



Brian Sandoval  
Governor

Florence Jameson, MD  
Chairwoman

Heather Korbolic  
Executive Director

# Silver State Health Insurance Exchange

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

[www.nevadahealthlink.com/sshix](http://www.nevadahealthlink.com/sshix)

## AGENDA ITEM

For Possible Action

Information Only

**Date:** April 13, 2017  
**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

The Exchange’s staff have been particularly busy since the board last met. Although we are not in the midst of open enrollment, staff have been working feverishly on new and existing operational demands at the same time as navigating a constantly evolving political landscape. I will cover the political landscape in more depth in the Affordable Care Act (ACA) status report later in our meeting and will bring the board up to speed on our operational efforts in this Executive Director’s report.

As you are aware the State of Nevada legislative session began in February; the Exchange has been monitoring and testifying on bills and presenting our Governor approved budget to the legislative finance committees. The final hearing for the Exchange’s budget has been scheduled for April 19, 2017. Our agency budget includes the necessary allocations to support off-season advertising, marketing, and outreach. The budget also includes allocations to transition away from HealthCare.gov to a commercially available, proven, and less expensive private market alternative technology platform. While I believe that our budget will be approved as submitted, the Exchange staff and I are carefully analyzing the long term

horizon to determine the best course forward for Nevada's consumers and the Exchange's long term sustainability.

As you are aware the Exchange began payments on the lease to utilize HealthCare.gov's eligibility and enrollment platform effective January 1, 2017. The rate for 2017 is 1.5 percent of the premiums collected - nearly half of the Exchange's revenue. This rate will increase to 2 percent in Plan Year 2018, and 3 percent in Plan Year 2019. A fee of 3 percent to HealthCare.gov for Plan Year 2019 represents nearly the entirety of the Exchange's revenue.

In order to remain a cost effective service to Nevadans, the Exchange must cost less than those states that are fully Federal Facilitated Marketplaces (FFM) which currently charge 3.5 percent. The Exchange cannot keep fees below 3.5 percent while paying 3 percent to Healthcare.gov and collect sufficient income to defray all operational expenses, including staff costs, rent, utilities, marketing, consumer outreach and education, our navigator program, and plan certification.

The Exchange must either transition to another technology vendor or negotiate a lower lease fee to continue to access HealthCare.gov's eligibility and enrollment platform. I have been working with CMS and Nevada's state lawmakers and our congressional delegation to determine the pathway to allow the Exchange to transition away from HealthCare.gov without the required integrated Medicaid eligibility determinations—while at the same time working on negotiating the fees in order to continue to lease HealthCare.gov at an affordable and fair price.

While there are many convincing reasons for the Exchange to transition to a private eligibility and enrollment platform there are several challenges that must be addressed before such a transition can occur. The Exchange will continue to diligently make progress toward the goal of finding a sustainable method to enroll Nevada's consumers.

The Exchange recently completed a Request for Applications (RFA) process resulting in new Navigator and In-Person Assister grants. We are enthusiastic about renewing our existing partnerships and adding new partners to our roles, including more northern Nevada Navigators. These partnerships are exponentially valuable and imperative as we dive deeper into our communities to identify uninsured and underinsured consumers. Navigators and In-Person Assistors act as the face of Nevada Health Link throughout our urban and rural communities. The outreach, education, and enrollment efforts that these partners provide support the backbone of the Exchange's vision and mission and will be critical over the next year as we expand our outreach and identify opportunities to engage consumers.

Our Chief Operations Officer and Broker Liaison have been developing a RFA for a broker storefront program for open enrollment period five. This initiative is modeled after a very successful program implemented in the State of Oregon. As a pilot program in Nevada, the storefront program is designed to provide approximately five brokers throughout the state with \$10,000 annually in funding to facilitate and promote enrollment in on-Exchange qualified health plans during Plan Year 2018. Funds may be used for promotion, outreach, and/or enrollment activities that may include, but are not limited to: targeted ACA qualified health plan and Nevada Health Link promotional and marketing materials to increase consumer traffic; temporary brick-and-mortar storefront lease payments, and/or hiring temporary enrollment staff. The Exchange is targeting a May release for the RFA, a June response timeframe, a July selection, and September orientation and training.

As you will remember, last year the Exchange partnered with UNLV School of Medicine to integrate Certified Application Counselor (CAC) training into their Community Health Worker (CHW) curriculum.

We are working to renew these efforts through another grant in order to further expand our reach into our targeted communities – millennials, Tribes, Hispanic/Latino, rural, 50+, individuals/families, and the self-employed. We look forward to supporting these Community Health Workers with their education and in-turn generating well-informed consumers through their outreach efforts.

One of the first acts of the new U.S. Department of Health and Human Services (HHS) Secretary Dr. Tom Price was to issue a Notice of Proposed Rule Making (NPRM) intended to stabilize the individual marketplace. The rule proposed several changes, most of which go into effect for the upcoming plan year 2018. Of most concern to the Exchange is the proposal to truncate the open enrollment period from the traditional 90 days to 45 days. The Exchange wrote a letter requesting that this enrollment period be maintained at 90 days for plan year 2018. The Exchange believes that a shorter open enrollment period would result in reduced enrollments, increased premiums, and would create an unanticipated budgetary burden for the reasons outlined below.

Individual marketplace enrollment data from the past several years demonstrates that significant figures of enrollment numbers occur between the December 16 and January 31 dates. Data also demonstrates that younger and healthier consumers sign up in larger numbers during the month of January. The Exchange believes decreasing the enrollment period will result in a decrease in enrollment with a stronger impact on the young adult population. It is unlikely consumers enrolling in late January would be able to complete their enrollment in a shortened six week enrollment period.

Reduction in the number of healthy adults enrolled on the Exchange will create a less healthy risk pool within the Nevada individual marketplace which will likely lead to higher premiums for all Exchange consumers. Affordability is a primary concern for Exchange consumers and a healthy risk pool is one of the primary drivers of costs. Maintaining the full 90 day enrollment period will allow the Exchange to ensure access for young adults and will contribute to a more healthy risk pool for Nevada's marketplace.

The Nevada Exchange is a state agency wherein budgets are set and approved by the Legislature two years in advance. As such, it is important that the Exchange develop a budget with consistent operational costs. Given the late notice of the proposed rule change, the Exchange has not had adequate and necessary time to properly allocate funds essential to develop required and necessary marketing and advertising campaigns designed to message a shortened enrollment period. Additionally, the Exchange provides grant funds to Navigator and In-Person Assister entities to assist with enrollment, marketing, and outreach. These organizations will likely experience increases in consumer needs during a shortened enrollment period—the likes of which have not been addressed in contracts set up for 2018 enrollment.

As a State Based Marketplace utilizing the Federal Platform (SBM-FP) the Nevada Exchange has used HealthCare.gov to enroll Nevada consumers for the past three enrollment periods. While the platform has demonstrated improved efficiencies over time, during the open enrollment periods, many consumers are placed into waiting rooms online due to high volumes and limited system capacity. Often consumers, brokers, agents, and Navigators are held in these wait rooms resulting in a 'pending' status wherein they are unable to complete applications as a result of the platform's limitations. The Exchange is concerned a truncated enrollment period will create additional stress on the HealthCare.gov platform resulting in system failures and decreased enrollment with consumers unable to complete applications in a timely fashion due to a shortened deadline.

As the future of the ACA continues to be debated, the Exchange urged HHS to maintain the current open enrollment period dates of November 1 through January 31 for 2018 and 2019 plan years. If the intention of a shorter enrollment period is to stabilize the market, the Exchange argues the consistency of keeping

the open enrollment period the same as it has been for the past four years—dating back to the beginning of the ACA—would be a stronger stabilization effort. Consumers, carriers, and marketplaces have adapted to these timelines and changing them will likely create confusion especially impacting young and healthier consumers the most. Maintaining the 90 day enrollment period will enhance stability in the Nevada marketplace and allow the Exchange more appropriate time to conduct necessary outreach in order to assist consumers with accessing the resources available to their families.

The Exchange has already begun developing outreach, advertising, and educational strategies should the rule be promulgated as written, thereby truncating the traditional open enrollment period. We will work with stakeholders, Navigators/In-Person Assistants, and community partners to ensure the message of a shortened enrollment period gets out to new and returning consumers. This will be a challenge with impacts that could cause damage to the steady increase in enrollment that the Exchange has enjoyed over the past few years; we will do all that we can to prevent any harm.

As we head into plan year 2018 our carriers have begun working on creating plan binders and will soon begin analyzing and setting rates. We are excited about two new relationships with new carriers who intend to sell on the Exchange for plan year 2018 – Aetna and Centene – were both awarded contracts to operate Medicaid Managed Care Plans, both companies have begun to work with the Exchange to have qualified health plans available in the coming year. We are looking forward to being able to offer Nevada's Exchange consumers more options when they select plans in 2018.

The Exchange staff and I are actively identifying objectives and creating strategic plans to meet long and short term goals. Even in the face of political headwinds the Silver State Health Insurance Exchange remains in compliance with all of our statutory obligations and has demonstrated success by every metric by which we are measured. This success would not be possible without a dedicated group of staff who truly believe in our mission.