



Nevada Public Employees' Benefits Program

January 20, 2026

Assets and Reserves

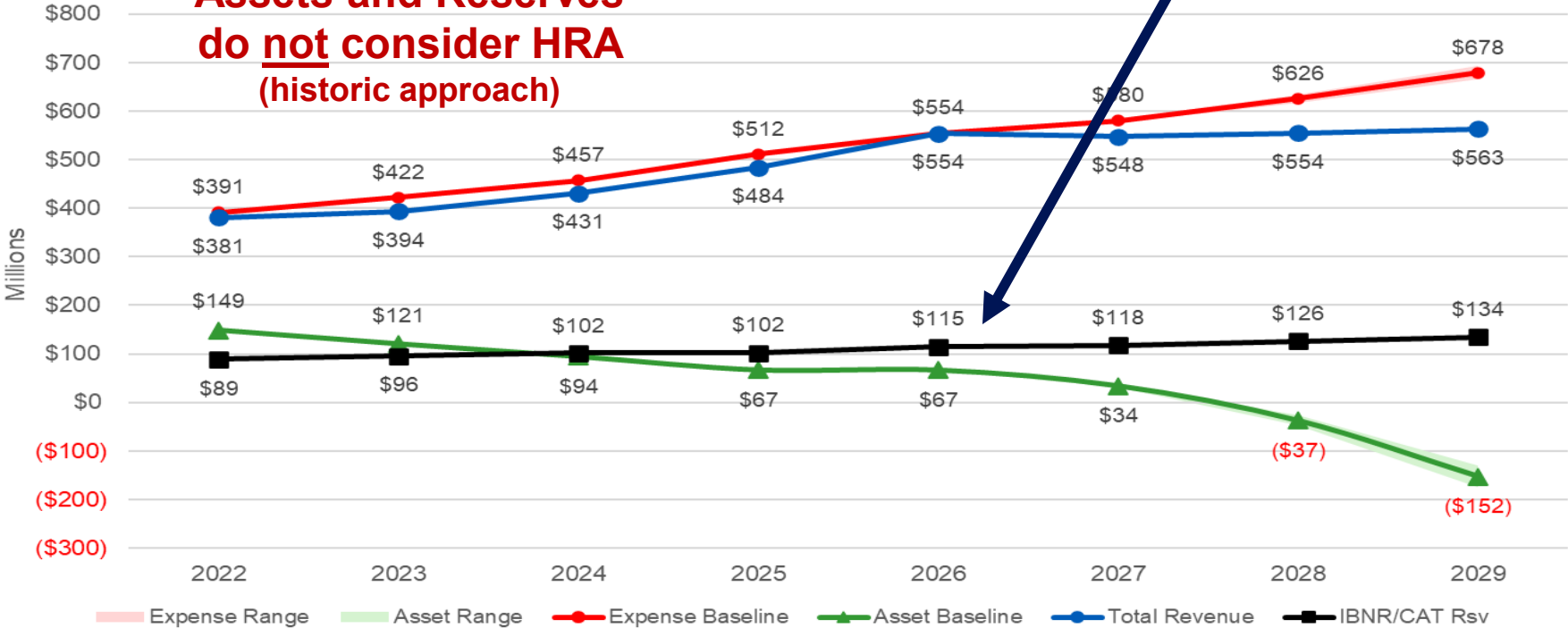
Projected End of Year based on data through November 30, 2025

- Leading up to FY2024, reserves were actively spent down
 - Plan changes, premium subsidies and supplemental HRAs
- Trend increase accelerated at the same time
- Recent large increase in AEGIS and REGI for FY2026 was sufficient to close the funding gap
- Decrease in AEGIS for FY2027 will resume spend-down, which will accelerate without additional increases, or cost reduction measures

	FY24	FY25	FY26	FY27
AEGIS	\$730	\$759	\$1,022	\$982
REGI	\$515	\$545	\$1,007	\$1,023

- Increase in AEGIS/REGI = \$64M for FY26
- Additional \$48M needed to regain target reserve levels

Assets and Reserves do not consider HRA (historic approach)



¹Catastrophic Reserve set at 50 days of claims for PY2024 and earlier; 45 days of claims for PY2025 and later.
²Assets and IBNR estimated for FY2026 and later.

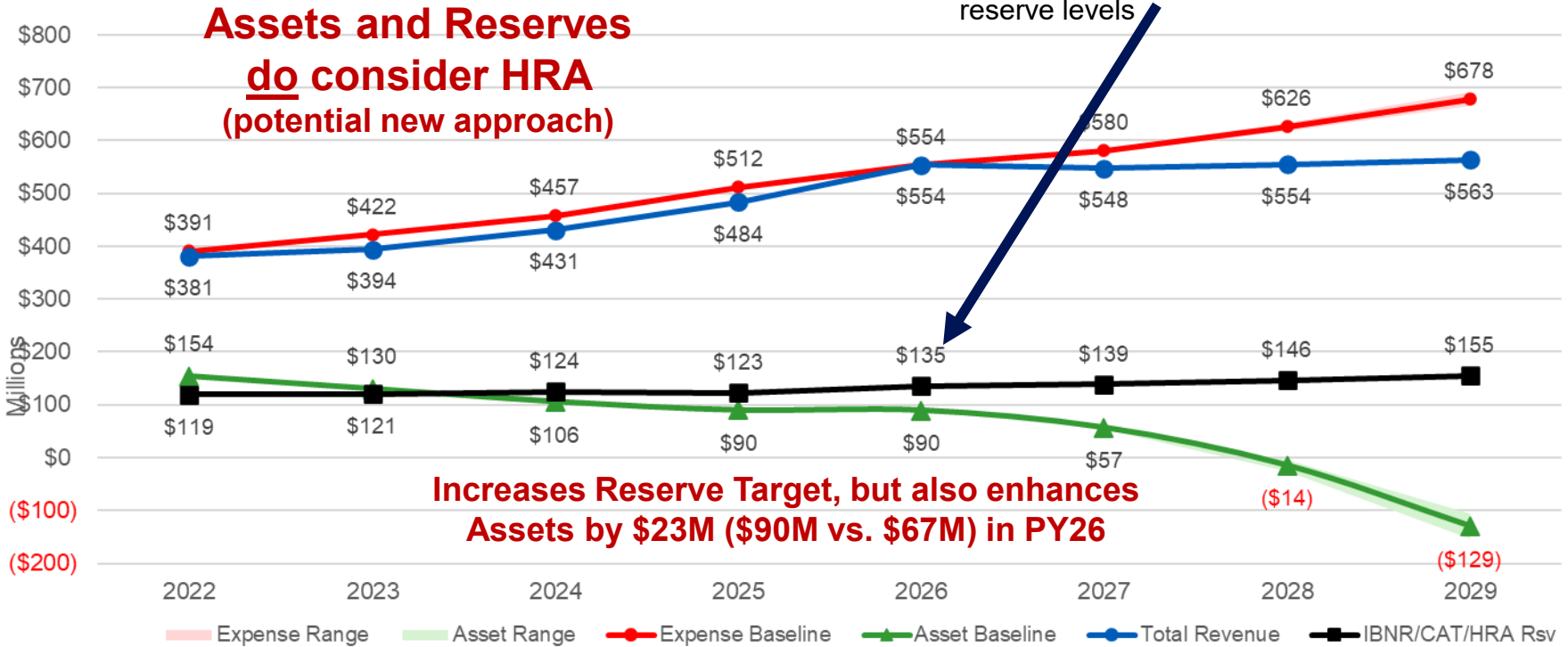
Assets and Reserves (Continued)

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- Decrease in AEGIS for FY2027 will resume spend-down, which will accelerate without additional increases, or cost reduction measures

	FY24	FY25	FY26	FY27
AEGIS	\$730	\$759	\$1,022	\$982
REGI	\$515	\$545	\$1,007	\$1,023

- Increase in AEGIS/REGI = \$64M for FY26
- Additional \$45M needed to regain target reserve levels



¹Catastrophic Reserve set at 50 days of claims for PY2024 and earlier; 45 days of claims for PY2025 and later.

²Assets and IBNR estimated for FY2026 and later.

Illustrative PY2026 Employee Contributions

State Actives and Retirees

The additional \$45M needed to attain the \$135M reserve target (including HRA) equates to Employee and Retiree premiums 46% higher than the current PY2026.

	Current PY2026 Employee Contributions			Illustrative PY2026 Employee Contributions		
State Actives	CDHP	LDPPO	EPO/HMO	CDHP	LDPPO	EPO/HMO
Participant	\$55.26	\$91.79	\$219.91	\$80.58	\$133.85	\$320.68
Participant + Spouse	\$313.94	\$386.99	\$643.23	\$457.79	\$564.32	\$937.97
Participant + Children	\$152.27	\$202.48	\$378.65	\$222.04	\$295.26	\$552.15
Participant + Family	\$410.94	\$497.68	\$801.97	\$599.24	\$725.73	\$1,169.45
State Retirees	CDHP	LDPPO	EPO/HMO	CDHP	LDPPO	EPO/HMO
Participant	\$278.06	\$314.58	\$442.70	\$405.47	\$458.73	\$645.55
Participant + Spouse	\$702.81	\$775.85	\$1,032.09	\$1,024.85	\$1,131.36	\$1,505.01
Participant + Children	\$437.34	\$487.56	\$663.73	\$637.74	\$710.97	\$967.86
Participant + Family	\$862.09	\$948.83	\$1,253.12	\$1,257.12	\$1,383.60	\$1,827.32

PY2025 Medical/Rx Plan Performance

- Total medical/Rx expenses exceeded revenue by \$25.6M for active and retired employees, including State and non-State
- CDHP subsidizes the other two plans

	CDHP	LDPPO	EPO/HMO	Total
Total Revenue*	\$148,788,900	\$135,852,600	\$83,293,500	\$367,935,000
Total Expenses**	\$126,905,700	\$162,008,800	\$104,638,600	\$393,553,100
Net	\$21,883,200	(\$26,156,200)	(\$21,345,100)	(\$25,618,100)
Avg Enrollment	14,176	12,188	6,279	32,643
Revenue PEPM***	\$875	\$929	\$1,106	\$939
Expenses PEPM	\$746	\$1,108	\$1,389	\$1,005
Net PEPM Difference	\$129	(\$179)	(\$283)	(\$65)

* State funding, employee and retiree premium contributions (excludes contributions to dental, life and general PEBP administration costs and revenue received in PY2025 attributable to prior plan years).

** Incurred claim costs, fully insured HMO premiums, HSA contributions, HRA claims (excluding supplemental) and administrative costs, net of prescription drug rebates

*** Per Employee Per Month

PY2025 Medical/Rx Active State Employees

Participant Only Tier

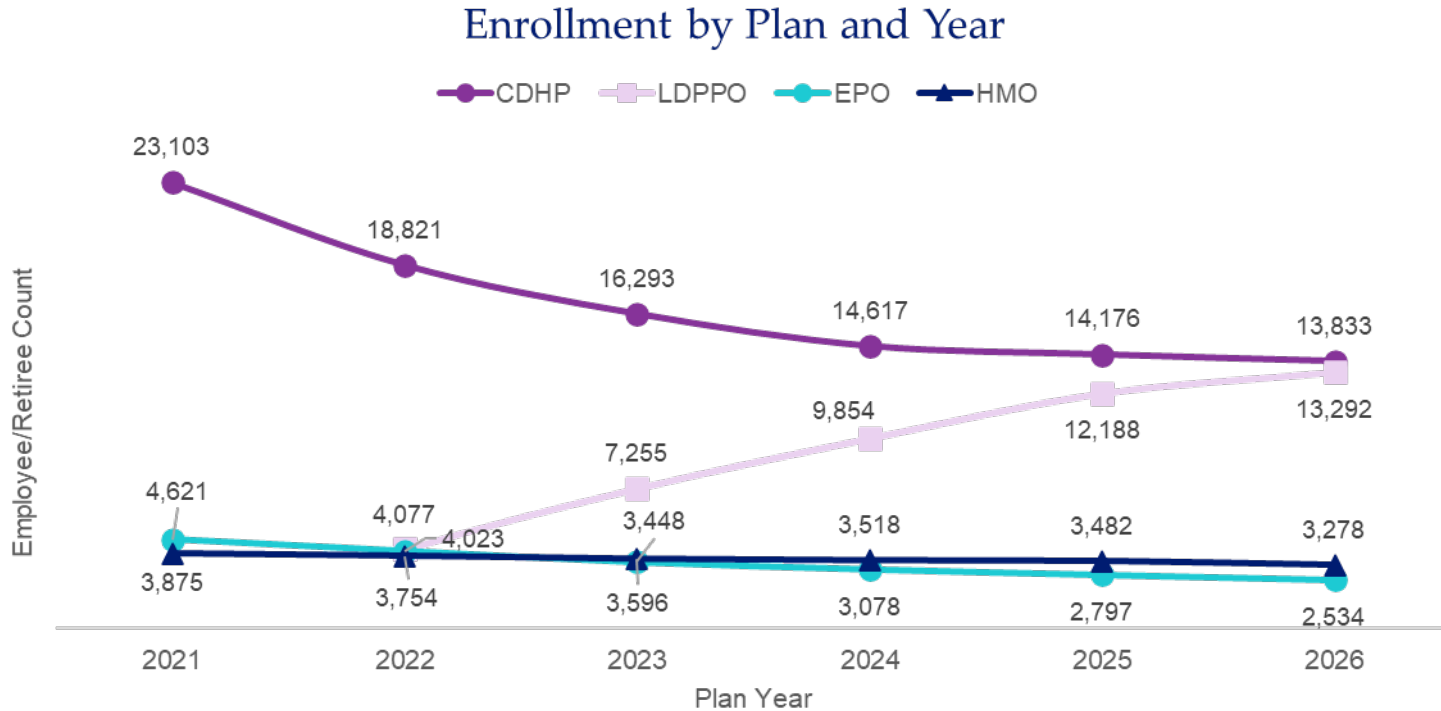
- The CDHP rates subsidize the LDPPO and EPO/HMO rates
- For the CDHP, the subsidies exceed the total projected cost

	CDHP	LDPPO	EPO/HMO
Subsidized Rate	\$714.88	\$753.70	\$852.80
Base Subsidy	\$651.32	\$651.32	\$651.32
Planned Spend-down	\$8.30	\$17.12	\$20.24
Employee Premium	\$55.26	\$85.26	\$181.24
If No Cross-Subsidies Between Plans <i>(if we just let the math flow – and no migration considered)</i>			
Unsubsidized Rate	\$615.68	\$801.11	\$1,112.66
Base Subsidy	\$651.32	\$651.32	\$651.32
Planned Spend-down	\$8.30	\$17.12	\$20.24
Employee Premium	(\$43.94)	\$132.67	\$441.10

Does not consider migration, which would be significant and result in higher costs for each plan.

Migration to the LDPPO

- AEGIS/REGI are fixed on a per employee basis
- Migration from the CDHP to the LDPPO increases costs without corresponding increase in revenue

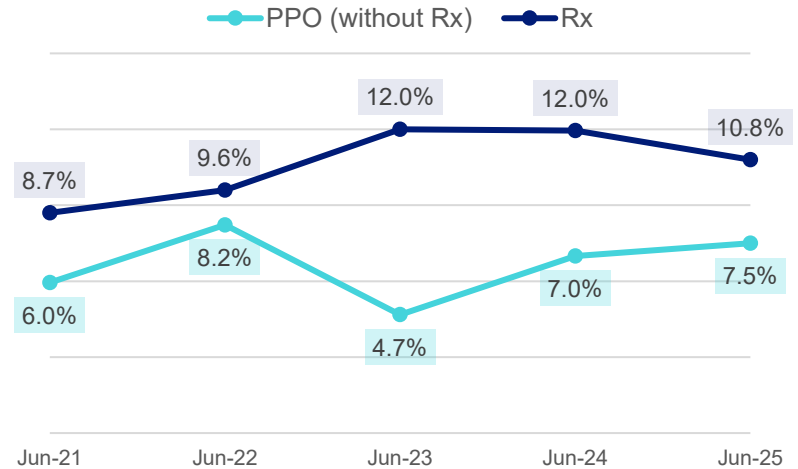


Members are migrating to the LDPPO from both the EPO/HMO and the CDHP

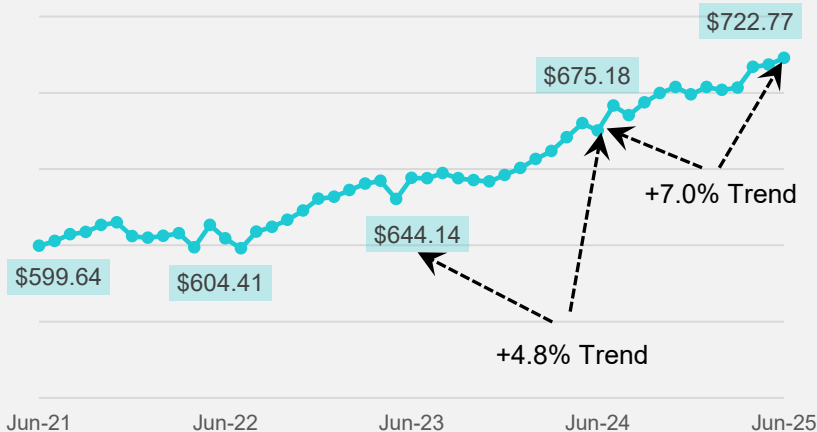
Medical/Rx Cost Trends

- Rx trend drivers¹
 - The number of patients utilizing Mounjaro and Ozempic continues to rise (2-3x that of prior period)
 - Specialty patients increasing by 15-20% in FY25
- Medical trend drivers²
 - HCCs account for \$2M increase between FY24/FY25
 - Cancer prevalence is 7.9% of members
 - Diabetes prevalence is 6.4% of members
 - MSK prevalence is 18.9% of members

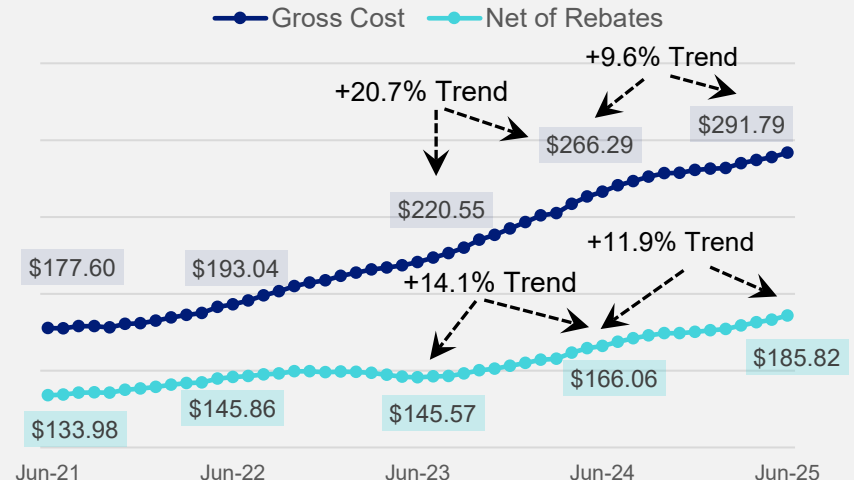
Industry Medical and Rx Annual Trend



Medical



Prescription Drug

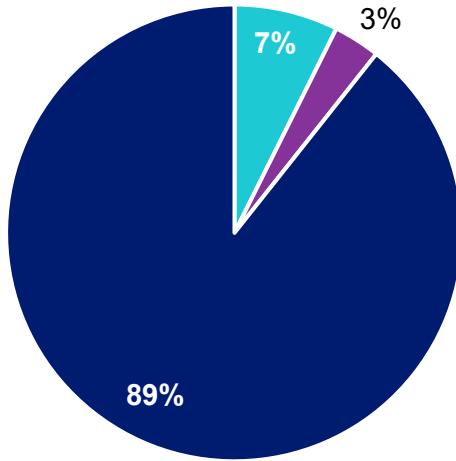


¹ Based on ESI reporting through December 31, 2025

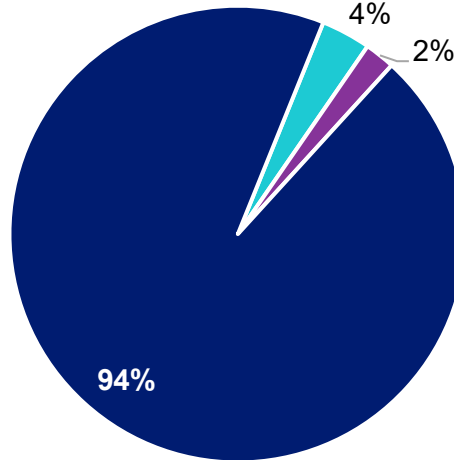
² Based on UMR reporting through December 31, 2025

Members Reaching OOPMax - PY2025

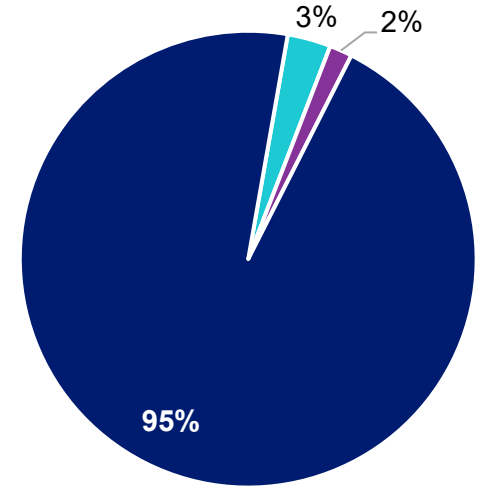
CDHP



LDPPO/Copay



EPO



■ EE Only Coverage meeting OOP Max ■ EE+Deps Coverage meeting OOPMax ■ #EEs Not meeting OOPMax

Plan	Unique Employee/Retiree Count	EE Only Coverage meeting OOPMax	EE+Deps Coverage meeting OOPMax	Total Meeting OOPMax	Total % Meeting OOPMax
CDHP	12,197	1,044	468	1,512	10.7%
LDPPO	12,454	428	261	689	5.7%
EPO	2,696	86	45	131	4.7%
Total	27,347	1,558	774	2,332	8.0%

PY2027 Plan Designs

In-network benefits

In December, Board approved plan changes expected to result in \$5M (~1%) in annual savings

	CDHP	LDPPO	EPO	HMO
Actuarial Value	77.8%	83.1%	89.1%	91.4%
Service Area	Global	Global	Northern Nevada	Southern Nevada
HSA/HRA Contribution	\$700 PEPY +\$200 per dep (max 3)	N/A	N/A	N/A
Annual Deductible	\$1,700 Individual \$3,400 Family \$3,400 Individual Family Member Deductible	\$300 Individual \$600 Family	\$100 Individual \$200 Family \$100 Individual Family Member Deductible	N/A With exception of Tier 4 prescription drug coverage
Medical Coinsurance	20% after deductible	20% after deductible	20% after deductible	N/A
Out-of-Pocket Maximum	\$5,000 Individual \$10,000 Family	\$5,000 Individual \$10,000 Family	\$4,000 Individual \$8,000 Family	\$5,000 Individual \$10,000 Family
Primary Care/ Specialist Office Visit	20% after deductible	\$30/ \$50 copay per visit	\$20/ \$40 copay per visit	\$25/ \$40 (\$25 with referral) copay per visit
Urgent Care Visit	20% after deductible	\$80 copay per visit	\$50 copay per visit	\$50 copay per visit
Emergency Room Visit	20% after deductible	\$750 copay per visit	\$600 copay per visit	\$600 copay per visit
In-Patient Hospital	20% after deductible	20% after deductible	\$600 copay per visit	\$600 copay per visit
Outpatient Surgery	20% after deductible	\$500 copay per visit	\$350 copay per visit	Ambulatory Facility \$50 copay Hospital \$350 copay
PY2026 Employee Only Premium	\$55.26	\$91.79	\$219.91	\$219.91

Fixed Cost Plan Elements

Trended from PY2022 Compared to Approved for PY2027

	PY2027			Illustrative: PY2022 if Trended to PY2027		
	CDHP	LDPPO	EPO	CDHP	LDPPO	EPO
HSA/HRA Contributions	\$700 PEPY +\$200 per dependent (max 3)	--	--	\$722 PEPY	--	--
Annual Deductible	\$1,700 Individual \$3,400 Family	\$300 Individual \$600 Family	\$100 Individual \$200 Family	\$2,100 Individual \$4,200 Family	\$600 Individual \$1,200 Family	\$180 Individual \$360 Family
Out-of-Pocket Maximum	\$5,000 Individual \$10,000 Family	\$5,000 Individual \$10,000 Family	\$4,000 Individual \$8,000 Family	\$6,000 Individual \$12,000 Family	\$6,000 Individual \$12,000 Family	\$6,000 Individual \$12,000 Family
Primary Care/ Specialist Office Visit	20% coinsurance	\$30/ \$50 copay per visit	\$25/ \$40 copay per visit	20% coinsurance	\$36/ \$60 copay per visit	\$30/ \$48 copay per visit
Urgent Care Visit	20% coinsurance	\$80 copay per visit	\$50 copay per visit	20% coinsurance	\$96 copay per visit	\$60 copay per visit
Emergency Room Visit	20% coinsurance	\$750 copay per visit	\$750 copay per visit	20% coinsurance	\$900 copay per visit	\$900 copay per visit
In-Patient Hospital	20% coinsurance	20% coinsurance	\$750 copay per visit	20% coinsurance	20% coinsurance	\$900 copay per visit
Outpatient Surgery	20% coinsurance	\$500 copay per visit	\$350 copay per visit	20% coinsurance	\$600 copay per visit	\$420 copay per visit
Prescription Drug						
Retail30	20% coinsurance	\$10 / \$40 / \$75	\$10 / \$40 / \$75	20% coinsurance	\$15 / \$62 / \$116	\$15 / \$62 / \$116
Retail90/Mail	20% coinsurance	\$20 / \$80 / \$150	\$20 / \$80 / \$150	20% coinsurance	\$30 / \$124 / \$232	\$30 / \$124 / \$232
Specialty	30% coinsurance (\$100 min/\$250 max) ¹	30% coinsurance (\$100 min/\$250 max) ¹	30% coinsurance (\$100 min/\$250 max) ¹	20% coinsurance	30% coinsurance	30% coinsurance

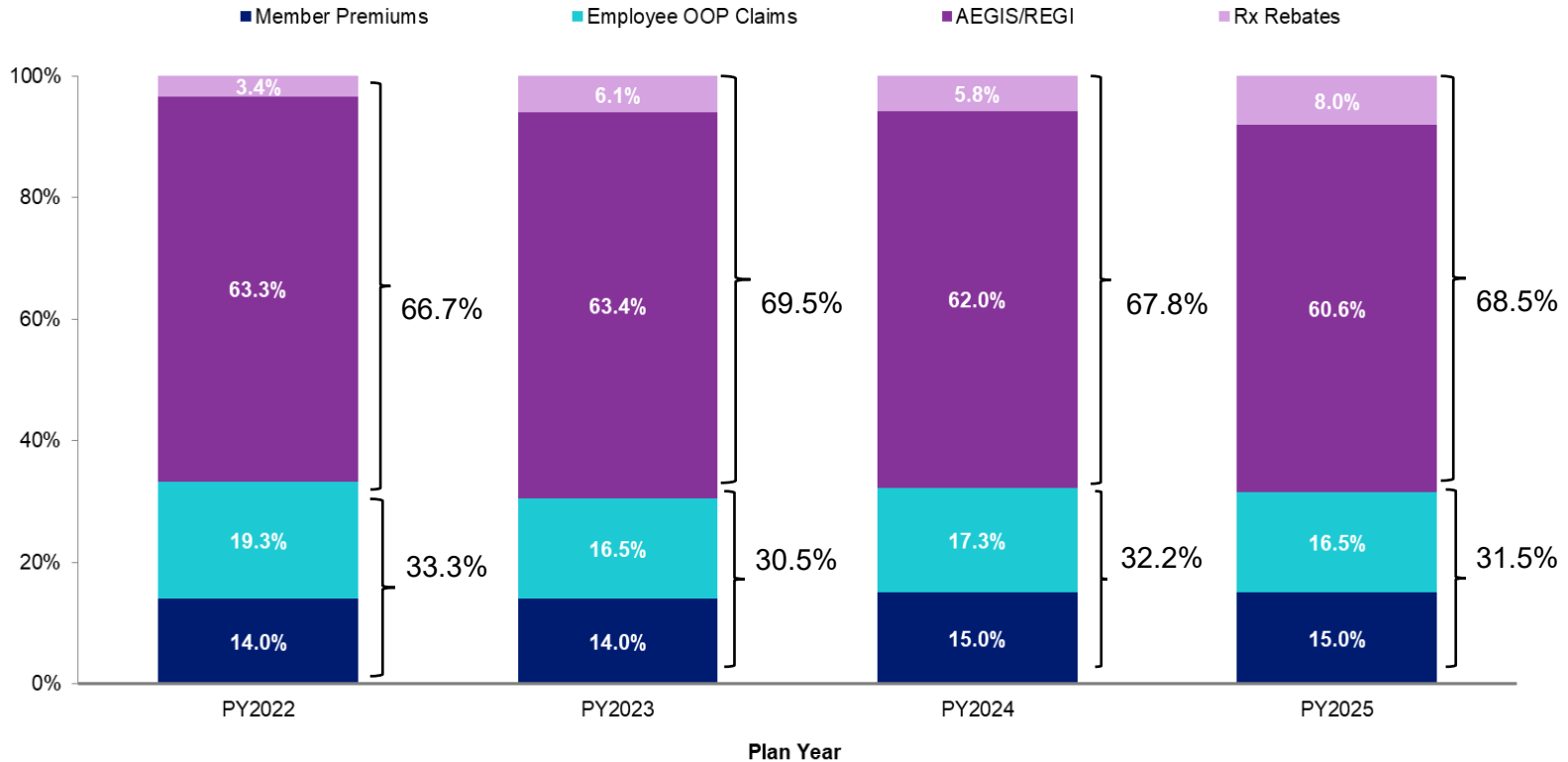
¹ Min/Max applies for specialty drugs not included in the SaveOnSP program with ESI.

Many fixed dollar provisions have not been updated over the last several years to keep pace with trend, resulting in higher trend increases for PEBP.

Historic Cost Share

- **Stable plan provisions and premiums leveraged cost increases to PEBP**
- **Member share of total costs has declined from 33.3% to 31.5%**

Distribution of Revenue Sources



¹ Some member utilize HSA/HRA funding to pay deductibles, copay and coinsurance.

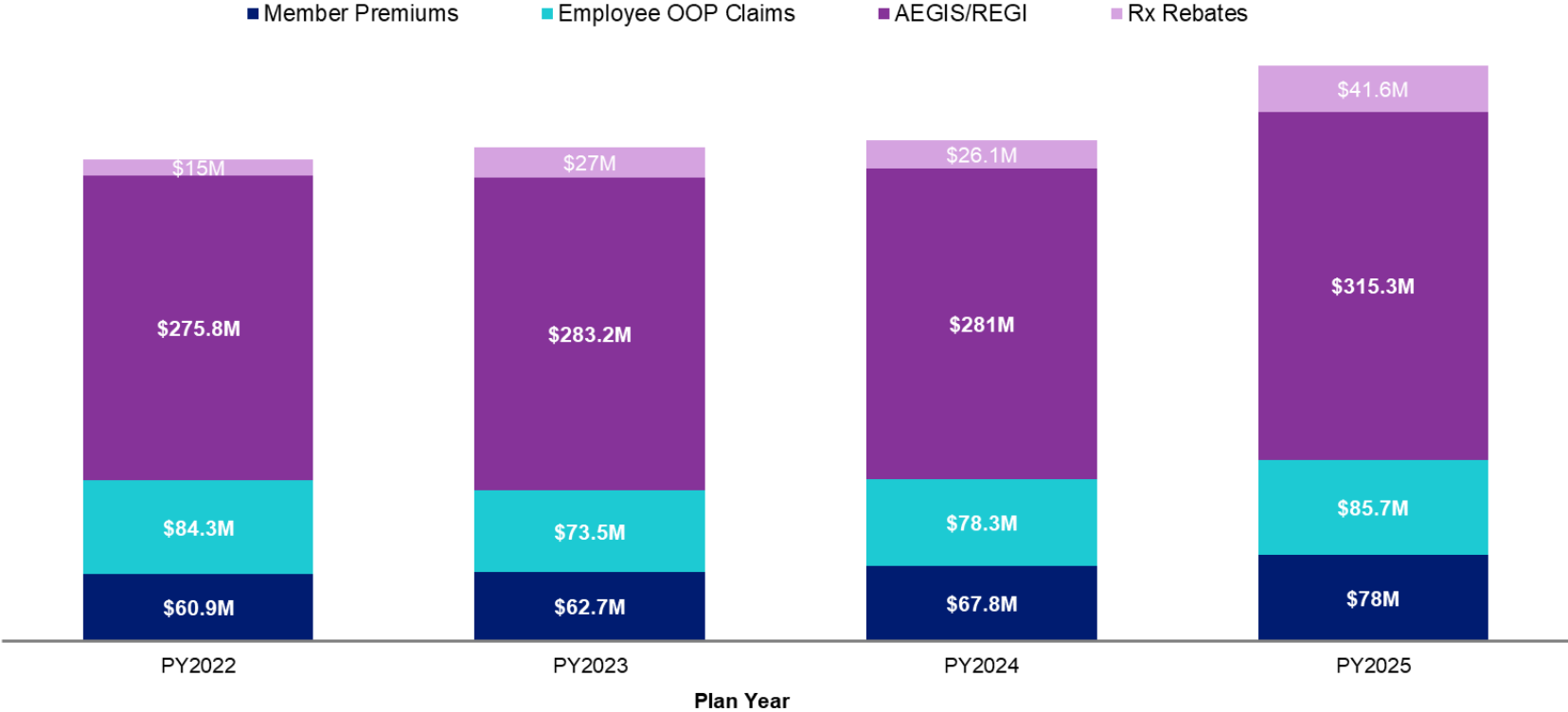
² Supplemental funding to HSA/HRA accounts were provided in both PY2024 and PY2025.

Historic Cost Share

Aggregate Dollars

- State costs increased from \$276M (PY22) to \$315M (PY25) → +\$39
- Member costs increased from \$145M (PY22) to \$164M (PY25) → +\$19M

Aggregate Revenues by Plan Year



¹ Some member utilize HSA/HRA funding to pay deductibles, copay and coinsurance.

² Supplemental funding to HSA/HRA accounts were provided in both PY2024 and PY2025.

Member Out-of-Pocket Comparison

Case 1: Low Utilization

Employee Only

- One (1) annual physical
- Preventive screenings (e.g. mammogram, colonoscopy)

Employee Only Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$663	\$1,101	\$2,639
Member Cost Share**	\$0	\$0	\$0
Total Spend	\$663	\$1,101	\$2,639

Family Coverage

- Two (2) annual physicals
- Two (2) Well child visits
- Preventive screenings (e.g. mammogram, colonoscopy)

Employee & Family Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$4,931	\$5,972	\$9,624
Member Cost Share**	\$0	\$0	\$0
Total Spend	\$4,931	\$5,972	\$9,624

* 2025 annual premiums are shown for State Active employees.

** Member cost share does not reflect potential HSA, HRA or FSA funding.

Member Out-of-Pocket Comparison

Case 2: Low-Moderate Utilization

Employee Only

- One (1) annual physical
- Preventive screenings (e.g. mammogram, colonoscopy)
- Two (2) maintenance medications (brand and generic)
- One (1) ER visit

Family Coverage

- Two (2) annual physicals
- Two (2) well child visits
- Preventive screenings (e.g. mammogram, colonoscopy)
- Two (2) ER visits
- Two (2) Urgent Care visits
- One (1) Outpatient surgery
- Multiple medications

Employee Only Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$663	\$1,101	\$2,639
Member Cost Share**	\$4,000	\$1,025	\$975
Total Spend	\$4,663	\$2,126	\$3,614

Employee & Family Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$4,931	\$5,972	\$9,624
Member Cost Share**	\$7,569	\$3,571	\$3,173
Total Spend	\$12,500	\$9,543	\$12,797

* 2025 annual premiums are shown for State Active employees.

** Member cost share does not reflect potential HSA, HRA or FSA funding.

Member Out-of-Pocket Comparison

Case 3: High-Moderate Utilization

Employee Only

- One (1) annual physical
- Preventive screenings (e.g. mammogram, colonoscopy)
- Two (2) maintenance medications (brand and generic)
- One (1) ER visit
- One (1) Inpatient stay (LOS = 6 days)

Employee Only Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$663	\$1,101	\$2,639
Member Cost Share**	\$3,864	\$2,349	\$1,393
Total Spend	\$4,527	\$3,450	\$4,032

Note that Family meets OOPMax in CDHP

Family Coverage

- Two (2) annual physicals
- Two (2) well child visits
- Preventive screenings (e.g. mammogram, colonoscopy)
- Normal maternity and newborn delivery
- Two (2) ER visits
- Two (2) Urgent Care visits
- Multiple generic medications

Employee & Family Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$4,931	\$5,972	\$9,624
Member Cost Share**	\$8,000	\$5,794	\$3,328
Total Spend	\$12,931	\$11,766	\$12,952

* 2025 annual premiums are shown for State Active employees.

** Member cost share does not reflect potential HSA, HRA or FSA funding.

Member Out-of-Pocket Comparison

Case 4: High Utilization

Employee Only

- Cancer patient

Employee Only Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$663	\$1,101	\$2,639
Member Cost Share**	\$4,000	\$4,000	\$5,000
Total Spend	\$4,633	\$5,101	\$7,639

All meet OOPMax in all plans

Family Coverage

- High risk pregnancy with NICU stay

Employee & Family Coverage

	CDHP	LDPPO	EPO
Annual Premium*	\$4,931	\$5,972	\$9,624
Member Cost Share**	\$8,000	\$8,000	\$10,000
Total Spend	\$12,931	\$13,972	\$19,624

* 2025 annual premiums are shown for State Active employees.

** Member cost share does not reflect potential HSA, HRA or FSA funding.

Historical Member OOP + Premiums

Actives/Retirees, State/Non-State Enrollees Combined

	PY2022	PY2023	PY2024	PY2025	
CDHP	Annual Premium Contributions	\$30,203,134	\$25,252,645	\$23,628,557	\$24,542,868
	<u>Member OOP Costs</u>	<u>\$46,372,282</u>	<u>\$40,301,978</u>	<u>\$38,489,619</u>	<u>\$38,641,528</u>
	Total Member Costs	\$76,575,417	\$65,554,623	\$62,118,176	\$63,184,396
	PY2022	PY2023	PY2024	PY2025	
LDPPO	Annual Premium Contributions	\$8,119,476	\$15,037,908	\$21,679,796	\$30,001,719
	<u>Member OOP Costs</u>	<u>\$8,674,876</u>	<u>\$12,701,658</u>	<u>\$18,525,817</u>	<u>\$24,086,641</u>
	Total Member Costs	\$16,794,352	\$27,739,567	\$40,205,613	\$54,088,360
	PY2022	PY2023	PY2024	PY2025	
EPO/HMO	Annual Premium Contributions	\$12,184,869	\$11,322,848	\$10,874,298	\$10,832,721
	<u>Member OOP Costs</u>	<u>\$6,762,104</u>	<u>\$6,043,679</u>	<u>\$5,816,703</u>	<u>\$5,642,263</u>
	Total Member Costs	\$18,946,973	\$17,366,527	\$16,691,001	\$16,474,985

* Actual annual premium contributions are allocated across plans based on expected contributions
 ** Member cost share reflects medical/rx benefits only and does not directly include HSA, HRA or FSA funding.

Historical Member OOP + Premiums PEPM

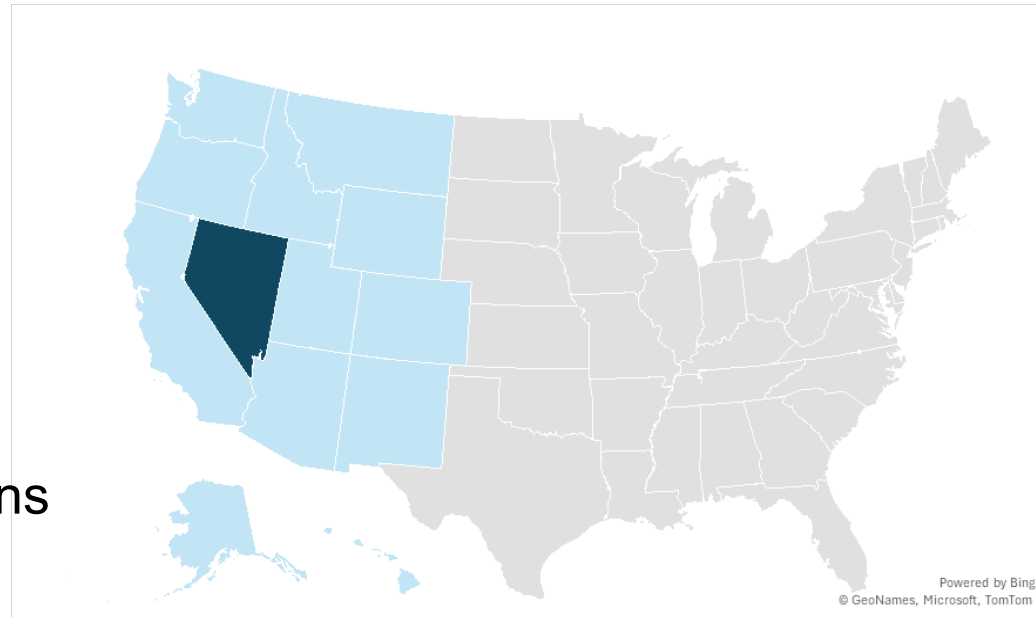
Actives/Retirees, State/Non-State Enrollees Combined

		PY2022	PY2023	PY2024	PY2025
CDHP	Annual Premium Contributions	\$133.73	\$129.16	\$134.71	\$144.28
	<u>Member OOP Costs</u>	<u>\$205.33</u>	<u>\$206.13</u>	<u>\$219.43</u>	<u>\$227.16</u>
	Total Member Costs	\$339.06	\$335.29	\$354.14	\$371.43
		PY2022	PY2023	PY2024	PY2025
LDPPO	Annual Premium Contributions	\$165.97	\$172.73	\$183.33	\$205.13
	<u>Member OOP Costs</u>	<u>\$177.32</u>	<u>\$145.89</u>	<u>\$156.66</u>	<u>\$164.68</u>
	Total Member Costs	\$343.30	\$318.62	\$340.00	\$369.81
		PY2022	PY2023	PY2024	PY2025
EPO/HMO	Annual Premium Contributions	\$241.55	\$265.52	\$284.50	\$311.55
	<u>Member OOP Costs</u>	<u>\$100.40</u>	<u>\$95.87</u>	<u>\$100.93</u>	<u>\$111.46</u>
	Total Member Costs	\$341.95	\$361.39	\$385.43	\$423.00

* Actual annual premium contributions are allocated across plans based on expected contributions
 ** Member cost share reflects medical/rx benefits only and does not directly include HSA, HRA or FSA funding.

Benchmarking Overview

- Segal conducted a benchmarking review of the current medical and pharmacy benefits provided by plans of comparable size to Nevada PEBP.
- Segal analyzed the statewide plans offered for the following states:
 - Alaska
 - Arizona
 - California
 - Colorado
 - Hawaii
 - Idaho
 - Montana
 - New Mexico
 - Oregon
 - Utah
 - Washington
 - Wyoming
- Peer data from 2026
- Compared PPO and CDHP options



Summary of Network Plan Designs and Premiums

PPO Comparison

	LDPPO	Benchmarking Data		
		Richest	Leanest	Average
Actuarial Value	83.1%	92.6%	73.5%	81.3%
Annual Deductible (Med)	\$300 / \$600	\$0 / \$0	\$4,000 / \$8,000	\$733 / \$1,612
Annual Deductible (Rx)	N/A	\$0 / \$0	\$250 / \$750	\$20 / \$60
Coinsurance	20%	0%	30%	18%
Out-of-Pocket Maximum (Med)	\$5,000 / \$10,000	\$1,750 / \$3,500	\$7,350 / \$14,700	\$3,431 / \$7,240
Out-of-Pocket Maximum (Rx)	N/A	\$0 / \$0	\$4,350 / \$8,700	\$1,745 / \$3,252
PCP / Specialist	\$30 / \$50	\$10 / \$35	\$50 / \$75	\$29 / \$48
Urgent Care Visit	\$80	\$20	\$80	\$62
Emergency Room Visit	\$750	\$250	\$1,000	\$525
Prescription Drug	\$10 / \$40 / \$75 / 30%	\$5 / \$20 / \$50 / \$60	\$25 / \$75 / \$60 / \$200	\$10 / \$31 / \$54 / \$105
2026 Employee Only Premium	\$92	\$535	\$0	\$120
2026 Family Premium	\$498	\$1,658	\$0	\$399

Coinsurances and mixed copay/coinsurances were excluded from minimum, maximum, and average calculations.

Each plan element in the comparison data is shown independently. Multiple plans may be represented across the richest and leanest comparison columns.

Benchmark plan designs and contributions effective on January 1, 2026.

Summary of Current Plan Designs and Premiums

CDHP Comparison

	CDHP	Benchmarking Data		
		Richest	Leanest	Average
Actuarial Value	77.8%	84.4%	64.0%	75.3%
Annual Deductible	\$1,700 / \$3,400	\$1,650 / \$3,300	\$3,000 / \$6,000	\$1,988 / \$4,175
Base HSA/HRA	\$700 / \$1,300	\$0 / \$0	\$1,935 / \$3,987	\$795 / \$1,496
Coinsurance	20%	10%	30%	21%
Out-of-Pocket Maximum	\$5,000 / \$10,000	\$3,000 / \$7,000	\$7,400 / \$14,800	\$4,731 / \$9,588
PCP / Specialist	20% / 20%	10% / 10%	30% / 30%	21% / 21%
Urgent Care Visit	20%	10%	30%	21%
Emergency Room Visit	20%	10%	30%	21%
Prescription Drug*	20% / 20% / 100% / 30%	\$10 / \$35 / \$60	\$15 / \$40 / \$60	\$12 / \$38 / \$60
2026 Employee Only Premium	\$55	\$80	\$0	\$31
2026 Family Premium	\$410	\$289	\$52	\$127

*Only generic / preferred brand / non-preferred brand are shown due to lack of specialty copay only tiers in benchmark data.

Coinsurances and mixed copay/coinsurances were excluded from minimum, maximum, and average calculations.

Each plan element in the comparison data is shown independently. Multiple plans may be represented across the richest and leanest comparison columns.

Benchmark plan designs and contributions effective on January 1, 2026.

Illustrative PY2027 Employee Contributions

State Actives and Retirees

The additional \$82M needed to attain the \$139M reserve target (including HRA) equates to Employee and Retiree premiums 84% higher than the current PY2026.

	Current PY2026 Employee Contributions		
State Actives	CDHP	LDPPO	EPO/HMO
Participant	\$55.26	\$91.79	\$219.91
Participant + Spouse	\$313.94	\$386.99	\$643.23
Participant + Children	\$152.27	\$202.48	\$378.65
Participant + Family	\$410.94	\$497.68	\$801.97

	Illustrative PY2027 Employee Contributions ¹		
	CDHP	LDPPO	EPO/HMO
Participant	\$101.61	\$168.78	\$404.37
Participant + Spouse	\$577.27	\$711.60	\$1,182.77
Participant + Children	\$279.99	\$372.32	\$696.26
Participant + Family	\$755.64	\$915.13	\$1,474.66

	CDHP	LDPPO	EPO/HMO
State Retirees			
Participant	\$278.06	\$314.58	\$442.70
Participant + Spouse	\$702.81	\$775.85	\$1,032.09
Participant + Children	\$437.34	\$487.56	\$663.73
Participant + Family	\$862.09	\$948.83	\$1,253.12

	CDHP	LDPPO	EPO/HMO
Participant	\$511.30	\$578.45	\$814.04
Participant + Spouse	\$1,292.33	\$1,426.63	\$1,897.81
Participant + Children	\$804.18	\$896.53	\$1,220.47
Participant + Family	\$1,585.21	\$1,744.71	\$2,304.24

¹ Illustrative PY2026 rates are set based on a target \$138.6M reserve balance by 6/30/207

Questions

