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# Silver State Health Insurance Exchange

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## AGENDA ITEM

For Possible Action

Information Only

**Date:** January 14, 2016

**Item Number:** XI

**Title:** Budget Update

### PURPOSE

The purpose of this report is to provide the Board with an overview of the budget and the projections moving forward on both a state fiscal year and calendar year basis for the Exchange.

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### BUDGET OVERVIEW

The Silver State Health Insurance Exchange (Exchange) was established pursuant to NRS 6951 and the Affordable Care Act. The Exchange has been operational to consumers since October 1, 2013 and was formally funded by federal grants. In State Fiscal Year (SFY) 2014, Silver State Health Exchange was funded by a combination of federal grants and per member per month (PMPM) fees collected by the Exchange. In SFY 2016, the Exchange has become self-sustaining and operates only on PMPM fees. The Exchange was granted an extension to use 1311 Establishment Grant funds through the second quarter SFY 17.

### **STATE FISCAL YEAR 2016 (SFY16) BUDGET**

The State Fiscal Year (SFY) second quarter came to a close. As of December 31<sup>st</sup> the Exchange has collected \$3,945,545 in Per Member Per Month (PMPM) Fees. This represents 64% of PMPM budgeted to be collected in SFY 16. The 1<sup>st</sup> and 2<sup>nd</sup> quarter PMPM was collected at \$13 per member. PMPM for the 3<sup>rd</sup> and 4<sup>th</sup> quarter will be based on 3% of total premiums written. With robust early enrollment numbers, the Exchange should sur pass budgeted revenue collections by year end. Expenditures totaling \$2,169,322 thru the second quarter. This represents 29% of expenditures budgeted for SFY 16. The budget is tracking as expected thru the second quarter with an uptick in expenses expect thru the 3<sup>rd</sup> quarter with open enrollment winding down.

### **GRANTS**

After several submittals by the Exchange to Re Budget and Extend 1311 Establishment Grant funds, CMS did extend approximately \$6,772,794 thru December 2016. \$4,406,469 of the funds will be used for targeting Nevada's unreached population in the form of outreach an education. The remaining \$2,366,325 will be used for Project Management. Project Management consists of safe guarding data, computers, and networks as well as implementing Exchange's security plans, Data Retention Plan, IT Security Plan, and our risk reward plan.