



# Silver State Health Insurance Exchange

2310 S. Carson Street, Suite 2, Carson City, NV 89701 • T: 775-687-9939 F: 775-687-9932

<https://www.nevadahealthlink.com/sshix/>

## AGENDA ITEM

For Possible Action

Information Only

**Date:** February 11, 2016  
**Item Number:** IV  
**Title:** Executive Director’s Report

### PURPOSE

The purpose of this report is to provide information to the Board and public regarding the status of the Exchange’s implementation of a state based health insurance exchange and other operational matters of the Exchange.

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### GENERAL COMMENTS

When we last met, I shared with the Board my assessment that the Exchange had done everything possible to assure that the 2016 Plan Year Open Enrollment would be a success, and I am pleased to report that I seem to have been right; we have seen a second consecutive year of record enrollment numbers.

88,145 Nevadans purchased affordable health plans through the Exchange during the most recent Open Enrollment period. Two years ago that number was just over 35,000. Last year it was roughly 73,000. That rate of annual growth would make any private enterprise proud, and I think it speaks well of both our strategy and execution. Numbers like those do not happen in a vacuum, and I want to publicly thank our carrier partners, Nevada’s agent and broker communities, Penna Powers and The Ramirez Group, our navigator groups, and particularly the Board for its encouragement, support and trust.

Last year’s focus on improving and streamlining the consumer enrollment experience and making it easier for Nevadans to apply for and enroll in health plans helped us significantly, but

access to improved and stable technology is only part of the story. We made a number of changes in our approach to Open Enrollment this year, including moving away from enrollment stores and sharpening our messaging. Continuous outreach efforts, a focus on consumer advocacy and assistance, and the active engagement of our brokers and agents combined to make the most recent Open Enrollment our most successful.

Later today you will be considering staff's recommendation that the Board increase our fee from 3% to 3.15% of the pre-subsidized premium generated by QHPs and standalone dental plans sold through the Exchange. That recommendation is the result of hours of work and analysis by staff, prompted by CMS's recent issuance of proposed Notice of Benefit and Payment Parameters for 2017 which sets user fees for state-based marketplaces which utilize the federal eligibility and enrollment infrastructure at 3% of the pre-subsidized premium generated by QHPs and standalone dental plans sold through the Exchange.

The proposed increase allows our agency to perform all duties imposed by state or federal statute without unnecessarily increasing the premiums paid by Nevadans for health plans, and provides our carrier partners with certainty as they develop their rates for 2017. Moreover, our fee structure will remain significantly lower than that of the federally facilitated marketplace and is projected to save Nevada's consumers nearly \$1,000,000 annually, assuming that CMS is somehow able to maintain the federal assessment at 3.5% over the coming years (which I very much doubt).

Also as a result of the proposed Notice of Benefit and Payment Parameters, staff continues to explore commercially available, proven, less expensive alternatives to the federal technology platform and call center. As the Board is aware, I have had ongoing communications with CMS urging the proposed user fee be revised to assure that a small state marketplace such as ours is able to retain sufficient revenues to meet our statutory duties under federal and state law. The responses to those communications have offered no opportunity for compromise or further discussion.

Responses to the RFP issued by our friends in Oregon are due March 4<sup>th</sup>, and we will be closely watching their consideration of comprehensive, competitive proposals which would allow them to end their reliance on federal infrastructure. Additionally, in March I will be meeting with Jim Wadleigh, the CEO of Connecticut's public health insurance exchange, to discuss the potential for a partnership and shared services. Similar discussions may be scheduled with leaders of other state-based marketplaces to assure that we understand all of the options that might be available to Nevada as we move forward.

I would offer one last comment to the Board before concluding my remarks today. We have always known that, eventually, CMS would require payment for access to the federal platform and use of the federal call center, and Nevada has always been prepared – and remains prepared – to fairly compensate CMS for the value of those services.

CMS, for whatever reason, has chosen to set the user fee for these services at a level which Nevada cannot afford and which will harm our consumers. While we do not know what the final

version of the Notice of Benefit and Payment Parameters will provide, I think Ms. Lewis's remarks at our last meeting are prophetic. If we remain on healthcare.gov, we will always be at the mercy of CMS. The fee will be whatever Washington decides. And that is not a good place to be.

We've accomplished a lot these last two years. Consecutive record-breaking enrollments. The greatest decline in the number of uninsured children in the nation and, as Mr. Melendrez has noted, the greatest progress of any state in reducing the number of uninsured Hispanic and Latino children.

We have also learned that 'technology' and 'exchange' are not synonymous terms or interchangeable. Technology is one of the tools used by exchanges to accomplish their mission, but it is not the only tool. Marketing and outreach efforts directly impact a marketplace's ability to attract and retain enough enrollees to assure a sustainable health risk mix in the enrolled population. High enrollment equals a greater number of healthy enrollees, which in turn translates directly into lower premiums. Attracting healthy individuals to the marketplace and encouraging them to buy health coverage is a key component of exchange sustainability, requiring continuous and consistent messaging and outreach efforts.

Reducing the uninsured population of Nevada is important work, too important to be left to federal agencies and bureaucracies. Over the coming months, as we learn more about the user fee and affordable options, I am confident that the Board will take the steps necessary to protect our consumers and assure the Exchange will continue to provide access to quality, affordable health plans to Nevadans throughout the state.