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FISCAL AND OPERATIONAL REPORT **PROVIDED TO THE GOVERNOR AND LEGISLATURE** **PURSUANT TO NRS 695I.370 (1) (B)** **JUNE 30, 2016**

The Silver State Health Insurance Exchange (Exchange) is pleased to offer this Fiscal and Operational Report, required pursuant to [NRS 695I.370 \(1\) \(b\)](#), to the Governor, the Legislature and the public. It provides information regarding the activities of the Exchange since December 2015.

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EXECUTIVE SUMMARY

The Exchange continues to focus our efforts in increasing the number of insured Nevadans by giving them access to quality healthcare through affordable health insurance plans. Over the past three years, our efforts, in conjunction with an expansion of Medicaid eligibility, have substantially reduced the state’s uninsured population.

Our most recent Open Enrollment efforts went well; we enrolled over 88,000 consumers, which represented a 20 percent year-over-year increase and one of the largest increases in the country. In addition, the uninsured rate for Hispanic children fell from 20 percent to 13.3 percent, the biggest drop in the nation.

We experienced no technical or operational glitches and received high marks from our insurers, agents and brokers, and the public for this last open enrollment.

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Operationally, we are concentrating on preparations for the next Open Enrollment period which begins this November. During the off season, we are conducting an expanded off cycle consumer education and outreach program. We have identified five specific target populations, which have also been approved by the Centers for Medicare & Medicaid Services (CMS), those being; Tribal communities, self-employed, millennials, rural areas, and historically underserved minority communities.

We are also working on plan certification for the next Open Enrollment and are coordinating our plan review and certification efforts with the Division of Insurance (DOI). All of our last year's qualified health plan (QHP) issuer's (Anthem, Health Plan of Nevada (HPN) and Prominence) will offer policies again through the Exchange for plan year (PY) 2017.

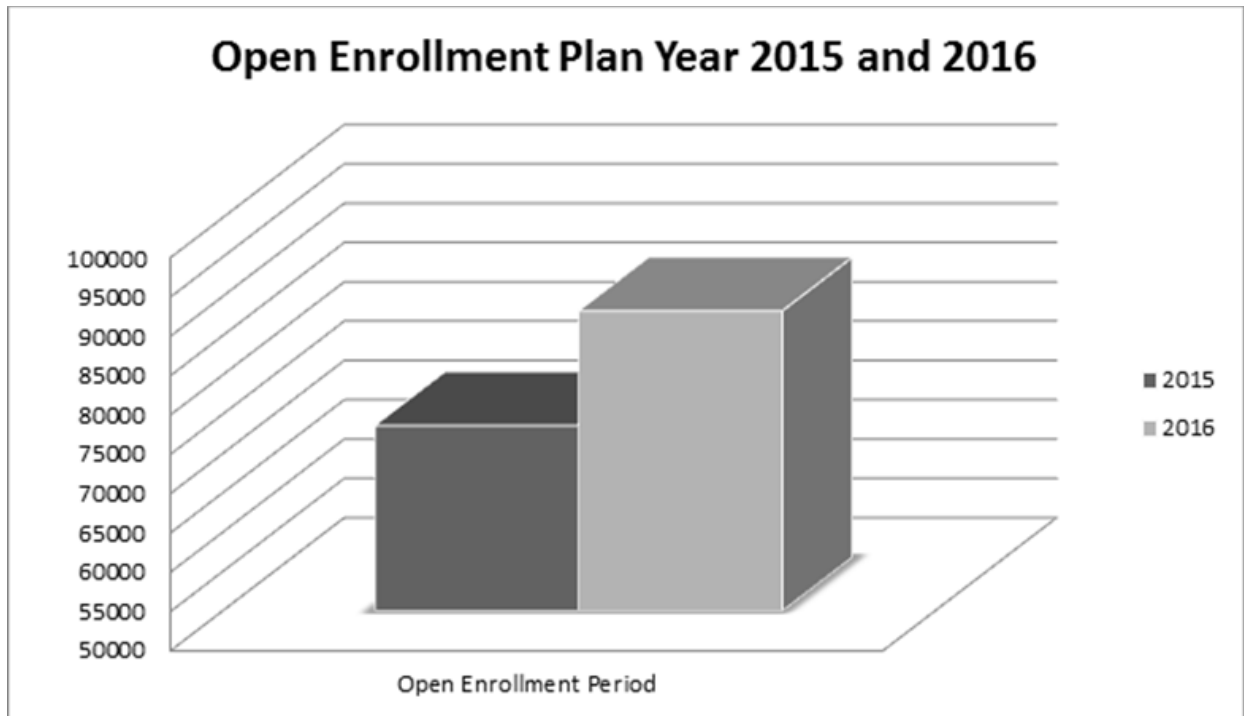
The Exchange has committed to using federal technology and call center support for Plan Year 2017. We are also reviewing technology and support options for 2018, and thereafter, have already begun our discussions with Enterprise IT Services (EITS) and the Division of Welfare and Supportive Services (DWSS) about an eventual transition.

In addition, we have started the process of creating a stakeholder group to advise us as we move forward, which will include state agencies and insurers to help guide us through the expected transition. It is still fairly early in this process. All in all, we are very busy at the Exchange; we are working hard and looking forward to a successful open enrollment this year.

ENROLLMENT

As noted above, our Plan Year 2016 Open Enrollment was very successful; the Exchange enrolled over 88,000 consumers, which represented a 20 percent year-over-year increase and one of the largest increases in the country. An additional 21,000 Nevadans were assessed to be Medicaid or CHIP eligible by the Exchange and their information transmitted to the Division of Welfare and Supportive Services.

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Forty-seven percent of enrollees were identified as new consumers, consistent with the national average. Nearly seventy-seven percent of Nevada’s re-enrollees actively shopped for plans, documenting the success of the Exchanges’ messaging which encouraged consumers to review all of the choices available to them; 11,000 enrollees chose to have their coverage automatically renew.

We are pleased to report that the uninsured rate for Hispanic children in Nevada fell from 20 percent to 13.3 percent, the biggest drop in the nation. Additionally, despite early concerns that Hispanic enrollment numbers in Medicaid and the state marketplace were low, Nevada experienced a substantial reduction in the number and rate of uninsured Hispanic adults.

THE BOARD

In accordance with 45 CFR § 155.110(c), the State must insure that the Exchange has in place a clearly defined Governing Board.

The Board consists of seven voting members and three non-voting members. Of the seven voting Board members, five appointments to the Board were made by the Governor, one by the Speaker of the Nevada Assembly, and one by the Nevada Senate Majority leader.

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The current Board members are:

- Voting Members
 - Florence Jameson, MD, Chair
 - Vacant, Vice-Chair
 - Valerie Clark
 - E. Lavonne Lewis
 - Angie Wilson
 - Jose Melendrez
 - Vacant

- Ex-Officio – Non-voting
 - Debi Reynolds - Department of Administration, for Patrick Cates, Director
 - Cliff King – Division of Insurance for Commissioner of Insurance, Barbara Richardson
 - Betsy Aiello – Department of Health & Human Services, for Richard Whitley, Interim Director

Since our last report there have been four Board Meetings. The Board, required to meet at least once a calendar quarter, currently meets on a monthly basis as directed by the Chair or majority of members (NRS 695I.340). Board Meetings are held in Carson City and Henderson as well as streamed over the internet.

STAFF

The Exchange staff currently consists of thirteen full time employees. Nevada has, by far, the lowest Exchange employee count in the nation. Pursuant to NRS 695I.380, all employees of the Exchange are in the unclassified service of the state, with three non-exempt employees.

MARKETING CAMPAIGN HIGHLIGHTS

Plan Year 2016 Open Enrollment Marketing

Nevada's Exchange completed its third Open Enrollment in January, 2016, and experienced a second consecutive year of record breaking enrollment numbers with over 88,000 individuals applying for and enrolling in qualified health plans. Our messaging was specifically designed to reach underinsured consumer populations, and we continued our outreach efforts throughout the enrollment period to build relationships with those groups.

Our media and advertising campaign received positive feedback and, overall, coverage was very positive for Nevada Health Link and the Exchange. Three of the campaign's video spots that aired on television during open enrollment were recognized with bronze Telly Awards in the insurance category. These awards recognize distinction in creative work and honored the Exchange's efforts targeted at families, the self-employed, and millennials.

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Other notable campaign highlights include:

Impressions Delivered during the Open Enrollment Campaign

Impressions = the estimated number of people seeing/hearing the advertisements within our defined target audiences

- Print (Rural and Hispanic, statewide): 2,898,000
- Outdoor (Digital Bulletins and Posters statewide): 74,646,537
- Radio (Mainstream and Hispanic, statewide): 17,065,947
- TV (Mainstream and Hispanic, statewide): 17,893,000
- Digital Media: 20,449,995 / 21,715 Key Actions (consumers clicking a relevant link and taking some kind of action on NevadaHealthLink.com)
- Direct Mail: 33,000 mailers mailed, including all rural counties statewide
- Social Media: 107,840 total interactions accounting for 53,854 referrals or 19.46% of all traffic on NevadaHealthLink.com. 1,198,775 Nevadans reached via paid social media

PR/Media Relations

Earned Media = mentions of Nevada Health Link or Silver State Health Insurance Exchange that were not paid for but received)

- Cumulative estimated earned PR value: \$9,089,843

Outreach Campaign

- 51 events and 137 distribution points
- Over 2,800 one-on-one conversations with members of target audience
- Working relationships: (9) navigator partnerships, 100+ agents and brokers, Medicaid staff

Off-Season Marketing Campaign

The Exchange is currently working with its marketing partners to implement an off-season marketing campaign geared toward identified target audiences needing further education and influence with a goal of increasing enrollment during our fourth Open Enrollment.

The off-season campaign will run from June through October and employ ongoing social media and outreach activities. Additional resources, including advertising, PR/Media relations and stakeholder development, will be rolled out the latter half of June and continue through October when it will transition to messaging for the next Open Enrollment cycle.

Taking into account that the upcoming Open Enrollment cycle occurs in the course of a presidential election year, advertising in the off-season will focus on creating a larger impact using targeted channels to ensure the Exchange makes the most cost-effective use of the media budget. Social media will serve as a fundamental component of the marketing mix based on cost and its proven success as a means of engagement with target audiences.

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During the off-season, outreach strategy has been focused on events that offer a direct means of engagement with targeted communities. The criteria for events include a significant emphasis on rural and tribal events and activities where grass-roots efforts can be made to educate and answer questions. This also gives us an opportunity to develop alliances with ethnic and cultural groups and organizations. The Exchange has also begun to identify and engage potential stakeholders and partners throughout the state to serve as advocates and help direct community-specific information to their core audiences.

NAVIGATORS, IN PERSON ASSISTERS (IPA'S) AND CERTIFIED APPLICATION COUNSELORS (CAC'S)

The Exchange must have consumer assistance functions, including a Navigator program, and must refer consumers to appropriate state resources when available.

In February 2016, the Exchange published a Request for Applications for the Navigator and IPA program. The Exchange awarded contracts to two entities to serve as state wide Navigators and seven In Person Assister (IPA) entities. The focus of the IPA's will be outreach and education to underserved populations.

Navigator Entities

- Dignity Health - St. Rose Dominican
- State of Nevada - Office for Consumer Health Assistance

In-Person Assister Entities

- Academy of Human Development
- Asian Community Resource Center
- Consumer Assistance Resource Center
- Foundation for Positively Kids
- Three Square
- Community Services of Southern Nevada
- Immunize Nevada

FINANCE

State Fiscal Year (SFY) 2016 will be ending June 30, 2016. The Exchange will be finalizing all expenditures for SFY 2016 in anticipation of closing SFY 2016 in August of this year.

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State Fiscal Year 2017 approved budget is as follows:

B/A 1400 Silver State Health Insurance Exchange					
Final SFY 2017 Budget					
Total FTE Count		13			
		42	47	GL 3601	
		Appropriations	Beginning Cash	QHP Fees	BUDGET
		GF Advance			TOTAL
Revenue		\$ -	\$ 1,237,386	\$ 6,549,646	\$ 7,787,032
Expenditures					
Cat 01	Personnel	\$ -	\$ -	\$ 1,241,690	\$ 1,241,690
Cat 02	Out-of-State Travel	\$ -	\$ -	\$ 20,055	\$ 20,055
Cat 03	In-State Travel	\$ -	\$ -	\$ 25,000	\$ 25,000
Cat 04	Operating	\$ -	\$ -	\$ 2,500,991	\$ 2,500,991
Cat 26	Information Services	\$ -	\$ -	\$ 23,510	\$ 23,510
Cat 30	Training	\$ -	\$ -	\$ 6,523	\$ 6,523
Cat 71	Navigators	\$ -	\$ -	\$ 2,200,000	\$ 2,200,000
Cat 82	DHRM Cost Allocation	\$ -	\$ -	\$ 6,497	\$ 6,497
Cat 85	Cash Reserve	\$ -	\$ 1,600,587	\$ -	\$ 1,600,587
Cat 87	Purchasing Assessme	\$ -	\$ -	\$ 15,097	\$ 15,097
Cat 88	SWCAP	\$ -	\$ -	\$ 19,924	\$ 19,924
Cat 89	AG CAP	\$ -	\$ -	\$ 127,158	\$ 127,158
Cat 90	General Fund Advance	\$ -	\$ -	\$ -	\$ -
	Total Expenditures	\$ -	\$ 1,600,587	\$ 6,186,445	\$ 7,787,032

Note:

Work Program C35642 was submitted and approved by the Budget Office to adjust the above budget. This work program allows the Exchange to carry forward any unused portion of our 1311 grant funding to be used in SFY17. Category 67 (Fifth Level One) and Category 70 (Level Two) will be added to the budget and used by the Exchange for IT Management and Outreach and Education. There are no additional expenditures added to the budget as a result of this adjustment. CMS approved the use of these funds in December 2015. This funding will expire December 2016.

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BUDGET BUILDING FOR SFY 2018 & 2019

The budget building for SFY 2018 and 2019 has begun and is on track for the agency request submittal due date of September 1, 2016.

FUNDING

The Exchange is currently self-funded. The Exchange collects Per Member Per Month fee which equate to 3% of premiums written by carriers. Beginning January 2017, the Exchange will collect 3.15% of premiums written by carriers.

In December 2015, CMS extended a portion of the 1311 Establishment Grant Funds for the purpose of IT Management and Outreach and Education of uninsured Nevadan's. This funding will expire December of 2016. The Exchange does not anticipate any other grant funding moving forward once these funds expire.