SILVER STATE HEALTH INSURANCE EXCHANGE

BOARD MEETING

THURSDAY, SEPTEMBER 10, 2015, 1:30 P.M.

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MS. JOHNSTONE: All right. Bruce, can you hear me?

MR. GILBERT: I can, yes. Thank you.

MS. JOHNSTONE: All right. And I understand we have Ms. Kerr -- Lewis on the phone?

MR. GILBERT: We do. We have a quorum at this time.

MS. JOHNSTONE: All right. Thank you. Then, I'll go ahead and open up the meeting.

This is Leslie Johnstone. And this is the Silver State Health Insurance Exchange Board.

With that, I will (indistinct) and welcome back one.

Mr. Gilbert, could you take the roll, please.

MR. GILBERT: I will. Thank you.

Ms. Johnstone?

MS. JOHNSTONE: Present in Henderson.

MR. GILBERT: Dr. Jameson?

Ms. Lewis?

MS. LEWIS: Here.

MR. GILBERT: Thank you.

Ms. Wilson?

Dr. Grinshteyn?

Ms. Clark?

And then the ex officio. Ms. Aiello?

MS. AIELLO: Here.

MR. GILBERT: Mr. King for Commissioner Parks?

And Ms. Nielson for Mr. Wells?

MS. NIELSON: Here.

MR. GILBERT: Okay. We do have a quorum.

MS. JOHNSTONE: Mr. Gilbert, you're the only one in Carson City that we can hear.

MR. GILBERT: There's, apparently, a phone line that needs to be muted. Lavonne needs to mute the phone.

MS. LEWIS: My phone was muted. My phone is muted. I had to take it off mute to -- I'm having trouble hearing you.

MR. GILBERT: I'm sorry. Are we ready? Test one, two, three. Now I'm getting feedback here.

Try now. Is that better?

MS. JOHNSTONE: We could always hear you. It was -- it's the other microphones we could not hear.

MR. GILBERT: Okay. Then, test.

MS. HEATHER___: Testing.

MR. GILBERT. Ooh.

MS. JOHNSTONE: Okay. All right.

All right. Let's proceed, then, open up for public comment. And is there any public comment in Carson City?

MR. GILBERT: There is none in Carson City.

MS. JOHNSTONE: All right. Public comment in Las Vegas?

All right. There is none.

We'll move on to the approval of the minutes from the August 13th Board meeting.

Do any Board members have any corrections or amendments? Otherwise, is there a motion for approval?

MS. LEWIS: Lavonne Lewis. I move approval of the minutes, August 13th.

MS. JOHNSTONE: Thank you.

Is there a second?

If someone's talking, we can't hear.

DR. GRINSHTEYN: Can you hear now?

MS. JOHNSTONE: Yes.

MS. GRINSHTEYN: Okay. Erin Grinshteyn. I'll second.

MS. JOHNSTONE: Thank you.

All in favor, say "aye."

(Board members said "aye.")

MS. JOHNSTONE: Opposed?

Thank you. The minutes are approved.

Mr. Gilbert, the Executive Director's report.

MR. GILBERT: Yes. Thank you, Madam Chair.

I'd like the record to reflect that Ms. Clark has joined us and is here for the meeting at this point.

MS. JOHNSTONE: Thank you.

MR. GILBERT: You will notice that this month, for the very first time, I did not prepare a written report. And that was actually intentional. My reports tend to be cumulative. And we have a lot to get through today in the course of our meeting, particularly with regard to our discussion of strategic initiatives.

There is one thing I do want to touch on specifically, though. And before I do that, we have a couple of new employees that I would like to introduce to the Board.

Heather I will let introduce herself. She is actually our new Operations Manager.

We also have with us today, Aaron Frantz, who is sitting out there in the audience. He started yesterday.

Did I get that right?

MS. DAVIS: (Nodded head yes.)

MR. GILBERT: Good. Okay. And he will be moving into the CFO position sometime later on in the month. And you'll hear more about him, I think, next month when he comes and introduces himself.

But, Heather, would you like to talk, or give us some information on you, please.

MS. KORBULIC: Sure. My name's Heather Korbulic. And I have just joined the Exchange. This is my third week as the Operations Manager. Before this, I was acting as the State Long-Term Care Ombudsman, which is a state advocate for consumers and long-term care. So I have experience with consumer issue resolution. I also have experience with interpreting regulations, federal and state. And I have some budgeting and legislative experience.

So I'm very excited to be with the Exchange. Thanks.

MR. GILBERT: Thank you, Heather.

In the three weeks she's been here, Heather has -- she's dived headfirst pretty much into everything. And to say that I am very, very pleased that she did, in fact, choose to join us.

Moving on to my remarks, you may have seen that a petition was filed last week. And the intent of the petition was to amend the state constitution to prohibit

state or local governmental entities in Nevada from creating or maintaining a Health Insurance Exchange.

The filing has gotten some media attention. And I did want to take a moment to comment on it. You know, we hear a lot, all of us, about the Affordable Care Act. We've heard people talk about it for about five years now. And I understand and appreciate and have the highest opinion of those who don't necessarily think it's a good law.

But, invariably, when I ask folks what they don't like about the law, they don't talk about the law or the statute itself but, rather, how the law was passed. They talk about statements like, if you like your doctor, you can your doctor, if you like your plan, can you keep your plan. They talk about how it was represented to reduce premiums and save people money.

But what they don't talk about are some really important things. Like the fact that the law eliminated lifetime limits on essential medical expenses for consumers. Or how it prohibited insurers from dropping your coverage or raising your premiums if you get sick. Or from denying you coverage if you have a preexisting condition. Or how it ensured that your child can stay on your health plan until they reach age 26. Or how it provides people, whose employers don't offer health

insurance, access to tax advantage premium assistance, just like the people who work for employers who do offer group plans.

Now, please don't think that I'm saying that the people who wrote this law got it all right. Because they didn't. The medical loss ratio requirement is really poorly thought out and runs counter to a concept which is just absolutely essential to the idea of insurance, that premiums generated with good claims experience should be held in reserve to offset the claims for those years in which experience is not good.

And any plan design that allows a $6,000 deductible, which has to be satisfied before any monies are paid by a carried, simply lack value and invite consumer dissatisfaction.

Even so, with all of its flaws and problems and its shortcomings, it's clear that more people are insured than ever before, especially children and especially in the state of Nevada. And the amount of uncompensated care is down significantly nationwide.

You know, by creating a state-based Exchange, Nevada has assured that the most important decisions in the insurance marketplace, the setting of rates and certification of the plans to be sold, are made right here in Carson City in Nevada. And by creating a

state-based Exchange that has a lower fee than that of the Federally Facilitated Marketplace, Nevada has saved its consumers hundreds of thousands of dollars.

Of course, beyond all those things, the real irony in the filing of the petition is that it does not repeal the Affordable Care Act or any of its provisions. And in its attempt to demonstrate opposition to federal intervention, it completely cedes control of Nevada's marketplace to Washington. It does nothing to either assist Nevadans or advance the cause, frankly, of the petition's proponents.

And for the last year, I have not minded, and I still don't mind discussing the value of the Exchange and what we do, what we do and why we do what we do and how it benefits the people of this state. I just want to be sure that as we walk down the road, and we discuss this further, that we deal in facts and not in hyperbole half-truths and sound bites. Because that's the stuff that's a problem to me.

And that's the sum and substance of my prepared remarks. I'm happy to answer any questions.

MS. JOHNSTONE: Any questions from the Board members?

All right. Thank you.

Let's go on to item number V, which is the

strategic initiative document for 2015-16.

MR. GILBERT: Yes, thank you, Madam Chair.

You know, what the Exchange first sort of got put together, back in 2011, everybody agreed that it was important to have a strategic plan, because we're all supposed to have strategic plans. That's the normal way that people do business. And the Exchange, in fact, developed a strategic plan back in 2013 that was intended to identify goals and measure our progress and success.

You know, a number of things have come up since 2013, which have held our attention and kept us, I think, from revising and updating the plan. But now that we have had a successful open enrollment and really a pretty steady year, it seemed that the time had come to revisit and recalibrate. And that's the intent of these strategic initiates.

I didn't call it a strategic plan, because I'm guilty, I don't believe in strategic plans. Generally speaking, when you have a strategic plan, you're dealing with something that's static, with the knowledge that you have today and expecting things not to change as you go forward. I know everybody understands we have national elections coming up. We have ongoing discussions with CMS and others. And the truth is, we

don't know that next year is going to be anything like this year.

So the idea of putting together a multiyear plan that looked out into the future, which is, at best, murky, simply didn't appeal to me.

What I attempted to do in the course of this document was follow two guiding principles and create what I call an adaptive plan.

And the first principle is that I want us to place an emphasis on practical initiatives that would provide the greatest opportunity for present and future success rather than on operational metrics. I don't think that operational metrics -- if we were stamping out widgets, that would be a great way to measure our progress. But that's not what we do. And, consequently, I don't think that they are all that helpful.

I also suggested that the plan set priorities, identify available resources and focus on the capabilities needed in order for the Exchange to assure sustainability and value.

And those were sort of the two guiding lights as this document was put together. In the course of putting it together, identified four what I thought were very important but achievable goals for the Exchange in

the upcoming 12 to 18 months.

The first was the continued restoration of consumer confidence.

The second was implementing programmatic outreach and education. The third was increasing our market focus.

And, finally, spending some time conceptualizing and designing what I thought of as Silver State Health Insurance Exchange 3.0. 1.0 was the original Exchange. 2.0 is the Supported State Based Marketplace model. And 3.0 is what we will be in the future.

Dealing just very quickly with goal number one, the continued restoration of consumer confidence, I think, everybody understands and acknowledges that 2014 was ugly. The brokers didn't like us. The consumers didn't like us. The media hated us. Pretty much everything that could go wrong did go wrong.

And the real problem with that is we lost our correctly, in terms of talking to the brokers, in terms of talking to the consumers, and in terms of talking to the media. That certainly improved last year. But I would tell you that, in my opinion, we still have quite a ways to go. And it's something that we need to continue to build on.

And in building on, on those efforts, the first thing that I talked about here is transparency. People have to understand what we do, and we have to be prepared to freely share knowledge, that is, who we are, what we do, and how things work.

We've actually been very good at that over the past. If you take a look at our website, there are thousands and thousands and thousands and thousands of pages of information that have been provided. Sometimes tough to wade through, but we never hid anything that we did.

I think that we need to continue walking down that road. We need to give a little more thought to how much, how much information and how granular we want to be, in terms of what we share. We won't hide anything. But I think that you can really make it very difficult for people to understand what you're doing if you deluge them with data and information. There's a difference between data and information, obviously.

But I think that we should continue to follow that path but on a slightly different scale and with a slightly different emphasis.

The second prong of building on that is accountability. And, frankly, again, it's something we've actually done a pretty good job of, although it's

not something that we've talked about a great deal, when we talk to folks outside of these walls.

You know, our operations and our internal controls have been reviewed about 12 gazillion times, with everybody from the federal government, to the state, to independent auditors coming in and taking a look to make sure that we do what we do in the right way, that we have good financial controls and that, in fact, we follow state procedure for procurements and other things. And to this point in time, there has never been a significant finding indicating that we have fallen short.

You know, so I think that there is a challenge which is here, which is to better communicate our acceptance of accountability and the results of these various audits and pokings and proddings, so that people do understand that there is a significant amount of oversight and monitoring, not simply on the part of the Board, and you all are very deeply involved as it is, but on the -- but they're also externalized on, basically, everything that we do. And to this point in time, we've done very well working through that.

Madam Chair, let me ask you this. Do you want me to stop after each of these goals, or would you prefer that I go through this in its entirety and then

we work backward?

MS. JOHNSTONE: Mr. Gilbert, why don't you go through the entire document.

MR. GILBERT: Very well.

The second goal was targeted outreach and education. You know, we've done really a pretty good job, all things considered, of trying to reach out to our marketplace and make people understand why having insurance -- yeah, the law requires it, but it's a really good idea, and here's why, it provides protection for you and your family, and some other things. And I think that we've probably picked the low-hanging fruit, with the success that we had during last year's open enrollment.

So at this point, we're trying to put emphasis on identifying access disparities in underserved populations. And some of those are spelled out here in the strategic initiative section where we talk about the rural population, which tends to be disproportionately older and chronically ill with a lower income; younger workers that in jobs in industries which generally don't offer employer-sponsored insurance, or when it is offered, sometimes it may be more expensive than they can afford; the Hispanic community, which represents a significant portion of the nonelderly uninsured

population; tribal community members who may be eligible for free or low-cost health insurance options that can enhance the health care services available through their existing health care programs; the self-employed, such as freelancers and consultants and realtors and others who don't often recognize that they can enroll in individual coverage offered, that offers income-driven subsidies; or tax advantage small group coverage through our SHOP program; and other underinsured population, generally speaking and particularly seniors and communities of color. Because we think that that's where we can do the most good.

The truth is, we're not a good solution for every uninsured person in the state of Nevada. If you take a look at our sweet spot, it's between 139 percent and probably about 300 percent of the federal poverty level. And so that's really where we need to go. That's really where we need to dig. And that's really where we need to concentrate our efforts, in order to get the greatest bang for our buck, if you will.

Goal three is increased market focus. And that has two component parts.

The first is improved consumer assistance. I think, we've spoken many times about the fact that very few consumers actually can understand the impact of

deductibles and copays and cost-sharing and coinsurance. And so, consequently, having the opportunity to have interaction with people who are able to explain that to them, as well as explain why having insurance is a good idea, is really very important to us.

I've noted that there was a recent article that indicated that consumers, generally, if you don't give them any guidance, make their determinations based on price. And, oftentimes, that is not necessarily the best choice for them.

People are generally confused when it comes to insurance and what it is that they're buying. And by better engaging our consumers, we can make sure that they provide -- that they receive meaningful assistance, and we help them make informed choices.

Our navigator groups, with their community ties, are, in my opinion, keys to this effort. We have a broader group of navigator entities than we've ever had before. And we are looking to them to help us communicate the importance of being insured, assessing eligibility for coverage, and helping consumers understand the enrollment process. They are crucial to our efforts to provide face-to-face contact and insure that technology does not become a barrier to our customers.

And to that end, as I've indicated, we will identify and attend events that offer opportunities to interact with and influence our potential customer base and also provide culturally appropriate services to underserved communities, messaging the importance of coverage and ways that they can access enrollment and informational assistance.

The second part of this is marketplace production. It's really interesting. CMS was here a while ago. And when they were here, I was speaking to them. And it struck me that while I really oversee a state agency, I operate a sales organization, in a lot of ways. And I say that because, ultimately, our success or failure as an Exchange is not based upon how well we deal with the Legislature, how well I deal with my friends at DOI or others, how well we deal with CMS. It's how many folks do you enroll? How many policies do you sell?

And as much as we would prefer not to be judged solely by that criteria, it's vary clearly that that's the yardstick and the benchmark that will be used. And, accordingly, I think that an emphasis on, and a greater understanding of marketplace production, is critical to our future.

I have been reaching out consistently to

Nevada's agent and broker communities. These are people who sell insurance for a living. They understand the product, and they're very good in terms of face-to-face interactions with consumers.

And I will tell that you we have worked together very closely and had a number of discussions. I'm meeting with them again on Monday to talk about ways in which we can help them, in terms of identifying individuals who require assistance and are looking for people who can help them, and ways that they can help us, by essentially being a hundred little offices for us all across the state, hosting enrollment events and doing some other things. That should allow us to bring our product to our consumers, to their neighborhoods, to their cities, as opposed to having a single static place for people to show up.

So to foster a partnership with those communities, we have reached out to the professional associations, all three of them -- NAHU and NAFA and the Big "I" -- and we're working with all of them, to determine how to best advance cooperation amongst us. We are in the process of developing criteria and processes for cobranding marketing efforts and events. These efforts are already underway.

And we're also working with our marketing

consultant in the agent and broker community, to identify opportunities and develop strategies to engage and enroll the hard to reach populations that we've been talking about.

So, basically, I was in front of the agents twice this week. I was down in Las Vegas on Tuesday, and I was in Reno yesterday, talking to NAHU folks. And the truth of the matter is, I think that our success -- and I have no doubt we will be successful this year and that our enrollment will be better than it was. But it's going to depend, to a significant degree, on the broker and agent community stepping up for us. And that's the message that I took them. I said, "If we're going to succeed, it's because you're going to help us succeed."

And I trust in and believe that they will help us do exactly that. I've gotten nothing but positive responses from them. You know. I have folks representing their interests sitting here with us. I really think that this is the right way to go, and I think that the message that I've sent has been very well accepted.

We're also talking about issuer marketing partnerships. You know, in addition to the activities of broker and agent communities, our participating

health plans work very hard to leverage their online shopping presence and to work with consumers.

And while we work closely with carriers to develop direct enrollment integrations to and from the federal hub, we really haven't historically spoken with them about coordinating our marketing and outreach efforts, although our goals are exactly the same.

And so we have begun walking down that road as well. And to foster our partnership to our issuers, we will be reaching out to each of our participating carriers to determine how to best work with them, to assist them in their reenrollment and enrollment efforts, and to develop criteria and processes for cooperative marketing efforts and events.

The fourth goal is a little more amorphous. And that's envisioning and design what would be version 3.0 of the Silver State Health Insurance Exchange.

You know, we began life as a state-based marketplace. And we managed both operations and enrollment technology. And we learned that really wasn't a good place for us to be. And as a consequence, we changed, and we went from 1.0 to 2.0, which is what we are now, where we rely on federal technology for enrollment and eligibility determinations, but we handle everything else that's associated with the Exchange.

I think, it's unlikely that we will stay where we are right now. There are too many opportunities to do other things and too many options that will be available under state innovation waivers going forward. You know, the state innovation waiver program, which is part of the Affordable Care Act, offers fairly wide latitude to states for transforming their health insurance and health care delivery systems.

You know, Vermont is going to try and put together a single payer system utilizing one of those waivers. In Hawaii, they're talking about how to better provide individual insurance coverage through a waiver. Minnesota's using it to expand their basic health plan and to smooth out the coverage continuing for low income residents. Arkansas is actually using its waiver to create an Exchange which serves as the gateway to both subsidized and unsubsidized individual plans and offer consumers the opportunity to purchase additional products, such as life and auto insurance and other things, in order to assure marketplace stability and sustainability.

I think that there's the opportunity for us to be a leader in that, for us to have discussions with the Governor's Office, stakeholders and others, and position ourselves to do something, to bring something to the

table that works for Nevada, rather than just follow what Washington thinks we ought to do.

So I have reached out to the Governor's Office and others to initiate a dialogue with them, and elected officials, other state agencies, carriers, agents and brokers and consumer groups. I think we can be more than what we are now. And I think we probably have to be more than what we are now. But it's going to take some time, and it's going to take some thinking.

In conclusion, you know, the points that I raise here, really they're just a first step in a long-term process. I think that we need to periodically review what our goals are and benchmark how we're doing against them and see where we're going.

You know, the idea is to align our resources to meet our goals, and make adjustments as needed to achieve desired results. You know, it doesn't reflect everything that we might hope to do. By the same token, I think, it's a start, and it serves as a framework. And it allows us to better understand where to focus our efforts and allocate our resources.

And I'm happy to answer any questions or have any discussion that the Board may wish.

MS. JOHNSTONE: Thank you, Mr. Gilbert.

Any comments from Board members?

Dr. Jameson.

DR. JAMESON: Comments, questions. Yes, we realized early on in our program how invaluable brokers were to the success of our program. And just as you started off by saying, in the first part, that we still have a long way to go to help our image from the poor start that we had, not just with our public, but with our brokers. It was a very difficult and rocky start we had with them.

And so my question for you is, you are saying you feel like it's a pretty positive relationship we have with them now. But there were a lot of issues. And what I'm wondering is, can you give me any information? Have many of the issues -- many of them dealing with, of course, the old Xerox. But some of them were other issues about making sure they got proper credit on a patient they'd enrolled down the line. There were other issues that were outstanding. Are there any issues that are still coming up with our broker agents?

MR. GILBERT: Yes, Dr. Jameson. Bruce Gilbert, for the record. And thank you for that question.

I will tell you, with some pride, that our relationship with the agent and broker community is probably as good as it will ever be. And I say that

because I've had the opportunity to interact with many of them.

You know, I see Gene Furr sitting here, who was the president of the Northern Nevada Association of Health Insurance Underwriters.

You may still be. I don't know.

He still is. But Gene is here. And he has come to the meetings that we have monthly. And he's worked with us for a year. He knows what we've done.

We have Blaine Gale here, who is actually the president of NAFA. And I don't know that they've ever been to our meetings very often. And they're here because they support us. They understand the importance of our work. And they understand that we have -- we support them. I had the opportunity last year to go before them and speak with them and, you know, sort of thank them for an open enrollment where they worked very hard on our behalf, even though we'd had a rocky start on our relationship.

But I don't think that any of the professional associations or any of the agents in this state, who have heard me or dealt with me, would tell you anything other than they're willing to take the yoke and pull forward and really work hard to make things work.

There are issues which remain, Dr. Jameson.

There's no question about that. Some of it is detritus from 2014. Although, most of that, a lot of that rumbling has gone away, aside from issues with the federal government where they've sent in information in response to requests, or uploaded documents that get lost, and people have issues with CMS.

There are other issues that are out there. But I think that -- and I feel very comfortable in saying that our relationship with the agent and broker community is very solid and that they will work very hard for us in the upcoming open enrollment.

DR. JAMESON: I'm just curious. When the brokers have their clients come in, do you have any idea, from the feedback that you you've had with them, how they present us to the clients, where we come on their portfolio of products they can offer? Do you know if -- when appropriate, do you get the feeling that we're being offered right up there, right at the top?

MR. GILBERT: Well, I think, it depends on who comes to see them, more often than not. You know, if someone's coming in for group coverage, we're not going to be their first choice. If they're coming in for individual coverage, and they're making over 400 percent of the federal poverty level, they will present us, but we're not going to be nearly so attractive as we would

be to people who fall within sort of that wheelhouse of 139 to 300, 350 percent of the FPL.

I think, the brokers that work with us, they present us as the first option for people for whom we should be presented as the first option, to be frank. I don't think that they set us ahead of anybody. But if the circumstances and needs of an individual are within the parameters of those folks we can help, then, then we're certainly at the top of their list.

DR. JAMESON: Yes. And that's what I was curious about. I'm glad to hear that.

And then the other key thing you just stated was for those brokers working with us. Earlier on, we kind of had an estimate of the broker population, of how many we thought were working with us. And it actually wasn't the majority. At this point, do you have any handle on what percentage of the broker community is working with us? And can we improve that?

Because, certainly, if we could improve the number of brokers working with us from a smaller percentage to a much larger percentage, we may be able to really help reach a lot more people. And that wasn't really the issue early on.

MR. GILBERT: Right. Thank you, Dr. Jameson. Bruce Gilbert, for the record.

The broker community is kind of segmented. You have brokers who only work on property and casualty. You have other brokers who only work with large groups. You have other brokers that only work with small groups. And you have a group of brokers that only works with folks or includes folks who only work with people who are looking for something in the individual marketplace.

So the broker universe as a whole probably isn't what we should be benchmarking.

I do know that there were a large number of brokers that signed up the first year, and many did not renew their association with the Exchange directly as a result of some of the technical problems that we have had that first year.

I think that we've gotten past that now. My expectation is -- I think, we had as many as like 400 on our last list. It may be less than that. It may be greater than that. To be honest with you, I'm not sure. I do know that all of the professional associations which represent agents and brokers who sell individual coverage are working with us and introducing us to their membership and championing us.

So I think that we will see some very positive things coming out of that.

DR. JAMESON: Very good. On that issue, it's

my last comment or question. But on some of the other points you touched on, did you -- anyone on that issue want to go any further there?

A question about how we -- since we can't, as you say, we can't stay and, you know, wait in one spot forever, and we have to look at how are we going to change with the future, and there are other entities out there that could become competitive with us, except for the fact that they can't offer a couple of things that we can offer.

But you were talking about having talked to the Governor already, or you're planning to talk to the Governor. But talking about what people like Kansas does, by getting a waiver. And, of course, one of my biggest concerns that I have is that when we first agreed, with a lot of controversy in this state, to take on the expanded Medicaid, and Governor Sandoval was the first republican in the nation to take it on, and our state went ahead and expanded the Medicaid. The biggest controversy was, oh, my goodness, you guys are fools, because after the free ride is over, your state's going to have to burden an increased amount of that economic cost.

You know, they made is very appealing, covering almost the entire state portion initially.

And, you know, 2017 is coming fast, too fast. And we are going to have the state have to incur in that what we thought was going to be a much smaller amount, 150, now 325, on expanded Medicaid, and 25 percent, and our budget is always tight, and we don't have money for so many things we need to do.

Do you think we're going to run into problems with this, on that side? And if so, what kind of opportunity exists for us, as the Exchange, similar to Carson and the waiver, Arkansas and their waiver, of capturing some of those patients; how do you think our Governor feels about that?

MR. GILBERT: Dr. Jameson, thank you for your question. Bruce Gilbert, again, for the record.

To be frank, I don't know how the Governor feels about it right now. I do know, though, that there is a significant amount of concern with respect to the expanded Medicaid and the costs attendant to that program.

The State of Arkansas saw that as an opportunity and for the Exchange to stand as a possible solution for that. And so they take the money that otherwise would be expended, and they utilize it to pay premiums for individual between 101 percent and 138 percent of the FPL. And so they put them through the

Exchange and get coverage through the market, through the carriers.

According to something -- I'll have to go back and dig it out. But according to an article that was published recently, that really has turned out to be a very good deal and value for the State of Arkansas. It has increased the premium tax, which brings in additional monies. It has provided job growth, because the carriers have had to hire people to handle this additional population. And it has also cemented their Exchange as sort of a long-term solution for them.

Now, whether that's something that translates well to Nevada, I'm not sure. It's something I'm certainly interested in bringing up. I think that we actually stand as a potential solution to that expanded Medicaid problem. But, obviously, there would have to be financial analysis done to see where that comes out. But it's certainly a possibility.

DR. JAMESON: And you will have ongoing discussions with the Governor regarding this?

MR. GILBERT: That is certainly my hope and expectation.

DR. JAMESON: Thank you. It sounds very exciting, because we certainly would like to cement the Exchange in, because it is helping so many, not as many

as we anticipated, but still many.

And so, is there any other concerns you have, if something like this doesn't go through, about our sustainability?

MR. GILBERT: For the record, Bruce Gilbert.

That's a really difficult question for me to answer. You have national elections. You have people in Washington that are trying to replace, repeal, reject, do something with the Affordable Care Act. Whether it will look the same two years from now as it does today, I don't know.

If, for example, there were an issue with regard to providing subsidies, for those who qualify for them through advance premium tax credits, it would surely impact us. How much, to what degree, I don't know. And whether that would actually happen, I don't know.

But we always have to be planning, and we always have to put ourselves in a position where we don't rely on Washington's determinations in order for us to succeed and to grow. And that's really what we're talking about doing here.

DR. JAMESON: Yes. And at this time, I think, without some major change in those variables, I think, at this time, which, of course, as you say, things can

change, and Legislature, everything, I'm having a really good feeling about our sustainability. I think, you guys have done an excellent job. And, I think, the way we are now, I feel very comfortable.

And, I think, what I really was asking there isn't so much about if the Legislature makes major changes and all that, but right now, as things exist now, I mean, you know, like Hawaii's probably going to fold their Exchange. They have got no participation. But I feel like we're, although we're not as robust as we hoped, I feel like we're comfortable enough to stay in the game. Do you have any concerns about where we are now?

MR. GILBERT: Bruce Gilbert, for the record.

My only concern is that, of course, we have to wait and see what are friends at CMS intend to charge us for access to healthcare.gov. We've had discussions with them since May. Those are ongoing conversations and discussions. They have their own set of issues and pressures, which probably, to some degree, limit their ability to be as flexible as we might like. By the same token, our existence depends upon my being a fairly good negotiator and getting us a decent deal.

So, in terms of sustainability, that's the only thing that concerns me. You know, the truth is, our

enrollment numbers are sufficient for an Exchange of our size. We have a very small budget. We have a very small staff. Those people really do great work.

And so that would be my only concern. Aside from that, I agree with you. I have no issues whatsoever in terms of saying that we are, in fact, a sustainable Exchange.

DR. JAMESON: Thank you so much.

MS. JOHNSTONE: Comments or questions from the other Board members?

MS. CLARK: For the record, for the record, Valerie Clark.

And I would just like to commend you for your comments. I think, they're spot on. I think, being a broker myself, having been in the brokering business for 23 years, you have a very ready, welling and able work force out there that is more than happy to take on the responsibility of growing the Exchange.

The recommendation, I think, I would make, based on my own feelings and the conversations I've had with my colleagues, is that, you know, you continue the efforts to rein in your cost, to contain your cost, looking for avenues that can meet your needs and maybe exceed yours and the broker, our expectations, in terms of, you know, the infrastructure, the -- you know, is

the fed's system the best system for the State of Nevada, or is there a possibility that we could vet other systems that may be available, that could bring it to a level that would give us more control, give the brokers a little bit better communication, better feedback, for what we're trying to do?

The system we're on now definitely is much better than what we started out with. But, I believe, the broker community feels we could do better. And I believe that there are things out there that could actually save money and control cost and just allow us to provide, to do a better job for you as well.

So I appreciate your comments. I think, they're spot on. My colleagues and my own office are very big supporters of the Exchange. We want it to work.

We always feel that we're subject to the whims of Congress. And, you know, when the stars line up in certain ways, things that we never thought we'd ever see in our whole lifetimes can happen. So the viability of the Exchange, especially in the individual marketplace, relies solely on those tax subsidized payments. If those go away in Congress, I don't see how the Exchange could survive. I don't see any possible way. Because the private marketplace is sufficient to meet the needs

of everybody. The Exchange really depends on those tax subsidies.

So we're your biggest supporters. We're here for you. You know, Bruce has done a great job of helping mend and get a good flow of communication between our entities. And my role here is also to facilitate in any way that I can as well.

So, thank you.

MR. GILBERT: Thank you.

Madam Chair, Bruce Gilbert, for the record.

You know, I appreciate very much with your chiming in. And I also appreciate your recommendation.

You know, the truth is, we need to be open to review and consider other technology, depending upon what kind of information we get from the federal government, as the cost of continuing to associate ourselves with healthcare.gov. You know, the truth is we may have to do that. And if we have to do that, then, in fact, we will.

You know, prior to coming here, one of the things that I used to do was working with agents, brokers and others in terms of reviewing private Exchange technology and what would be appropriate for them.

You know, there are some technologies out there

that, to be honest with you, are very solid, are very well tested, have been working for a very long time. The issue historically has been most of those have been built for group platforms, rather than individual platforms. However, there is at least one that I know of that would be able to do what we need it to do, that is, to accept individual enrollments, to ping off the federal hub for eligibility, to interface with the carriers and others. And, actually, it has a really very strong consumer assistance component, which is something that healthcare.gov does not do. And most private Exchange technology does.

So we're not backed into a corner here. I think that there is the opportunity for us to take a look at other options. But we're going to have to see what the costs look like first.

MR. KING: Thank you.

MS. JOHNSTONE: And do other --

MR. KING: Cliff King with the Division of Insurance.

And something I'd like to note is a fact that in 2014 we had about 87,000 lives in the individual market in the state of Nevada insured through programs that we regulate. That's like a million point -- 1.2 million that are in URISA self-insured programs.

So, you know, we're a fraction of what we have available and what's insured. However, we've got a population of about 2.6 million in the state. And we have taken that from -- and I commend you guys -- from about 87,000 to almost 150,000 through the end of 2015. That's our projection right now. We will end up the year with about 150,000 lives. That's almost doubling. So that's commendable.

We are blessed, though. You mentioned, Dr. Jameson, Hawaii. A good friend of mine, Gordon Ito, and the commissioner from the state of Hawaii. They have a totally different marketplace. They've really got one carrier. They've had a mandate for health insurance for many years in the state of Hawaii.

So it's really a comparison of apples and oranges. You look at a state like Maine, where another good friend of mine, Eric Cioppa, is the commissioner up there, they have two carriers. One of them's the co-op. And before that, they had one carrier.

And so we are blessed with more than a dozen carriers in the individual market competing for this business. We only had five of them on the Exchange. But any plan that's offered on the Exchange must also be offered outside the Exchange.

The main purpose for a person coming to the

Exchange would be to get that subsidy. So as long as -- you know, just as Valerie and Bruce both mentioned, as long as those subsidies are available, there's a real purpose here to come to the Exchange and a very viable opportunity for people to secure coverage.

Unfortunately, throughout Nevada and other states, the majority of the new population that is no longer uninsured, they're insured through Medicaid. And there they don't pay premium. They don't pay premium tax. In many cases, they don't even have a cost share. So it's night and day difference. And if it's free, who's going to turn it away? There are still people who don't sign up. We don't understand that.

So there is a very important purpose for the Exchange to exist. So we're anxious to see them exist and succeed as well. So we're behind you all the way.

MR. GILBERT: Thank you, Cliff.

MS. WILSON: I just wanted to say --

MR. GILBERT: Shall I give you this?

MS. WILSON: Sure. Thanks, Bruce.

MR. GILBERT: No problem.

MS. WILSON: Okay. Angie Wilson, for the record.

I certainly agree with the comments that were said today by the various Board members, participants.

I would also say that I appreciate, in your outlook of the strategic initiatives, the impact on looking at culturally appropriate, you know, a stance in regards to what the new enrollment will look like. I see that for the Hispanic community, the tribal community.

I think that, all though I missed the last meeting, the meeting prior than that, I think, the Board member Ms. Lewis also indicated that in regards to communities that -- in, you know, the same focus there. So, I think, that's going to be important.

I do, I would say that in regards to being a Board member here and also the vice president of the Nevada Tribal Health Director's Council, I think that I always try to push the tribes to get active in the Silver State Health Insurance initiatives, because there are a lot of provisions in regards to American Indians, Alaska Natives, that the broker population isn't necessarily aware of what tribal health care looks like, and eligibility for people is very different. And so it's really difficult, when they're trying to work with somebody, with a broker, to figure out if they need to purchase, and how those specific provisions are going to affect them and their eligibility.

So I really do feel like the tribes need to be

more involved in that process of looking at establishing brokerships in our tribal communities that can understand and contribute to that success. And I do feel that is somewhat of our responsibility to get involved in that.

The other is that, certainly, hearing the comments in regards to Medicaid and, you know, what that will look like in you future, and sustainability of the Exchange, whatever decision is made. And the concern, I guess, that I have with that is, you know, I really don't look at it as a positive in regards to sustainability. If people are not going to be eligible for Medicaid, I seriously don't feel that they're going to purchase insurance on the Exchange, unfortunately, for the majority of them. And that's a serious concern, you know, what's going to happen down the road.

I will say that as a Board member, as a health administrator, I would be highly concerned if the subsidies were not offered in the future, for sure, and how that would directly impact the Silver State Health Insurance Exchange overall.

So it's certainly, you know, something that we keep an ear to the ground. And we advocate on our behalf, and I'll continue to do on my end.

But I did want to say, you know, I think, this

was well put together. I appreciate the initiate, certainly supportive of that.

And that's all my comments for now.

MR. GILBERT: Thank you. Bruce Gilbert, for the record.

Ms. Wilson and I have had a number of discussions about ways that we might be able to bring the broker community and the tribal community together. And, in fact, I've reached out to the Northern Nevada Association of Health Underwriters to talk specifically about that. And we've talked about setting up some meetings that will allow us to do exactly that.

And we're looking forward to making that, making that happen. I know, my friends at NAHU are looking forward to making that happen as well.

I think, your comments are well-taken. And I appreciate what you had to say.

Thank you.

MS. JOHNSTONE: Thank you.

Any other comments or questions?

Very good. Thank you, Mr. Gilbert.

We will move on to item number VI, which is Consumer Assistance Center update.

MS. KORBULIC: Okay. For the record, this is Heather Korbulic. I'm going to talk to you guys about

the Exchange Consumer Assistance Center today.

I hope that you all have the handouts. It looks like, in this room, we do.

So, we use -- the metrics here are from two different data sources. The first one is our call management system, which, basically, tracks call volume, wait times and specific staff activity.

We also have a customer relations management tool. And that's where our staff at the Consumer Assistance Center, they log their detailed case and narrative information about the calls that they're taking.

So, the first three graphs are from our call -- excuse me -- our management system. And all of the data and the graphs are from April 16th, 2015, through August 31st. I did want to note that all three graphs do omit data from August 4th, because we had a power outage here in the Exchange and in the consumer center. So that has been omitted.

But, in the first table, we're looking at abandoned calls and calls that were taken. And as you can see, our calls have declined, but so have our abandoned calls.

In Table 2, we're looking at the percentage of abandoned calls versus the percentage of answered calls,

both lines heading in the right direction, towards 100 percent in our answered calls, towards zero percent in our abandoned calls.

Let's see. In Table 3, you'll notice a spike in July. What we're looking at is the average abandon time, the average hold time and then average time on the call. In July, we noticed, we were noticing that there were calls that were being -- or hold times that were being long periods of time, people were on the -- excuse me -- on the phone for long periods of time.

So, at the Exchange, we decided to test our CM system, to test those abandoned calls. So we were making calls that were being abandoned and put on hold to test the system. So that's why you're seeing a spike there.

We figured out that people were calling just right before 5:00 o'clock p.m. and then would roll into a holding pattern and were being kind of left on the line for long periods of time. So we put some procedures into place so that that no longer happens. And as you can see, our time on the call has remained relatively consistent. Our hold time has decreased, and our average abandon time has decreased dramatically.

The next two tables are from our case -- I have to keep looking at what it's called. I'm sorry.

Customer relations management tool. And that data is illustrative of the top 10. The first table is top 10 consumer issues that the calls center is addressing. And then the Table 5 is the same information but honed into the top five calls.

The Exchange or the call center continues to take many calls that are related to Medicaid or to healthcare.gov. In many instances, our consumer assistance staff are directing or redirecting calls to Welfare or to Medicaid. And then, oftentimes, they are directing calls to healthcare.gov and offering this centric layer of assistance where they are staying on the line with healthcare.gov. We found that that has been extremely beneficial in expediting the resolution of problems for Nevada consumers.

Then, there's a few other items that continue to be worked on related to the call center. We continue to work with the Division of Insurance about outstanding consumer complaints related to 2014. And as you can see, those are -- those calls have been steadily decreasing.

The Exchange has resolved almost all of the 1095A corrections. This says, our report here says four, but we actually have one in process. It's a communication between IRS and the Exchange.

And then, we continue to work closely with CMS on those consumers that Bruce mentioned earlier who had experienced documentation submission issues and had lost their subsidies and were disenrolled for nonpayment. So we're working with those consumers on their complaints.

And I'm happy to answer any other question.

MS. JOHNSTONE: Thank you.

Questions regarding the report?

DR. JAMESON: No. I just thank you for breaking that out. It's very insightful. And you guys are doing an amazing job.

MS. KORBULIC: Thank you.

MS. JOHNSTONE: Any other questions or comments?

I did have a couple. I think -- I appreciate the information a great deal. It's coming along nicely.

For those, just to make it easier for our audience to read, maybe refer to the actual values. You can see the trend behind these charts. Like in Table 1, 2 and 3, you can get an idea of where things are. But because of the scale, you don't know if it's 5 percent or a half a percent on some of these values. And so, I think, either work it into the narrative or add it to the chart, something like that.

And then, also, for the various audiences that

are out there, not everybody prints in color. So maybe put markers on the line so that you can tell the lines apart.

And then, in terms of the trending, you made a lot of good comments in your presentation. That might be helpful in the narrative, so that the document can stand alone. And if a consumer or any interested party looks at it without hearing your testimony, they can see the story behind some of the spikes.

And then, my last question really is, on the other items, the outstanding things with the Division of Insurance, roughly how many are we talking, five, or a hundred, or what?

MS. KORBULIC: Would you like to answer that?

MR. GILBERT: Do you want me to answer that?

MS. KORBULIC: Bruce.

MR. GILBERT: Okay. Bruce Gilbert, for the record.

My understanding is that we were probably in the 50s, in terms of overall number.

Do you know if that's so, Cliff?

MR. KING: I don't know.

MR. GILBERT: Okay. We can get that for you. It's not an overwhelming number. But it was -- even if you have one, it's significant. But there was some size

to it. Let us get that information for you.

MR. KING: It is declining, we know that.

MR. GILBERT: Yes.

MR. KING: But not resolved.

MR. GILBERT: Thank you.

MS. JOHNSTONE: I know it's declining. I just wanted to kind of get it on a scale.

All right. Thank you.

Let's move on to the open enrollment preparation and marketing update.

MS. DAVIS: For the record, my name is Janel Davis, Communications Officer here at the Exchange. I'm going to be talking about open enrollment preparation, and our Nevada account manager will be talking about the marketing update.

So, as we know, open enrollment for plan year 2016 begins November 1st, 2015, and ends January 31st, 2016. Which is 45 days away. So it's coming up.

So, in preparation for open enrollment, Penna Powers developed a marketing plan that was showcased at the last, August 13th, Board meeting. This plan has been further detailed with operational benchmarks. And, like I said, Patty will be here today giving that presentation and answering any questions you guys may have.

As for the open enrollment summary, we have chosen various media allocations to meet demographics by matching the percentage of insurance eligible Nevadans through zip code targeting to reach the new enrollees for this upcoming enrollment.

There will be two events, known as the kickoff event, which will be November 1st, and the closeout event January 31st, which will be designed to increase awareness of Nevada Health Link, gather information and begin the enrollment process.

We also, as Bruce stated, recognize the importance of our partnership with Nevada's agent and broker communities. And here at the Exchange, we've committed to providing marketing assistance through the three associations, so NAHU, NAFA, and the Big "I."

We will work together to coordinate agent and broker participation in large events throughout the enrollment period, sponsored by the Exchange.

Penna Powers and the Ramirez Group will provide marketing assistance for these cobranding events. And creative messaging will be used through the media channels in order to reach our target population.

So the marketing campaign will provide paid media, earned media, public relations, social media, and outreach.

And I'd like to introduce Patty Halabuk, our Nevada account manager, who will provide additional details about the marketing update.

MS. JOHNSTONE: Thank you.

While Patty's coming up, I had a couple of questions on other areas of preparation. And I don't know if any of these are applicable this year or not. But, in the past, there has been quite a process to make sure that all the navigators and brokers are trained and certified on the application.

And whether or not there are any website changes from healthcare.gov that we need to be aware of.

Also, if there are communications to the existing policyholders on the Exchange about what's coming, if that's on the schedule for what's coming, and other logical things that in the past have been quite an effort, and want to leave that out of the discussion and the public information.

MR. GILBERT: Bruce Gilbert, for the record.

Let me go to your last question first, which is whether there are communications to the existing policyholders.

We don't know who they are. That's information that is kept by the carriers. Since we didn't do the eligibility, and they didn't come through our system,

there's no way I would know who they are.

Now, we will work in concert with the carriers to make certain that there is outreach to them. But, but because we don't operate the system anymore, it's not possible for us to target these individuals and reach out to them.

With respect to agent and broker training, CMS has yet, I think, to issue the dates when training will be available. I'm in constant contact with CMS, as well as with our agent and broker communities. And I know everybody is sort of watching with bated breath. We have been repeatedly told it'll be available. The last report was by the end of the month. So we're working actually in concert with them to try and get that resolved.

There was another question, but I don't recall it. I'm sorry.

MS. DAVIS: It was about how healthcare.gov website changes.

MR. GILBERT: Oh, website changes on healthcare.gov. We have not been notified of any. I understand that there may be some minor changes, but there won't be any significant changes to the technology, so far as I'm aware.

Cliff.

MR. KING: If I might, Cliff King, Division of Insurance.

Every health insurance plan, health benefit plan in Nevada is guaranteed issue, guaranteed renewal. The carriers are fighting over market share. They are contacting their consumers, their policyholders, their clients. They own them. They want to keep them.

And so there will be contact. They will also have to contact them to make sure that they qualify again or requalify for their advance premium tax credit, any cost share reductions that they're available for.

So there will be a lot of communications with virtually every policyholder in the state of Nevada.

MS. CLARK: Can I just make a statement, too? Valerie Clark, for the record.

The broker community is quite active in reaching out to their clientele at open reenrollment. We're -- that's how we get paid as well. So you're going to find that the Exchange may not be the one reaching out, but your brokers do, and definitely your carriers do as well.

MS. JOHNSTONE: Thank you all. And the carriers and the brokers do their communications. I was just curious, for this Board and our audience, to know how much of that is part of our planning and how we're

collaborating and coordinating that with our marketing effort.

So if that can be worked into the marketing discussion, I'd appreciate it.

All right. Penna Powers.

MS. HALABUK: Good afternoon. My name is Patty Halabuk, and I represent Penna Powers, along with our outreach partner, the Ramirez Group.

You should have in front of you a marketing update. So I'm going to briefly walk you through.

MS. JOHNSTONE: Can you ask you, is this the same as what was in the packet?

MS. HALABUK: Yes, ma'am.

MS. JOHNSTONE: Okay.

MS. HALABUK: First and foremost, I wanted to address that we listened intently to comments made at the August meeting and so, briefly, wanted to address some of those specifically that were the comments, some that were made, specifically consideration and inclusion of varying ethnicities as we developed our marketing plan, some data just to back that up and rationalize how we came up with the target audience that we have, looking at ethnicities overall, including African-American, Asian, and others that fall into a generalized group, as well as Hispanic.

Other than Hispanic, the other ethnic groups only represented 5 to 7 percent of the whole entire target audience, while the Hispanic population represented 45 percent or more.

So, based on that, given our budget and our task at hand, our determination was to emphasize the Hispanic market using tools such as Hispanic radio and TV, and reach some of the other ethnicities through mainstream mass media, including mainstream television, radio, outdoor and digital.

With regard to media relations itself and communications, we certainly have continued to make outreach. And some of the ethnic-related publications that we have outreached, I've outlined here for you: The Urban Voice; Our Own Voices; El Mundo; Ahora Latino; Las Vegas Asian Journal; and others. And we will continue to do so throughout the duration of this campaign, to hear their voices and include them in any media relations we have going forward.

With regard to the target areas for new and ongoing growth to mine into to find potential new enrollees, we did cross-check our data against the 2015 health insurance market plan selections by zip code and the latest southern Nevada enrollments by zip code map. And we did pinpoint the top 10 zip codes. And I have

outlined them here.

They represent about an 80/20 split between southern and northern Nevada: 89117, 47, 05 -- 502, et cetera, et cetera. I won't list them here or outline them here. But they are outlined on the page for you as well. This doesn't represent all the zip codes we'll be mining into, but this does reflect the top 10.

The next thing I want to move forward with addressing are the creative refinements. We did hear a lot of feedback, a lot of great feedback that we did take into account. And as a result, we took that away and made some refinements to our creative that are reflected here: first and foremost, incorporating various ethnicities, age, along the creative for the target group; using four colors, so the creative stands out and comes across vibrantly, as opposed to one to two colors; avoiding some specific financial references in the messaging; and focus on communicating a more positive outcome of having health insurance.

And, moving forward, we have some examples here. These are representative storyboards for television commercials. And I'm not going to delve into the specifics. But you'll see three different examples here. The targets here are the millennial, as well as the older demographic. And then, lastly, we have the

family situation represented here by a mother with her children.

This is generally representative of the target audience. I will disclaim that these aren't the actual models that will be used or the specific settings, as well as you'll see some scripts in here. These are included to give you a representative concept and visual of how this is going to play out.

And this will be representative across all the media that we use. So not only television, but radio, print, outdoor, et cetera.

Next, I move on to media for an update for you. TV, radio and print placements are intended to launch the week before enrollment begins. So that's the week of October 26. The intention is to launch a week early so that we can start to build some awareness of the evolving campaign but focus the meat of the media throughout the campaign itself. Throughout the enrollment period itself. Excuse me.

As far as digital goes, we will have the week of enrollment, which is November 1st. The digital component is actually the action media, if you will. So we want to launch that in conjunction with when people can actually enroll. And that's why the difference and the week later.

Outdoors is kind of a support media. So it, too, will launch in conjunction with the enrollment period itself.

With regard to TV and radio station (indistinct), our media team spent last week meeting with several broadcast partners here in Las Vegas. Potential partnerships is what was being discussed. This is value add opportunities in conjunction with the media buy to add specific opportunities and strengthen the buy that we're placing.

Andres Ramirez was able to join us for some of those meetings. So he was able to discuss these partnerships and discuss the abilities to align with his outreach activities.

Similarly, meetings are taking place in northern Nevada this week for the northern Nevada area.

So we will finalize the media partners and those value add opportunities moving forward, and I'll have those details for you in the next report in October.

The same thing we're going through in digital planning. We are finalizing the roster of technology partners. We want to ensure those partners can integrate with Ramirez Group's consumer database that they are developing, generated from outreach activities.

And, again, I will outline those for you in the October update.

I just wanted to mention that we have placed, in conjunction with Janel and her team, the tracking pixels on both NevadaHealthLink.com, as well as the Spanish version of the website. This will enable us to track digital media specifically.

And the idea here is that we can pinpoint and target who is coming from what source in the media that we're using and throughout the campaign be able to refine that and align with where we're getting the most feedback from, in terms of the digital vendors that we're working with, so we can make most out of the digital buy.

Also included in a rundown of P.R. and media relations and how public relations and media relations will support the campaign as it unfolds. There's a grid here, and you can kind of see the activities.

Initial activities are to develop the tools that will support that. That's ongoing through September and October. And then, obviously, support throughout the campaign, including the initial enrollment on November 1st. This also includes support of the kickoff enrollment events as well.

Social media is another area that actually

we're getting some great traction on. And we've done a lot of back end and have launched both Twitter and Facebook. The objective here initially is to build an audience and create engagement. The messaging is focusing on engaging people to social media, educating them and helping compel them to enroll.

Twitter launched on Friday, September 4th. And currently we have 1,253 followers. We're off to a great start. The content there is health-related and awareness-driven.

The Facebook channel went live today. Currently, there are 975 followers. And, again, the content there is similar in that it's health-related and going to generate awareness for us.

We also are looking at Instagram advertising opportunities. I believe, in August, when Nick was here, our social media strategist, he mentioned a new avenue with Instagram's actual advertising capabilities. So he is looking into that currently. And we'll work with Janel and her team to flush that out and see if that's a viable resource for us to consider moving forward.

If there are any questions at this point, I'm happy to answer. Otherwise, I'd like to invite Andres to talk about outreach.

Yes, ma'am.

DR. JAMESON: Oh, just a comment. Thank you for being so responsive to answer our questions that we had and our concerns, especially with regard to percent African-American and that representation there, and excellent response to the creative refinements about the financial references and messages and positive, communicating a positive outcome on health insurance. You guys, it was a great response.

On your little map with your zip codes, it would have been nice, where you have your zip code map, with the 89117, top 10 zip codes, if on where you showed the zip codes, that you would have shown, in some sort of hash mark or something, slat, how they were distributed, rather than just showing the city map zip codes.

Because I'm curious where they're focused. Are they near your organization's office? Are they near the stores we used to have? I'd like to know. Are they all concentrated together? Are they scattered to all ends of the city? Because that, otherwise, it doesn't help me much.

MS. HALABUK: Okay. Thank you.

Any other questions up till now?

MS. WILSON: Yes. Angie Wilson here, for the

record. Woops, sorry. There's some feedback there.

MR. GILBERT: You're good. You're good.

MS. WILSON: Just a quick question that, you know, I believe that there's either 27, 28 American Indian tribes here in the state of Nevada. And for American Indians, Alaska Natives, they are on an open continuous enrollment.

What are the marketing -- will there be any marketing to that particular population, else because their enrollment process is all year long?

MS. HALABUK: Specifically, we intend to use print in those rural and tribal outreach areas, targeted print, niche print to that market, as well as support with some outdoor.

We're also trying some direct marketing in the form of direct (indistinct) and, also, e-mail. And those target audiences will be included in those medium.

Any other questions?

MS. JOHNSTONE: Mr. Ramirez.

MR. RAMIREZ: Good afternoon, Madam Chair. Andres Ramirez, for the record. We are going to be talking a little bit about what our outreach map is and give some updates.

We are currently finalizing the details for our kickoff event to be held on November 1st, as well as our

closeout event to be held January 31st. We have three venues we are working with that are on reserve, and we're just trying to finalize which ones make the best sense. We are looking at the Clark County Government Center. We are looking at the Henderson Convention Center. And we are looking at the CSN Charleston campus.

Now, both kickoff events happen to fall on a Sunday, which is great for us, because that means these venues are completely empty, and we don't have to compete with government services going on. But they are -- if you look at the zip code map that was provided, they fit geographically right within those zip codes of what we're targeting. So that'll be easy for people to get to. They have great mass transit. They can accommodate ADA-accessible folks.

So, just geographically where they're located and the practicality of using them work very well, and they can fit large or smaller number of groups, depending on how we want work with.

So we have to finalize some logistics with the venues as well as with SSHIX staff before determining to move forward, but we hope to have that resolved within the next few days, so that we can begin to publicize those particular events.

We have already attended quite a few events and have been gathering data on consumers who are interested in enrolling in the Health Link. And so that data we have backed up on an Excel spreadsheet, so that we can distribute to enrollment professionals once they're able to start scheduling meetings. And we have several more that are coming up this week.

As for (indistinct) events, we have a woman's expo coming up at Cashman Center that we'll be participating in. And just continuing to work with our neighborhood partners to find out additional ways that we can collaborate on events.

I want to reemphasize one of the things that Patty mentioned earlier, and that is that when her media team met with the media companies here in Las Vegas, we sat down with them. Oftentimes, these media companies, like radio stations and TV stations, conduct their own outreach events or sponsor these outreach events. And so we're trying to make sure we begin the conversation now that we want to be integrated with these events that happen during open enrollment, so that we're not, you know, having that conversation much later, but we're implementing it as part of the overall partnership that were negotiated. That is something that, for us, is the first time we're doing that for the Nevada Health Link.

So we're really excited about that.

We've also been working. A lot of conversations so far has focused on the broker community. And we've engaged in quite a bit of conversations with several of the broker agencies, associations as well, some of them whose representatives are here, to talk about what makes the best sense for collaboration with them on events, and so forth.

So with the initial plans that we have right now, just in terms of the sign-up Saturdays and the mid month events and the pop-up events, that's already at a minimum an additional 32 events that we're going to be conducting that are broker-specific, that will focus on consumer enrollments through our broker partners.

So that is a significant amount of effort for planning and coordinating. And we're excited about that process.

MS. JOHNSTONE: Thank you. Before you go any further...

Mr. Gilbert, I can't recall. Are we opening up the enrollment stores again this year?

MR. GILBERT: Bruce Gilbert, for the record.

(Sound feedback noise.)

MR. GILBERT: Man.

We are not going to have brick and mortar

enrollment stores this year. Given the budget that we have to work with and the enrollment results that we saw last year from those freestanding stores, it wasn't fiscally prudent to walk in that direction.

MS. JOHNSTONE: Okay.

MR. RAMIREZ: So we are going to try to be using our broker offices as mini stores. And so that's why coordinating their locations and being able to market them and promote them and say, here's where we're going to be on these days and these times, I think, it's going to be very important and frugal for us. And so those conversations have been very productive so far.

MS. HALABUK: If I may add with that, in addition to the outreach events, as related to the broker and agent partners, we are also developing, along with them, in conjunction with them, a marketing asset hit that they will be able to utilize at their specific broker locations that will help brand Silver State Health Exchange and create awareness that it is an enrollment center for these people. Those are ongoing meetings as we refine those materials.

We also intend to use a portion of the Nevada Health Link website. There's a -- what we call a pop-up on the page right now that is -- has ability to interchange information, so that when consumers do reach

the Nevada Health Link website, it'll be front and center. It will contain details about specific locations and events and things of that nature.

In addition to that, we're continuing to work with the broker partners on other forms of marketing to get the word out about their locations to the consumers where they can sign up.

MS. JOHNSTONE: Is there anything that can be done to help transition the policyholders that had belonged to the Co-Op that won't be with us in 2016?

MR. GILBERT: Do you want to take that, or do you want me to take it?

MR. KING: We're not prepared to comment.

MR. GILBERT: My friend at the Division of Insurance is not prepared to comment.

The fact is, that is something that's being worked out between DOI and CMS and the carrier itself. And while we are routinely kept in the loop, we are not part of that process.

MS. JOHNSTONE: Is there any special messaging to get their attention that we can do on our own, without personal interaction?

MS. CLARK: Valerie Clark, for the record.

MR. GILBERT: Thanks, Valerie.

MS. CLARK: Your carriers will do a lot of that

work for you, your remaining carriers.

MR. GILBERT: Thank you.

MR. KING: Thank you.

MS. JOHNSTONE: I appreciate that. I just think, you know, we talk about collaborating with carriers and the brokers and agents. And so that's kind of where the question's going.

MS. CLARK: Valerie Clark, for the record.

I agree. And I hope I didn't sound flip about it. It's just that it is a marketplace that's very competitive right now. And what we find, as brokers, is that the carriers are making very conscious decisions about marketing.

And when this particular event happened, we immediately saw movement within other, the remaining carrier entities to go after that business.

And so, in terms of at least people knowing that there's other programs out there for them, they will definitely be notified by the remaining carriers in some way, shape or form.

And, I assume, you know, brokers will do the same. Most of those people have brokers that will be able to offer alternatives as well.

MS. JOHNSTONE: So is what we're saying (indistinct) that were only going after new participants

or --

MS. CLARK: I'm sorry.

MS. JOHNSTONE: -- carriers and their brokers and agents will take care of the existing enrollees?

MS. CLARK: I can't hear.

MR. GILBERT: Yeah.

MS. CLARK: Can you repeat that? For some reason, there's so much echo, we can't hear what you're saying.

MS. JOHNSTONE: It sounds like there still is.

MR. CRANSTON: I need to --

MS. JOHNSTONE: Is that any better?

(Long echoing, ringing sound. There was a period off the record to work on the sound.)

MR. GILBERT: Are we good to go?

MR. CRANSTON: We should be.

MR. GILBERT: I'm sorry, Madam Chair. Would you say that one more time. We've killed the feedback demon.

MS. JOHNSTONE: Can you hear me?

MS. CLARK: There we go.

MR. GILBERT: Yes.

MS. HALABUK: Yes. That is the assumption.

MS. JOHNSTONE: Can Carson City hear Henderson?

MR. GILBERT: Yes.

MS. JOHNSTONE: Okay. I was looking for an answer.

DR. JAMESON: I think, she just gave it to us.

MS. JOHNSTONE: All right. Thank you.

All right. Andres, I don't know if I cut you off or you were finished.

MR. RAMIREZ: No. That's all I had. So I'm open for questions.

DR. JAMESON: I just have a follow-up on our chairwoman's question. I was under the impression, although I did know at the time the cost-effectiveness of it, that the stores were incredibly effective and had had significant enrollment. But I also know that they were -- one of them was in the mall. I can't even imagine what the rent was. I'm sure it was exorbitant.

So the question for me is, of the total enrollment last time, how much of it occurred, like 2 percent, 50 percent, in the stores? And would it be viable -- the reason they were successful is they were in places with a lot of foot traffic. And that was the appeal. Is there a possible, something similar in a popular street mall, plaza mall -- what do they call those?

MR. RAMIREZ: Strip malls.

DR. JAMESON: Strip mall. Thank you. Have to

be careful of that in Vegas.

Is there a possible popular strip mall with more cost-effective? So it's sort of a two-part question. What percent in reality did that really bring in? And would there be a competitive lower-end facility maybe?

MR. GILBERT: Dr. Jameson --

DR. JAMESON: I have a (indistinct).

(Continued echoing feedback noises.)

MR. GILBERT: Nick, is this going to work or not?

MR. CRANSTON: It's going to work. Hang in there. Go ahead.

MR. GILBERT: Dr. Jameson, Bruce Gilbert, for the record.

Does that work better? No. It must be me. I don't know if I'm wearing something metallic. I just don't know.

There were some issues with respect to being able to have stores again this year. One of the issues that we ran into last year, and Andres knows this well, is that the state has strictures which don't allow us to directly rent those spaces. And as a consequence of that, we actually had to go through the Ramirez Group in order to be able to secure the spaces that we looked at

last year.

So it's not possible for us to just go out and do it. We literally would have to find a third party that was willing to stand in our stead and then to move forward. We were paying in excess of $50,000 per month for those venues. It was very expensive.

In answer to your question, less than 10 percent of the number of enrollees that we signed up came in through the enrollment stores. For the most part, there were a tremendous number of individuals that qualified for Medicaid, just as there were the first year. And, in fact, we were able to work with Medicaid and have staff members from Medicaid be at the stores in order to take the number of folks that were coming through there.

So when we took a look at the budget and we took a look at what air time would cost and the cost of outreach and these other things, we sort of ended up thinking that it would be better to have broker offices sort of in every neighborhood, where people would be able to get to with a minimum of muss and fuss, rather than have a single static place, one in the north and one in the south.

I agree with you, I think that they were very important last year. But they were very important for,

I think, a reason that's not quite as compelling this year. Our first year was terrible. And we didn't look like we knew what we were doing. And it didn't look like there was a lot of survivability. And it didn't look like there was demand for us.

And so one of the great things that the enrollment stores provided was the opportunity for us to show the public, and to some degree ourselves, that that was not the case, that, in fact, it was a pent-up demand which we had not been able to meet because of technology failures the first year.

And so I think that, in terms of perception and in terms of the opportunity to demonstrate value of the Exchange, they served a very important purpose last year. It's not so compelling this year. I think, everybody recognizes and understands that we are viable, and here's what we do.

And the cost, you know, instead of a $7 million budget, I have a two-and-a-half-million-dollar budget or 2.2. It was just very difficult to justify.

DR. JAMESON: Thank you for explaining that, Bruce.

MR. RAMIREZ: Dr. Jameson, just to add a little bit on there and not to dismiss anything of what Mr. Gilbert said, I think that what happened in year one

created a lot of confusion, created a lot of lack of trust, created a lot of problems between the consumer, between staff, between brokers, between navigators, between Medicaid. And the stores served a very specific role of eliminating that perception of chaos and, you know, inability to perform.

So in year one, where consumers were being bounced around from office to office, Medicaid people were sending their folks to navigators or sending them to brokers, and brokers were sending people to navigators, and, you know, we would have people who would take a two-hour bus ride to our office to enroll, and they were told they should show up to our office, and, you know, when we explained to them, no, we really can't help them and then have to explain to them they have to take a two-hour bus ride to some other location, it created a lot of ill will towards the consumers we were trying to get to.

So, when we created the store, which truly was a one-stop shop, that a consumer can go there, and a Medicaid person would be there, or a broker would be there, or a navigator would be there, so regardless of their situation, we'd be able to help them, to restore our credibility to the consumers, to say, "We know what we're doing, we're trying to be here to help you, we

don't want to bounce you around," but it also allowed us to educate them about what the different processes were. So the Medicaid folks knew specifically, hey, they need to be working with a Medicaid professional and not a broker or a navigator, and vice versa, that that process that allowed us to communicate with the consumers really helped.

And it's not really a process we have to go through again this time. But we do need to provide venues for them to show up and enroll. And at these broker facilities we're working on, navigators will be available, brokers will be available, and our outreach team will be prescreening folks ahead of time, so if they qualify for Medicaid, they will know where they need to go for those resources, so that we're truly maximizing our time of the enrollment professionals to enroll QHP consumers, and they're being driven to the correct location.

In the long-term, I think, it will help us on a much more strategic and sustainable process, so that we're not dealing with consumers that, you know, we shouldn't be spending as much time with, and consumers are better informed as to where they need to go to find the resources needed for them.

DR. JAMESON: So, unlike prior, where a lot of

people would stop in your office unexpected, these will all be prescreened, pre-telephone screened. And so then you'll be able to tell them to go to the Medicaid office, as opposed to like the first year.

MR. RAMIREZ: So we still expect random pop-ups at a variety of places, because that's just going to happen. And we still get them in our office now, but we get like one person a month that shows up to our office, versus 150 a day that are showing up to our office. So, I think, the education process has worked well.

Our outreach efforts is we have our -- many of our former EEFs are working to actually meet with people at the outreach events. And rather than just give them --

DR. JAMESON: Ah.

MR. RAMIREZ: -- the marketing material, they are talking to them, and they're asking them the questions they would have --

DR. JAMESON: Yeah.

MR. RAMIREZ: -- if they came into a store or into our office: Hey, what is your income? What is your age? Where do you live? How -- you know, and so forth. So they can tell with, you know, a 90 percent certainty this person is Medicaid, this person is QHP. Of those that are QHP eligible, one cay say, "Hey, you

are likely eligible for QHP. Can we input your data into our database and have an enrollment professional contact you to schedule an appointment with you?"

That doesn't mean that folks still aren't going to show up on their own that we haven't prescreened. Some of them are going to see Patty's and Penna Powers' marketing efforts and say, "Hey, there's a pop-up event at this broker office. We're going to show up," or, "There's a kickoff event at this facility. So we're just going to show up." Some of that process will still happen. But we're trying to defuse that ahead of time as much as possible.

MS. JOHNSTONE: Let me ask kind of a high-level question. How does this marketing strategy differ from the past? Because, to the nonmarketing eye, this sounds very familiar to me, having seen this go through twice now. And if we're after the hard-to-get audience that hasn't signed up in year one or year two, how is this different to reach that audience?

MS. HALABUK: Well, I think, there are some similarities because of the nature of the audience that we're targeting. I think, one of the big differentiators is key in on messaging that we use and creative that we use. That's going to relate to these people one-to-one. It's going to speak their language.

They're going to be able to look at this and say, "That's me." We're also, in the messaging itself, focusing on the benefits of health insurance: your livelihood, your lifestyle.

So, I think, the idea between the media that we're using to target this, the outreach efforts, the combined effort and the creative itself, that the formula is going to work to reach these people. There probably are some similarities because of the target audience.

MS. JOHNSTONE: The messaging sounds very similar to me.

MS. HALABUK: Well, ultimately, the messaging is to compel these people to enroll.

MS. JOHNSTONE: And so that's where I'm wondering, you know, how can this be seen as more compelling than what we have done in the past?

MS. HALABUK: I think, it's a combination of all those things. I think, I think, on a ground level, it is the same message. The objective is to get people to enroll. So, you know, you have some basis where you are going to see some similarities based on that.

Like I say, I think what we're focused on is using -- keying into the targets within this audience and creating a relationship with these consumers where

they look and they envision themselves. They stop, we get their attention, and they're able to say, "You know what, that's me. Wow, I made that connection because they're talking about my lifestyle and me," and help that compel them.

MR. GILBERT: But --

MS. JOHNSTONE: I genuinely appreciate all that. It's just this has been the hard-to-get group that we're going after now, harder-to-get group that we will be going after. And so, in some ways, we're relying on this messaging to get them to these events, to get their real attention. And I'm just not hearing the distinguishing features of this approach to get to that group that we haven't gotten to so far.

MR. GILBERT: Madam Chair, if I might. Bruce Gilbert, for the record.

I think, it's important that we understand the background of our marketing efforts. We're not selling cars. Okay. And I'm not selling dish powder. Which means I can't say "new," and I can't say "improved," and I can't say something's on sale, because none of those things are true. What I do have to do is build on the message of the past two years, to say that, in fact, it's important that you be insured, and explain why it's important that you be insured.

So there aren't a lot of avenues for new messaging, if you will. Now, in terms of outreach and getting to the groups, the harder-to-reach populations, I think that that's a separate question. You know, the truth is, we're going to utilize the navigator groups in a way that we haven't so much to this point in time.

I have tasked them specifically with leveraging their community relationships. For the first time ever, we have a navigator group, which is in the Asian community, for example. Or we have navigator groups, we have 10 of them this year. And so the idea is to literally get them to leverage their community outreach.

I know that the Ramirez Group is very active in the Hispanic community and works that very hard. We'll be targeting folks in the rurals, as Patty has said.

So I don't think it's the message that has been changed. I think, it's the way that we are sending out the message. You know, for the very first time ever, the broker and agent community is actively involved. They're a partner. They're working with us. They're having these pop-up events in various neighborhoods, not just in one specific place, where we should get greater penetration and where we should be able to see the availability of and the opportunity to interact with these difficult-to-bring-in folks.

So it's not the message, I think, that's different so much as the vehicles which are being used to advance that message.

MS. JOHNSTONE: Just the message. I started my question with the marketing strategy. And so I wasn't hearing the distinguishing features. And we didn't really talk about the navigators and exactly how they would be used. So I appreciate that.

MR. GILBERT: Not a problem.

DR. JAMESON: I was just going to, along those lines, say, also, your explanation of really everything is about process. And as we are getting more knowledgeable about what we do, it isn't really, as we say, so much a new message -- it definitely is not -- as much as refining the process and repeating as much as we can in a better way, and we will capture more of that audience.

I was feeling a bit of your frustration, because I know we decided to focus on the areas where most people have already enrolled. And I was concerned, how were we going to get those people outside of the current enrollment periods, because -- places, because I know that there are many that exist out there. And so that also helped me understand better the navigator groups are going to, hopefully, be working in some of

those other areas.

And so I'd interested, when you talked about those navigator groups, that some of them are reaching a Filipino population, or some of them -- I'd be interested, if you compared these navigator groups to our zip code that we're focusing on, where we had the best results last time and where the marketing is being focused, these are the navigator groups and some of them, I'd just be curious if some of them are working in the zip codes outside of the ones that we are currently doing, so that we can see we're having an expanded reach.

We're definitely having the refined process. It sounds so much better, like at the health fair, the questions, the screening, the prescreening. So this is all really good.

MR. RAMIREZ: I just wanted to say -- Andres Ramirez, for the record -- that, as we stated, our brand position is a very different place today than it was three years ago. When we started this first, year one, we were all in crisis mode just trying to convince people that we did have a product that was worth it. Year two, we tried to rebuild trust.

So when we're talking about reaching the hard-to-reach communities, we've had to do some

rebuilding. It didn't matter what our message was.

DR. JAMESON: Right.

MR. RAMIREZ: They weren't sure that our product was worth it for them.

We're not in that same place anymore. So now they're willing to look at our product. They're willing to hear our message. And they're more open to have a conversation with us. And our marketing and outreach strategy is completely focused on having those conversations and beginning to talk to people about what we do and what we offer.

And I also just want to reiterate that although the marketing and the advertising is focusing strategically on 10 major zip codes, and more than just 10 major zip codes, I mean everybody that watches Channel 8 is going to see it, regardless of what zip code you are. And everybody who listens to the radio is going to hear our ads, regardless of what zip code you are.

And our outreach strategies as well, the events we're going to aren't limited by zip code.

DR. JAMESON: That's right.

MR. RAMIREZ: We've been doing events all over the valley and all over the state.

DR. JAMESON: Okay.

MR. RAMIREZ: And we will continue to do so.

So it's not just focused on those particular zip codes. We will do additional events and additional outreach activities, focused in those particular zip codes. But we are trying to have a conversation with as many people as we can and as many places as we can, so that we can get those folks to come to the table.

You know, one of the things that we're really excited about with additional partnership with CSN is that, you know, their student body president and their student leadership has reached out to us and said, "Hey, so many of our students are required to have health insurance and they don't have it or their options are unaffordable. What can we do to partner with you, so that we can get our students to enroll in a qualified health plan?"

That's the conversation that no one was willing to have two years ago, or even last year. And we're able to look at that now. We're having that same conversation with student organizations at UNLV and Nevada State College. We're reaching out to groups, before, again, who were tentative or unsure whether they really wanted to partner with us. And now they're like, hey, what can we do? How are we a partner with you?

And so, so, yes, that may sound the same, and

it may look the same. But we're in a very different place today than we were before. And so that should allow us to have greater success with these communities that weren't willing to open the door to us before.

MS. JOHNSTONE: I appreciate that.

MS. DAVIS: And this is Janel, for the record.

I just wanted to mention that with the retargeting of the zip codes, we also retargeted by income. And, you know, focusing on the hard to reach, also self-employed and students, as Andres mentioned. And it's not just those top 10, as also stated.

DR. JAMESON: Great. That was very helpful. Thank you.

MS. JOHNSTONE: Any other questions or comments about the open enrollment prep and marketing update?

All right. Hearing none, we'll go on to number VIII, which is the fiscal year 2015 budget status.

MS. COX: Good afternoon. I'm Athena Cox. I'm the Account Manager for the Exchange. And today I'm going to be presenting you the fiscal year 2015 budget status report.

The Exchange ended state fiscal year '15 on June 30th, and we received and expended a total of approximately $36 million in fees and grant funds for the year, of which approximately 4.7 million will be

placed into reserves to start the new year.

State fiscal year '15 was the last year that we'll be paying for the Xerox BOS system as that contract has now concluded. With the end of the BOS contract and the need for I&V services, the cost allocation received by Medicaid for those expenses has ended as well.

Below is an actual overview of the state fiscal year budget.

An update on our grants. The Exchange currently has four active federal grants. We have submitted no cost extensions. And they are pending approval to continue to utilize the grant funds for DD&I expenses through December 31st, 2016, and needed for sustainability solution for the Exchange.

Work programs have been submitted for the approval at the October 21st IFC meeting to balance forward all the remaining grant authority to state fiscal year '16. The Exchange does not intend to spend that authority unless needed as a way to find sustainability for the Exchange.

On the following page is an overview of the complete grant history of the Exchange.

And at the October Board meeting, we will be prepared to report FY16 first quarter expenditures

through September 30th.

And I'd be happy to answer any questions.

MS. JOHNSTONE: Thank you.

Any questions?

Athena, I would ask that on future budget status reports, that you also include the budget itself, so that we can compare that to the year to date expenses. So when you do your first quarter report, not just the year to date expenses.

MS. COX: Okay. Thank you.

MS. JOHNSTONE: And revenue collection. Thank you.

All right. We will move onto, I think, Mr. Gilbert's report on CMS site visit update.

MR. GILBERT: Yes. Thank you, Madam Chair. Bruce Gilbert, for the record.

As you'll note here, CMS was kind enough to come and visit with us from August 17th through 19th, 2015. They came here to Carson City.

I have included in your packets copies of the agenda and all of the topics which we discussed. If you just look at it very quickly, one of the things that you will notice is this was less a site visit than an audit, to be frank with you.

They looked at everything from -- they looked

for tags showing that we had actually paid for and kept track of, for example, the screens that are up here. They took a look at our humans resources records and a number of other things.

I expressed my concern, frankly, that as a State Based Marketplace, they really didn't belong in my human resources files. However, I did not note a specific formal protest.

It was a, frankly, good set of meetings. And much as you might expect, they came looking for things that they would do, as the federal government, and sort of trying to scale them down to us.

We were, I think, the first of the supported state-based marketplaces that they visited. So we were a very different kettle of fish than they were used to.

Additionally, most of the state-based Exchanges that they spoke with were not state agencies. And what that really means is they kept all their own human resource records, for example, or they had their own procurement policies, or they do had their own travel policies, or any of a number of things that, frankly, we don't deal with because we are, in fact, an established state agency.

And they had some difficulty, I think, in dealing with those differences. I see Cari shaking her

head in the back, so I know that that's the case.

You know, at the time of the entrance conference, I think that they were very straightforward about the reason that they were being here. They spoke of having their own pressures and issues in Washington with respect to concern about their oversight and monitoring of various state-based marketplaces. And I think that, to some degree, it colored what they did here.

We did work with them. We attempted to provide all of the information that was required. I spoke with them. Damon spoke with them. They spoke with Laura and Cari and Nick Cranston and Nik Proper and, basically, every member of the staff. And they probed us from pretty much one end to the other.

They will be coming out with a report in about 45 days. I expect it will have some findings, none of which, I think, will be terribly problematic for us.

The biggest thin that they were concerned about is that we did not have an overarching oversight and monitoring plan. They did see that we had plans for things like handling our navigator program and, of course, the state strictures on our expenditures and the processes that we use for that. Their greatest concern, as expressed to me, was the lack of an overarching plan.

We have already been in touch with Milliman. And they are in the process of speaking with us next week. Probably within the next six weeks, we will have everything that they need, and we will have a completed oversight and monitoring plan in place to address that, probably at about the same time that we get their recommendations.

There will be some other recommendations that are sort of on the small side. They wanted us to have a complete copy of our H.R. records. We're a state agency; and just like every state agency, those are kept in a central location. I can't imagine the reason why I would have to have them here. And so we will probably respectfully disagree with that.

They did have some issues with respect to IT security, interestingly arising as a result of their asking that our Consumer Assistance Center secure additional information from the people who call us in order to assist them in resolving issues with the federal government. We are in the assess of addressing those concerns as well, none particularly significant, but things that we'll have to address.

Overall, I think, it was a reasonably good interaction. I anticipate, as I said, that there will be a number of recommendations made. Some we will

follow, some of which we will not. And we'll just have to wait and see what they have to say.

I'm happy to answer any questions that you might have about that process.

You're laughing, too.

MR. KING: Yes.

MS. JOHNSTONE: Dr. Jameson.

DR. JAMESON: Bruce, do you think that it will be necessary for you to expand your staff to add a compliance officer?

MR. GILBERT: Even if I thought it necessary, which I'm not sure that I do, the legislature doesn't give me that opportunity. As I explained to the folks in Washington, I only have so many positions which are authorized by the legislature. And they are specific positions with specific pay grades. A compliance officer is not among them.

I could potentially bring somebody in and repurpose them. I have to make a determination, though, as to whether, as an ongoing matter, we're going to have as many compliance issues as we have had the first two years. I'm not convinced that we will.

They're used to talking to Exchanges with staffs of 30, 40 or a hundred people, where, frankly, they have or own legal representative who oftentimes

serves also as the compliance officer. You know, we have Dennis from the Attorney General's Office.

So whether that's a good use of our funds and our positions, I'm just not sure. I think, we may have other competing issues that will probably require me to go that another direction. But we'll have to see.

MS. JOHNSTONE: Thank you.

All right. Other questions or comments?

DR. JAMESON: Just, oh, one last one. So we don't have any idea where they're going to come in as far as telling us how much we might be charged and --

MS. JOHNSTONE: That's not on the agenda.

DR. JAMESON: Oh, with the visit they didn't discuss it?

MS. JOHNSTONE: Sustainability is not on the agenda, is it?

MR. GILBERT: No, it's not on the agenda.

But in answer to your question, they did not discuss it, Dr. Jameson. They only discussed --

DR. JAMESON: Okay. Thank you.

MR. GILBERT: -- what was on that agenda.

DR. JAMESON: Thank you.

MS. JOHNSTONE: And, I think, it would be a good idea for -- I'm assuming it was part of your plan. Once you have your formal response to the report that

comes out, if we have that on a future Board agenda.

MR. GILBERT: I'll certainly make sure that happens.

MS. JOHNSTONE: And on that note, let's talk about item number X, which is discussion and possible action regarding dates, times and agenda items for future meetings.

Any requests from the Board or comments?

Hearing none, we'll wrap up with public comment. We'll start in Henderson this time.

MR. GOLD: Good afternoon. For the record, my name is Barry Gold. I'm the Director of Government Relations for AARP Nevada.

I'm smiling today. I look at the storyboards and I see an older adult. I have said the words 50- to 64-year-olds so many times at these meetings. In jest, I will just say I'm surprised it's not me in those pictures, having said that so many times. So I'm really pleased to see that and seeing that that age cohort is being addressed.

I do have one concern. In looking at a couple of things, I see the terms of the marketing plan, the broker/agency marketing strategy. And, again, it talks about the importance of the agent/broker relationships. And I don't see the word "navigator" listed anywhere. I

would hope and I would assume that in the list here where it says "Broker/Agency Marketing Strategy & Support," by "agencies," they mean broker agencies and navigators.

So I just wanted to confirm that they were included in all of that.

MS. JOHNSTONE: Mr. Gilbert, can you answer that?

MR. GILBERT: Yes, I can. Thank you, Madam Chair. Bruce Gilbert, for the record.

The navigators -- excuse me. The navigators are performing a different function this year. And the reason that they're performing a different function this year is because, when you looked at two years of what they had actually enrolled, the numbers weren't all that good. And as a consequence, what we've done is we have retasked them specifically with outreach and education. They will be a part of each of these events. They will be, in fact, partnering up with brokers to assist, but they will not have any independent enrollment or marketing activities.

MR. GOLD: Outreach events. I guess, that was my concern, that that's what you're saying. You'll be at the events that are open to the public and the ones that Mr. Ramirez's group will be holding?

MR. GILBERT: Oh, absolutely. Absolutely.

MR. GOLD: Thank you very much.

MS. JOHNSTONE: Thank you.

Any other public comment in Henderson?

How about in Carson City?

MR. GILBERT: We have one comment.

MR. GALE: A couple of us.

MR. GILBERT: We have more than one comment.

MR. GALE: If that's okay with you.

MR. GILBERT: Absolutely.

MR. GALE: My name's Blaine Gale. I'm an independent broker, also a licensed financial advisor and the state president for NAFA. Thank you very much for having me here today.

I'd like to personally thank Valerie for being on the Board, a lady with a great reputation and very professional and highly regarded in the broker community.

A couple of things, going from the back side of the how we're going to get more people enrolled.

One of the things that we're not accounting into it, that I think is -- it might be pretty obvious, is that right now the penalties are real. So there's going to be a low-hanging fruit. My wife's an accountant. And she's doing people's taxes right now.

And the penalties are real. Those are folks that are going to sign up right away. So that's going to benefit the process.

Looking back three years ago, I want to, you know, definitely say that from where we are today, from three years ago, the broker relationship with the Exchange is phenomenal. Three years ago -- Valerie could probably, you know, say yes -- it was, at best, bad, and adding in these problems with Xerox.

Today, we actually feel like we're a part of the process and that we feel like we're being engaged to actually help.

I think, from the top down, it started out that, you know, it can't be any harder getting someone health insurance than it is just getting, buying an airline ticket on line. Not that way at all. Explaining someone's deductibles, copays, the out-of-pocket max, the coinsurance, it's not so easy.

So I think that where we are today is really a great place. And as the president of NAFA, I'm really, really glad that we are here today having this conversation.

One of the challenges that I personally have, and I think that we would have more people on the Exchange, is the -- and I'm not sure, so correct me if

I'm wrong, but I think it's a state-to-state situation where if you have a -- like, I have several clients that have an employer that offer health insurance, but the dependent insurance is extremely expensive. You know where I'm going with this. But they can't get off that unless the employer decides to drop the coverage for everyone. So they can't get the subsidy.

So, I think, that's a state-to-state basis in regards to that rule. Correct me if I'm wrong. And if it is, is it possible that we can get that removed in the state of Nevada?

MR. KING: The Division of Insurance will approve and has approved plans that are employee-only plans and does not offer coverage to dependents. That decision was made in early 2014. And we have approved such plans. That allows the dependents, who otherwise are offered coverage, and not eligible for the APTC, to now be eligible for those advance premium tax credits.

However, we cannot mandate that a carrier file that plan. But we do have some that are filed and approved.

MR. GALE: Okay. That's definitely a step in the right direction, because there are a lot of -- especially the up-and-coming folks that are just getting to the work force, that's a real important position.

Mr. King, you had mentioned that we started out with 75,000 new enrollees on the Exchange. And, I think, this year, we're at a hundred and seven -- hundred and fifty thousand?

MR. KING: No, that's not quite accurate.

MR. GALE: Okay.

MR. KING: 87,000 individual insured lives early 2014.

MR. GALE: Okay.

MR. KING: Okay. Actually, the end of 2013. We're not to about 150,000 insured individual lives in the state of Nevada as of the end of '14. And that's about where we expect to be at the end of '15 based upon the schedules that are provided with the filings by the carriers.

MR. GALE: Okay.

MR. KING: Which we are now completing.

MR. GALE: And that's through the Exchange, right, the --

MR. KING: No.

MR. GALE: Okay.

MR. KING: That is individual, total.

MR. GALE: Okay.

MR. KING: That includes the lives through the Exchange, which the current number is -- and I'll defer

to Bruce for the --

MR. GILBERT: Just north of 60,000.

MR. KING: Okay. So just less than half.

MR. GALE: Okay.

MR. KING: So, you know, we don't really track. We track the number -- we got more than a dozen carriers writing individuals lives. And when the filings come in, I'm not differentiating between those on Exchange and off Exchange.

MR. GALE: Okay. Okay. Great.

And, Ms. Jameson, I think that one of the reasons -- because you had asked some questions earlier in regards to the on the Exchange and the off the Exchange enrollees and what we could do. And I think that, you know, from me, personally, in my business, someone that doesn't qualify for the subsidy doesn't want to go on the Exchange mainly because of confidentiality and giving information to the CMS versus just the insurance company.

That's a challenge that I face. Does that make sense to you?

DR. JAMESON: Yes.

MR. GALE: Okay. And that's it. Thank you.

DR. JAMESON: Thank you.

MS. JOHNSTONE: Did we have someone else in

Carson City?

MR. GILBERT: No further comment here.

MS. JOHNSTONE: All right. Hearing that, I will adjourn the meeting.

Thank you all.

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