



Silver State Health Insurance Exchange

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AGENDA ITEM

For Possible Action

Information Only

Date: April 14, 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

Last week I had the honor of being a panelist at the 4th Annual Health Insurance Exchanges Conference co-sponsored by Princeton University and the Leonard Davis Institute of Health Economics at the University of Pennsylvania.

The conference brings together senior officials from state insurance marketplaces and state insurance departments, plus leading researchers from universities and the private sector. A portion of this year’s program and my panel were focused on a topic that we discuss frequently at our meetings: the future and sustainability of health insurance exchanges.

Nevada wasn’t the only state involved in these discussions. Other attendees included Amy Dowd of beWellnm, Kevin Patterson of Connect for Health Colorado, Allison O’Toole of MNSure, Dawn Jagger of the Oregon Health Insurance Exchange, Zach Sherman of HealthSource RI, and Pat Kelly of Your Health Idaho. Many of our fellow states share the same pain points and exasperations we do, and it was very helpful for us to be able to sit down informally, as a group, and talk about our present and our respective futures.

My primary and most important takeaway from the conference was pretty simple: we are not alone. The struggles we've gone through and the challenges we face going forward are not unique to Nevada. We are all learning by doing, finding our way, and making course corrections and fully expect that to be the case over the next several Open Enrollment cycles. We are a work in progress, not a finished product, facing continuous transformation and – to a lesser degree – reinvention.

When we last met, I indicated that staff would continue to collect information on commercially available, proven, less expensive alternatives to the federal technology platform and call center which would serve to both lower our technology costs and provide us with ad hoc, real time reporting that would allow us to better target our marketing and messaging, and that staff would be prepared to recommend to the Board whether we believed it in the best interest of Nevada's consumers to remain associated with healthcare.gov for the 2017 Plan Year.

After our meeting, staff held discussions with CMS and all of our stakeholders, both internal and external, to determine the best path forward to both chart a path to sustainability and maximize the opportunity for a successful transition. As the result of those discussions, we believe the best course to be continuing to utilize the federal eligibility and enrollment infrastructure in 2017, compensating CMS at the rate of 1.5% of the pre-subsidized premium generated by QHPs and standalone dental plans sold through the Exchange.

This path is not lightly chosen. The anticipated cost of remaining on the federal infrastructure in 2017 exceeds \$4,000,000 but given the timing of the Notice of Benefit and Payment Parameters and the relatively short time available to acquire and test a new platform, we believe this to be in the best interest of the Exchange, our carrier partners, and Nevada's consumers. Moreover, after reviewing our enrollment growth and financial projections over the next biennium, staff believes that the 1.5% assessment can be met without a reduction in the historical level of spending on consumer education and outreach, our navigator program, and marketing.

We will continue, over the next few months, to identify and review potential alternatives to the federal technology platform and call center which would serve to both lower our technology costs and provide us with ad hoc, real time reporting that would allow us to better target our marketing and messaging. Our anticipation is that additional information will be provided to the board by July along with a recommendation on a path forward which will assure our long-term sustainability.

On another note, as you will hear, the Exchange has been able to work with CMS on the re-budgeting of previous approved grant funds and has secured an additional \$4,000,000 to expand our off-cycle consumer education and outreach efforts leading into our next Open Enrollment. The monies are specifically designated to allow an increased focus upon underserved target populations in order to lay the foundation for greater enrollment and access, emphasizing the value of coverage and the availability of premium subsidies to assure consumers that they can afford coverage.

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The next few months will be a busy time for staff, with several important decisions looming on the horizon. I am confident that we will be able to provide the Board with the information necessary for it to continue to protect the interests of Nevada's consumers and stakeholders, and assure the Exchange will be able to continue to provide access to quality, affordable health plans to our citizens throughout the state.