefits is what they are called. The previous executive officer did release a survey several years ago to retirees potentially looking at this option to untie that requirement. But, with that, we are unable to provide customer service. If a member goes to any Medicare plan and uses outside of our contracted vendor through the Medicare Exchange, we are unable to provide customer service. From the responses that we received from the retirees, it did not sound like that was something the population respondents were interested in. This is something that I want to work with. We have some advocacy groups, the American Federation of State, County and Municipal Employees (AFSCME) and the Retired Public Employees of Nevada (RPEN), who I am sure you will hear from in public comment, that I do want to follow up with in the future. That way we may fix this and it is not a one-shot. I will tell you that there are plenty of state retirees who have used their one-shot. And, in fact, I had one the other day that was escalated to me where they had used their one-shot, and this was their second time. Per statute, I cannot make an exception to that. It is something that I definitely want to work on and spend some time on how we can make this right for retirees. I will be working on this with the advocacy groups to bring something to the next legislative session.

**Assemblywoman Considine:**

Thank you very much and thank you for looking forward on this and working on something. I am happy to be involved if I can help as well.

**Assemblywoman Black:**

If you are already enrolled in the program, I am assuming you automatically reenroll unless you choose to search out another plan.

**Laura Rich:**

If you are enrolled as a Medicare retiree. We are only looking at the Medicare retirees; they are on Medicare plans, not on the PEBP plans. This is why they are on the Medicare Exchange. They have to reenroll through Via Benefits. Via Benefits offers many options; there are many different plans for those retirees depending on what their geographic location is. They must enroll through Via Benefits. The difference is, for example, let us say that Via Benefits offers an AARP plan that a member can enroll in, and let us say that a retiree is at some health fair or some sort of event where AARP is there advertising their plans and they say, Look we have this plan for you, it is \$10 a month cheaper. Or they offer this benefit versus that benefit, why not enroll with us? And they enroll directly with the carrier,



and what ends up happening is Via Benefits loses that member. Via Benefits is no longer the agent of record, and that retiree has specifically become a member of AARP, not the Medicare Exchange on the AARP plan. That is the difference.

**Assemblywoman Black:**

What I am trying to get to is that Via Benefits plan will continue to roll unless, as you said, they went to a health fair and got introduced to another plan, got off that plan because this one is less money or a better plan or what have you. But you also said you send out a booklet. I am sure you tell people, Hey do not do this. You send them a notice. There is obviously some education that goes into this process so these people know this will negate their current plan. Aside from the fiscal implication, which apparently there is none, I think, as an individual, if I enroll in the wrong plan, I am stuck with that. That is on me; that is my responsibility to make those choices. Then I have to get on a different plan a year later on open enrollment or what have you. At what point is it up to these people to know their plan, to know their benefits, to make the right choice for themselves? In addition to that, what happens when they have signed up with AARP and PEBP, or someone calls and says, We know that someone signed up for our plan with you guys but, hey, you have to cancel that plan now because we are going to allow them to go back on their PEBP plan?

**Laura Rich:**

Yes, there is obviously a degree of personal responsibility to this, and that is not just with the Medicare Exchange, that is also with our active employees on the PEBP plans as well. Unfortunately, health care is complicated and, generally, this is something that we struggle with at PEBP. [Ms. Rich was disconnected.]

**Chair Flores:**

Let us do a one-minute recess so Broadcast can resolve this issue? [The meeting recessed at 9:39 a.m. and reconvened at 9:43 a.m.] Members, thank you for your patience. Ms. Rich, I believe you were in the middle of a remark. If you could start over, please, just for the sake of clarity. [Ms. Rich was disconnected again. The meeting recessed at 9:44 a.m. and reconvened at 9:50 a.m.]

**Laura Rich:**

I apologize for that. Our entire Internet here went down, and I tried getting on with Wi-Fi and that did not work either. Technology problems, we will do what we can.

The question was around personal responsibility, essentially. What degree of personal responsibility do people have to ensure that they follow the rules? Unfortunately, this is something we as a program deal with constantly, not just with our retirees but with every one of our members. Health insurance specifically is very complex. Unfortunately, a lot of people do not take the time to understand until they have to. As a program, we do our best to reach out and communicate to members and to ensure that members do not make mistakes such as the mistakes that are happening with the Medicare retirees. The problem with our Medicare retiree population is, again, age. There are people that have been on the Medicare Exchange for years. Let us say that they are now 85 years old, and their son or daughter or

grandchild or some family member is now stepping in and is taking over their affairs because that person has declined in the last couple of years. This happens not just from retirees making mistakes enrolling in plans outside of our Medicare Exchange, but it also happens as a result of the family members who are helping them and are unaware of the rules. This is something that, usually after the first time, they understand, and it does not typically happen again. But as you heard me say earlier, there are times that it does happen again, and those state retirees who have that one chance have done it again a second time and they are now off completely and do not have another opportunity to come back.

The reason we have to limit the number of periods a member can go without PEBP coverage is because of liability. Let us say that you have a wave of members who have been disenrolled, either by accident or on purpose, and there is a wave that comes back. All of a sudden, that state liability for the HRA contribution is increased and as a program we have to ensure we are able to handle that liability. That is why we limit it to one time. You are correct that there is a certain degree of responsibility. That is why we as a program do as much as we can to educate these folks and remind these folks. Every open enrollment we send information out. I know that we work with our partners, our advocacy groups, RPEN, and AFSCME to make sure that they are also educating their members as well. We do what we can, but you do not catch everybody. It is a mitigating fix to that one-time opportunity.

**Assemblywoman Martinez:**

What is the average age of your retirees?

**Laura Rich:**

Are you asking about the retirees on the Medicare Exchange or the retirees in general? We do have retirees on the PEBP plan that are not Medicare eligible yet.

**Assemblywoman Martinez:**

On the plan that we are discussing.

**Laura Rich:**

Okay, that is the Medicare Exchange. I would have to get you that information. I do not have that off the top of my head.

**Assemblywoman Martinez:**

The reason I was asking is because I have noticed that people who are a little bit older, but not all, have issues in dealing with navigating the computer. I myself had issues with unemployment; I got locked out for a few months. Fortunately, I was able to get it and I did not have to wait another year to get my unemployment. The reason I was asking is because I cannot believe these people have to wait another year, especially in times like we are now going through with COVID-19. In a whole year that we are dealing with the pandemic, that is just too long to not be insured, especially when you are at a more vulnerable age. That is the reason I was asking about the age; it is kind of a question and a comment.

**Chair Flores:**

Thank you, Assemblywoman. I think your remarks sit well with this Committee, as we often discuss how members of our community who are in their golden years need those added protections and layers of our intervening to ensure that we are doing everything we can after they devoted their entire lives to the state.

**Assemblyman Matthews:**

I wanted to circle back to my earlier question about the fiscal impact for local governments. I know you noted not knowing how many people will reenroll, and that makes sense. It is hard to exactly quantify what the fiscal impact would be. But, just to try and get a little bit more clarity, is there a range that you might be able to anticipate or do you think you might at least be able to provide a ballpark feeling of what that would be? Just so we can try to get as much of a handle as possible, or a worst-case scenario, in terms of what the fiscal impact would be so that we have clear eyes going in.

**Laura Rich:**

I certainly can. Out of the 1,400 nonstate retirees, I do know where they come from. I can have staff put together a list of the local governments and who those 1,400 people belong to. Then also know that, obviously, today the most a retiree could receive out of this HRA contribution is \$260. Obviously PEBP's budget has not been closed yet; however, there is a chance that the HRA contribution will be reduced next plan year, starting in July. Knowing that there is a top amount to that, there is a way to look at what the potential could be for each of these local government agencies. We can put something like that together for this Committee.

**Assemblywoman Brown-May:**

Given that there is a possibility of a fiscal note when you talk about that, have you approached local governments? Are governments on board with this?

**Laura Rich:**

We have not approached local governments. I do know that the advocacy groups, RPEN and AFSCME, are definitely in support of this. I am sure you will hear from them at public comment. But, no, we have not approached the local governments. There were many of them, obviously. We can certainly reach out to them.

**Chair Flores:**

Any additional questions? [There were none.] Seeing none, I would like to go to those wishing to speak in support of A.B. 48.

**Priscilla Maloney, representing American Federation of State, County and Municipal Employees Local 4041 Retirees Chapter:**

The American Federation of State, County and Municipal Employees retirees are in support of this measure. I would like to immediately circle back really quickly to Assemblywoman Brown-May's question a few minutes ago before we went to testimony. I believe Ms. Rich stated that there are approximately 5,936 nonstate retirees that this would affect. I think it is

important to understand that this is not a situation that comes up in great numbers. It is really an issue of constituent services for us, member services for Ms. Rich. We wholeheartedly support everything she has presented this morning in support of this bill. But in our membership, for instance, we were contacted twice in the last 12 months by AFSCME members, who were also members of PEBP, who had had this situation come up. We, of course, directed them to PEBP. I think it is important to keep in perspective that it is not as if all 5,900-plus nonstate retirees will be doing this, but I think we are all aware that older members of our communities are often flooded with misleading advertisements at best. That is the most generous thing I can put on it. It may be on the television, it may be word of mouth, and they say, Oh we can save you a lot more money than you are spending on your current plan. Then they leave PEBP inadvertently, not really appreciating the full fact of what they have done. On our end as an advocacy group, AFSCME 4041, if this bill passes and is signed by the Governor, we will be doing a little bit of outreach in coordination with PEBP to make sure we do the best we can do to inform our membership. Most of AFSCME 4041's membership are on the Medicare Exchange as opposed to pre-Medicare, or what we call non-Medicare, which is a discussion for another day. We are talking about the retirees on the Medicare Exchange today. Thank you, and if there are any questions, I am available to do the best I can to answer.

**Terri Laird, Executive Director, Retired Public Employees of Nevada:**

The Retired Public Employees of Nevada was established in 1976 to protect the pension and benefits earned by all public employees. We are a nonprofit organization with nearly 8,000 members, many of whom are retired, although we do have up to 1,000 active members still working. We are testifying in support of A.B. 48 because of the inequalities that you heard about between the state and nonstate Medicare participants in the Medicare Exchange at PEBP. As you heard from Ms. Rich, when a state Medicare Exchange participant mistakenly leaves the exchange during open enrollment, they are given one opportunity to come back, but up until now, nonstate retirees are not given the same opportunity. It is important because once a participant is out of PEBP, they lose their valued HRA contribution, and many rely on that to help pay premiums and other health-related medical expenses. Assembly Bill 48 can rectify this disparity. The Retired Public Employees of Nevada has received many desperate phone calls from Medicare participants who found themselves in this predicament but were relieved to find out that PEBP had allowed one mistake. But, again, only for the state Medicare and not for the nonstate. The Public Employees' Benefits Program has done a good job of making sure Medicare participants are aware of this risk during open enrollment but, unfortunately, many retirees living on fixed incomes are always looking for ways to save money, and therefore are more susceptible to the solicitations promising lower premiums. Many are still not aware of the fact that by selecting something else that may be a better offer, they are forfeiting their HRA benefits. Also, for the record, RPEN does publish six newsletters per year. We did publish stories about this very issue on open enrollment, and we have a column in each newsletter from PEBP, so I know that Laura Rich always talks about this issue. We do our best to get the information out to our members statewide. In closing, we are hopeful that you will consider this concern for A.B. 48.

**Chris Daly, Deputy Executive Director, Government Relations, Nevada State Education Association:**

We have served Nevada educators for over 120 years. The Nevada State Education Association (NSEA) supports A.B. 48 to expand PEBP health coverage to certain nonstate retirees. Educators across the state are increasingly concerned with accessing quality, affordable health care. This is true for active educators, but even more true for retired education employees. The Nevada State Education Association believes health care is a right, and the state has a responsibility to ensure that those who have served to educate our kids have access to the health care they need to live in dignity. While A.B. 48 is only a small part of what needs to be done, it is certainly a step in the right direction. I would also like to read some comments from NSEA's president, Tom Wellman, who is a retired counselor from the CCSD. President Wellman writes: [Mr. Daly read from [Exhibit C.](#)]

One of the major expenses that our members face in retirement is the continuing escalating cost of health care. Any measure that can be put in place to help curb this runaway train is greatly appreciated. This bill would directly impact me and allow me, and our members that qualify for this program, to save precious health care dollars each year and every month by allowing us access to the exchange. I urge you to support this bill and help our senior citizens across this state gain access to affordable health care. However, please keep in mind that Nevada is a WEP/GPO [Windfall Elimination Provision/Government Pension Offset] state and many of our retired members that would benefit from this program will not have access because they will not and do not qualify for social security and Medicare.

Please consider as you move forward that active educators and support professionals need to have access to quality, affordable health care when they retire. Working together you can help us solve this problem for employees that handle these life-changing assignments on a daily basis.

**Chair Flores:**

Thank you for calling in. Broadcast, if you could please go to the next caller wishing to speak in support of A.B. 48. [There was no one.] At this time, I would like to invite those wishing to speak in opposition of A.B. 48. [There was no one.] Next, I would like to invite those wishing to speak in the neutral position for A.B. 48.

**Kent Ervin, representing Nevada Faculty Alliance:**

We work to empower faculty to be fully engaged in our mission to help students succeed. We are neutral on A.B. 48 because it does not affect Nevada System of Higher Education employees or retirees, but is a positive step for the small number of nonstate Medicare retirees that are affected, as stated by Ms. Maloney and Mr. Daly. I am testifying in neutral to observe that the limitations to a single reinstatement to PEBP coverage per lifetime was imposed in 2011. Before that, retirees were given an opportunity to reinstate PEBP coverage during open enrollment once each biennium. We question the need for the once per lifetime reinstatement limit for any retiree. Because the Affordable Care Act now requires coverage

of preexisting conditions for all insurers, adverse selection into PEBP after a serious diagnosis should not be a major issue. Adverse selection is not an issue at all for Medicare Exchange participants because PEBP does not pay those claims. As health care systems change, they become more confusing, especially for seniors. So, the once per lifetime "gotcha" is problematic.

**Chair Flores:**

Members, do you have any questions? I do not believe we have any.

Could we please go to the next caller wishing to speak in the neutral position for A.B. 48? [There was no one.]

Could we please have our sponsor come back so that we could have any closing remarks?

**Laura Rich:**

I am here and I am able to answer any questions or follow-ups that the Committee members may have. [There were none.]

**Chair Flores:**

I think you have done a really thorough presentation, so we appreciate your walking us through this. At this time, I would like to thank you for the presentation. I will close out the hearing on A.B. 48.

Next, I would like to open it for public comment. [There was no one.] For now, we will go ahead and close out public comment. In case we do get a caller in the next minute or so, Broadcast please let me know.

Members, I want to thank you for your work this week. I know we covered a bunch of topics and we got into some rather heavy *Nevada Revised Statutes* talk. I do not know how else to describe it other than that, and I appreciate the attentiveness and homework that everybody put in. On Monday, we will be meeting at 10 a.m. to hear Assembly Bill 127. That is going to be presented by our colleague and member here in our Committee, Assemblywoman Dickman. We are looking forward to that presentation.

Before we adjourn, as you know, Black History Month ends this Sunday. In the spirit, as we have done in other committees, I wanted to adjourn today in recognition of all the women and men, specifically our Black women and men, who have made this state and contributed tremendously throughout the history of Nevada—those who have gone unknown, and at times their credit was taken away, and those who now have a voice and share the collective history of what it means to be a Nevadan. Particularly, I want to say thank you and what an honor it is to share this Committee and have Assemblywoman Thomas, who is now a part of that collective Black memory and history in Nevada, and is part of the overarching Nevada history. It is an honor to have your grit, your service in this state, and we look forward to continuing working alongside you. I wanted to take that personal point of privilege. I know Black History Month is a year-round celebration. It should be, but I would

have felt that it was incorrect if I did not at least once during our hearings acknowledge Black History Month and all of the amazing contributions of our colleagues in this building. It is an honor to be alongside all of you. I look forward to continuing to work with you.

Members, I will see you Monday morning at 10 a.m. This meeting is adjourned [at 10:18 a.m.].

RESPECTFULLY SUBMITTED:

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Zachary Khan  
Committee Secretary

APPROVED BY:

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Assemblyman Edgar Flores, Chair

DATE: \_\_\_\_\_

## **EXHIBITS**

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is written testimony, dated February 26, 2021, signed by Tom Wellman, President, Nevada State Education Association, in support of A. B. 48, presented by Chris Daly, Deputy Executive Director, Government Relations, Nevada State Education Association.