



Success Story

Keeping retiree benefits
affordable for all

Nevada Public Employees' Benefits Program
retiree medical strategy



VIA BENEFITS®
By WTW

Nevada Public Employees' Benefits Program



The Challenge

Maintain current benefits at same contribution levels with \$85 million reduced budget.

Background

The Nevada Public Employees' Benefits Program (PEBP) mission is to provide its 70,000 employees, retirees and dependents with "access to high-quality benefits at affordable prices."

Funding for PEBP operations and insurance plans comes primarily from participant and employer contributions. In 2009, PEBP was looking at a **\$3 billion shortfall** on a \$7 billion biennial state budget due to the rising cost of insuring members and covering annual contributions for other post-employment benefits (OPEB) liabilities. At the same time, employer subsidies for health care were flat, creating an **\$85 million projected gap** between what the state would provide and the amount required to maintain the current benefits at the same contribution levels.

If no actions were taken to curb spending, PEBP would have had no choice but to make participants responsible for covering all of the costs of medical inflation and utilization increases. PEBP evaluated a range of options to reduce costs, most of which would transfer the bulk of the costs to state employees and retirees.

"Moving retirees to the individual marketplace let us give them a wide choice of affordable plans that met their needs. At the same time it helped us reduce our program costs to the point where we could make fewer, less drastic changes to our active employee benefits."

Laura Rich, PEBP Executive Director

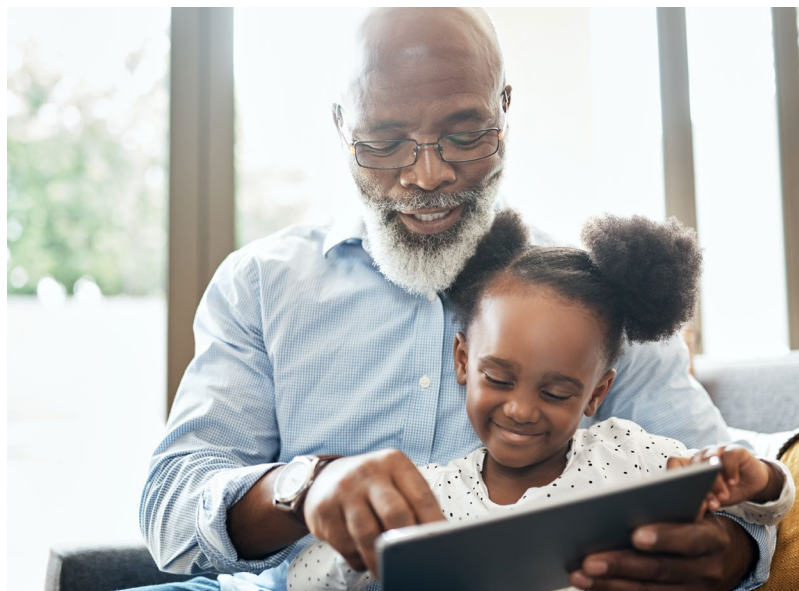
The Solution


PEBP worked with Via Benefits, WTW's Individual Marketplace, to ensure a successful transition through careful planning and outreach.

Strategy

PEBP implemented a multi-pronged approach to reduce the cost of insuring active government employees while maintaining robust health care benefits by converting its PPO plan to a CDHP, adding contributions to health savings accounts and health reimbursement arrangement (HRA) accounts, and slightly reducing coinsurance rates.

PEBP also moved its Medicare-eligible retirees to individual Medicare plans and provided a monthly HRA contribution to help them pay for it. Retirees received greater choice in plan coverage at significantly reduced costs while PEBP was able to offer its employees and retirees more sustainable benefits.





“ We were really focused intensely on achieving ‘no retiree left behind.’ Our goal was to reach every retiree who could be found and ensure everyone had good health care coverage, and we met that goal.”

Laura Rich, PEBP Executive Director

The Result

Moving retirees to the Medicare marketplace delivered benefits for both retirees and PEBP.

Though budget constraints initially motivated PEBP, the team quickly understood that this change was a win for both PEBP and its retirees. Retirees saved between \$1,200 and \$1,800 on health care costs annually, and now have greatly expanded plan options across Medicare Advantage, Medigap and Part D prescription drug plans. Retirees and their spouses are now able to select separate plans to meet their individual circumstances and differing health needs. They also benefit from the support and advocacy of Via Benefits’ licensed benefit advisors who guide them through choosing plans to fit their needs and help resolve any insurance carrier issues that might arise.

An ever-growing number of people participating in the Medicare marketplace means that retirees can continue to afford good coverage without the need for PEBP to sharply increase its HRA funding.

Retirees saved between

\$1,200 and **\$1,800**

on health care costs annually.

>10,000

retirees enrolled in



1,425

different plans from

105 different carriers



[OptimizeRetireeBenefits.com](https://www.optimizeRetireeBenefits.com)

About Via Benefits by WTW

Via Benefits Insurance Services has helped more than two million people evaluate and enroll in individual health insurance. Via Benefits is a resource offering personal service to help retirees understand coverage options through a robust online experience supported by an award-winning customer service team. Founded in 2004, it operates the first and largest Medicare marketplace in the country and, in 2014, expanded to include individual and family plans for Pre-Medicare retirees.



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