SILVER STATE HEALTH INSURANCE EXCHANGE

BOARD MEETING

THURSDAY, APRIL 13, 2017, 1:30 P.M.

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DR. JAMESON: I'd like to call our meeting to order.

Heather, would you like to do roll call?

MS. KORBULIC: I will. Dr. Florence Jameson?

DR. JAMESON: Here, present.

MS. KORBULIC: Ms. Valerie Clark?

MS. CLARK: Present.

MS. KORBULIC: Ms. Lavonne Lewis?

MS. LEWIS: Here.

MS. KORBULIC: Ms. Angie Wilson?

Mr. Jonathan Johnson?

MR. JOHNSON: Here.

MS. KORBULIC: Mr. Jose Melendrez?

MS. KORBULIC: Dr. Dan Cook?

Marta Jenson?

MS. JENSEN: Here.

MS. KORBULIC: Commissioner Richardson?

Debi Reynolds?

Madam Chair, we have a quorum.

DR. JAMESON: Thank you.

I would like to ask, is there any public comment in the north, Heather?

MS. KORBULIC: No, there is not.

DR. JAMESON: And do we have any public comment here? I just see no public members present, period.

So I would like to ask our Board for approval of the minutes from February 9th, 2017.

MS. CLARK: Valerie Clark. I make a motion to approve.

DR. JAMESON: Valerie has motioned to approve.

MR. JOHNSON: Jonathan Johnson. I second.

DR. JAMESON: Everybody in favor of passing our minutes, please say "aye."

(Board members said "aye.")

DR. JAMESON: Thank you.

And I'd like to now, Heather, have our Executive Director, Heather, go ahead and present her report.

MS. KORBULIC: Thank you, Madam Chair.

Hello, everybody. I will read as fast as I possibly can. And because this is all already on the record, I can do that and not feel guilty about it.

The Exchange staff has been really busy since the Board last meeting. And 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'm going to cover that political landscape a little bit more in our ACA report later but wanted to bring the Board up-to-date on our operational efforts in this report.

As you are all aware, the Nevada Legislative Session began in February, and the Exchange has been monitoring, testifying, and presenting on bills and on our Governor-approved budget to the Legislative Finance Committee.

The final hearings for the Exchange's budget has been set for next week, Wednesday, on April 19th. Our agency budget includes the necessary allocations to support off-season advertising, marketing, and outreach. And our 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 our budget will be approved as submitted, the Exchange staff and I are carefully analyzing the long-term horizon to determine the best course for Nevada's consumers and the Exchange's

long-term sustainability.

As you're aware, the Exchange started paying for the lease of healthcare.gov and their eligibility and enrollment platform starting this year, January of this year. The rate for 2017 is 1.5 percent of the premiums collected and nearly half, that's nearly half of the Exchange's revenue. This rate is going to increase to 2 percent in plan year 2018 and 3 percent in 2019. A fee of 3 percent to healthcare.gov for plan year 2019 represents nearly the entirety of the Exchange's budget, or excuse me, revenue.

In order to remain a cost-effective service to Nevadans, the Exchange must cost less than those states that are fully federally-facilitated, which currently charges 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 of our operational expenses, including staff, rent, utilities, marketing, consumer outreach and education, our navigator program, and plan certification.

We must either transition to another technology vendor or negotiate a lower fee to continue to access healthcare.gov's eligibility and enrollment platform. I've been working with CMS and Nevada state lawmakers, along with federal delegates, 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 we're working on negotiating the fees in order to continue to lease healthcare.gov at an affordable and fair price.

There are many convincing reasons for the Exchange to transition to a private eligibility and enrollment platform, and, but there are several challenges that have to be addressed before such a transition can occur. The Exchange is going to continue to diligently make progress towards the goal of finding a sustainable method to enroll Nevada's consumers.

The Exchange recently completed -- changing total subjects. Excuse me.

The Exchange recently completed a transition, or excuse me, a Request for Applications process for new navigator and in-person assister grants. We're extremely enthusiastic about renewing our existing partnerships and adding new partners to our rolls, 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 assisters act as the face of the Nevada Health Link throughout our urban and

rural communities. The outreach, education, and enrollment efforts that these partners provide support the background, excuse me, 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 with our consumers.

Our COO and broker liaison have been developing an RFA -- that this is very exciting news -- for a broker storefront program for open enrollment period five, for plan year 2018. This initiative is modeled after a 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 for plan year 2018. Funds may be used for promotion, outreach, and/or enrollment activities that may include, but are not limited to, targeted ACA QHPs, Nevada Health Link promotion 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 Request for Applications, a June response timeframe,

July selection, and September orientation and training.

As you will remember, the Exchange partnered with the UNLV School of Medicine to integrate certified application counselor training into their community Health Worker Curriculum. We're working to renew these efforts through another grant in order to further expand our reach into targeted communities, including millennials, tribes, Hispanic/Latino, rural, 50-plus, individuals, families, and the self-employed. We look forward to supporting these community health workers and 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 Secretary Dr. Tom Price was to issue a Notice of Proposed Rulemaking intended to stabilize the individual marketplace. This rule proposed several change, most of which will go into effect for the upcoming plan year.

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 '18. 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 that I'll outline.

I do want to go through this because I do want to get it onto the record. So I'm sorry, guys. Bear with me.

Individual marketplace enrollment data from the past several years demonstrates that significant figures of enrollment numbers occur between the dates of December 16th and January 31st. Data also demonstrates that younger and healthier consumers sign up in larger numbers during the month of January.

The Exchange believes that decreasing the enrollment period will result in a decrease in enrollment with a stronger impact on the young adult population. It's unlikely consumers enrolling in late January would be able to complete their enrollment for a shortened six-week enrollment period.

Reduction in the number of healthy adults enrolled on the Exchange will create a less healthy risk pool with the Nevada marketplace and 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 our marketplace.

The Nevada Exchange is also a state agency, which we all know, and we have a legislatively-approved budget two years in advance. As such, it's important that we have consistent operational costs. And given the late notice have this proposed rule, 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 navigators and in-person assisters for enrollment, marketing, and outreach. These organizations will likely experience an increase in consumer needs during a shortened enrollment period, the likes of which have not been addressed in contracts that we've set up for 2018.

As an SBM-FP, the Nevada Exchange has used healthcare.gov to enroll Nevada consumers for the past three enrollment periods. And while the platform has demonstrated improved efficiencies over time, during open enrollment periods, many consumers are still placed into wait rooms online due to high volumes and limited systems capacity. Oftentimes, consumers, brokers, agents or navigators are held in these wait rooms,

resulting in a pending status where they're unable to complete applications as a result of the platform's limitations.

I'm extremely concerned, and the Exchange is concerned that a truncated open enrollment period will create additional stress on healthcare.gov's platform, resulting in systems failures and decreased enrollment with consumers unable to complete applications in a timely fashion.

As the future of the ACA continues to be debated, we urged HHS in our letter to maintain the current open enrollment period dates, November 1st through January 31st, for plan years 2018 and '19. We believe that if the intention of a shorter enrollment period is to stabilize the market, the Exchange urges 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.

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 that 90-day enrollment period will enhance stability in the marketplace and allow the Exchange more appropriate time to conduct necessary outreach.

The Exchange has already begun to develop outreach, advertising, and educational strategies should the rule be promulgated as written. We should, just as an aside, we should know whether the rule will be promulgated this week, is what I am hearing.

MR. HIGH: We have some breaking news.

MS. KORBULIC: Oh, did --

MR. HIGH: It just came out.

MS. KORBULIC: Ryan just said it just came out right as we're speaking. So soon we'll know whether -- does it say if it is truncated?

MR. HIGH: It does.

MS. KORBULIC: Okay. So it is. It is 45 days instead of 90 days.

UNIDENTIFIED WOMAN: We just heard that just now.

MS. KORBULIC: Interesting.

MR. HIGH: It just came out.

MS. KORBULIC: Yeah. Okay. So. Well, good timing for this paragraph that we are working on preparing for the worst-case scenario. And now we're going to be addressing the worst-case scenario. Great. I'm glad I went through all of that when I didn't need to. I'm sorry, guys.

Anyways, as we head into our plan year, we are

working on trying to address all of these through strategies with our community partners, navigators, and in-person assisters, along with our advertising and marketing campaign. And we will likely, I think that this will likely present additional challenges and potential damage to our steady increase in enrollment that we've enjoyed over the past few years. But, of course, we will do whatever we can to mitigate any of that harm.

As we head into plan year 2018, our carriers have begun working already on their plans and their binder submissions and will soon begin analyzing and setting their rates.

We're 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 upcoming year. We're looking forward to being able to offer Nevada's Exchange consumers more options when they select plans for 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

the political headwinds that we at the Exchange have faced, we remain in compliance with all of our statutory obligations, and we've demonstrated success by every metric by which we are measured.

Again, this success would not be possible without the dedicated group of staff who work here and truly believe in our mission.

And that is the end of my report. I would take questions if anyone has any.

DR. JAMESON: Thank you so much. And I would say, add there, congratulations that you do demonstrate success in every metric by which we're measured. And this success, you say, without dedicated staff, but, of course, the Executive Director and leader of that staff. You are just doing an amazing job.

I would like to open up for questions from our other Board members at this point, or comments.

I think, I see Valerie waiving her shy little hand.

MS. CLARK: Yeah. I wasn't sure if there was a question from the south first.

Just a very, very quick question. So I just want to confirm what carriers are lined up for 2018 currently?

MS. KORBULIC: Okay. The carriers that we have

agreeing to participate so far, and things can change, are the three existing carriers that we've had in the past -- Prominence, Health Plan of Nevada, Anthem -- and then the two new ones with Aetna and Centene.

MS. CLARK: Okay. Thank you. And then, do we remain with only one option in the rurals?

MS. KORBULIC: Correct. The only -- well, and not all the plans have been submitted yet, but I do anticipate that we'll continue to only have the Anthem plans available in the rural areas.

MS. CLARK: Okay. Thank you.

DR. JAMESON: Jonathan Johnson.

MR. JOHNSON: Yeah, my question is related to the private solution and a potential move away from healthcare.gov. Are there any estimates in terms of what that would cost as a percentage of premiums compared to the healthcare.gov cost?

MS. KORBULIC: Good question, yes. And I should clarify that. Of course, while the uncertainty of the ACA continues to be very much at play, we're really trying to analyze what a good time, when a good time to move away from the platform would be, but are setting that agenda out in our budget for just the sake of having that available when we do need to make a transition.

And then, in terms of the costs, it does look like the private technology vendors are looking at around 1.5 percent, so the same amounts that we're paying this year, which is essentially half of what the -- with healthcare.gov. Would charge us, yes.

MR. JOHNSON: Thank you. And with the news of the shortened open enrollment period, and you referenced some of the logistical challenges, is that, is that a pretty solid rule, or is there a chance, you know, when we get into the open enrollment period, that they can, you know, possibly extend that if there are technical issues?

MS. KORBULIC: Well, I'm putting my helmet on and going to go into the trenches here after this meeting today and try to argue that because we are a state-based marketplace using the federal platform, that they may want to offer us some flexibility. But the rule has been set and has been promulgated as of just a few minutes ago. So it doesn't look like there's a lot of wiggle room.

DR. JAMESON: Thank you so much. Both those were great.

Questions, before I -- did you have any questions?

MS. LEWIS: Well, my question was going to be

when does the rule become final? But since we've gotten that information, I don't need to ask that question.

DR. JAMESON: Just a follow-up on the carriers, will the two new carriers be offering a pretty robust portfolio of different products, or will they be more limited?

MS. KORBULIC: You know, we haven't seen their plans yet, and so I'm not able to answer that question. They do have to offer a silver and gold plan at the very least.

DR. JAMESON: Oh, thank you very much, Heather.

And then, on Jonathan's question, you know, in the past, Jonathan, as you mentioned, the first year, when there was great technical errors, we were given an extension of enrollment.

And, basically, Heather, I was wondering, the extensions -- then, the next year, we had another, more abbreviated extension. So my question is I believe both of those, of course, came from the federal level down. And so there's always the hook found that -- if they had found the extremely truncated enrollment period, if they were being honest and helpful, obviously, really hindered enrollment, that perhaps we could hope they might extend it. It's always possible. Because extensions have been done under extenuating

circumstances in the past, Jonathan.

MS. KORBULIC: I will assure you that I will fight tooth and nail for whatever we can get.

DR. JAMESON: I think, I'm going to switch to someone else's mic.

I know that this is -- I know the answer to this question. Your final budget committee meeting is coming up. And, of course, there's no possible way, with the short period of time, that you could adjust your budget, because you really don't have any plan for a -- a plan on how to, you know, remake ourselves for a shortened enrollment period, what the extra requirements, needs, advertising, et cetera, would be.

So I'm sure that it's set in stone. And it is just ridiculously too late to change anything there.

MS. KORBULIC: There are options during the interim for us to make modifications to our budget should we need to. So we will do what we can. It doesn't change the revenue, but we can change the way we spend the revenue.

DR. JAMESON: Oh, okay. That's good news, to know that you are very creative.

And so I wanted to really thank you for working with CMS so hard these last -- this last month, your trip to Washington, working with our Nevada state

lawmakers. And I just want to applaud you for all -- hello? -- all time that you have spent, again well and beyond the normal hours, in order to work with these lawmakers and have them, have them work with CM --

MS. KORBULIC: What's happening?

(There were microphone problems.)

DR. JAMESON: -- to ideally bring about our goal of being able to leave the federal platform.

I wanted to also congratulate you on having the RFA approved for resulting in the new navigators and in-person assisters. This is really exciting. And I hope indeed we can get some more navigators in the north, as you're hoping.

I also was very excited to hear about this Oregon, State of Oregon storefront program. And I wanted to see if you could share a little more about it. By what criteria was it very successful? How will these five brokers for the whole state of Nevada be selected; will it be a raffle? And when you say throughout the state with $10,000, is that $10,000 per broker? Is that $2,000 per broker?

So I'll let you go ahead and address those questions.

MS. KORBULIC: I'm going to defer to our COO, Ryan High, who has been working a little bit more

intimately with this project.

MR. HIGH: Hello, for the record, it's --

DR. JAMESON: Oh, thank you.

MR. HIGH: Sure thing.

DR. JAMESON: I was just going to say, because with $10,000 or $2,000, I don't know how they could, their storefronts could be much more than a table and a tent. But we've done that, and it's worked pretty well.

MR. HIGH: Sure. Sure. So, for the record, Ryan high.

So I took a trip to Oregon in May to meet with --

MS. KORBULIC: March.

MR. HIGH: I'm sorry. March. Sorry. It's not May yet. In March, to meet with their Exchange, and got a tour and met with three different brokers in Oregon.

And what they did in Oregon was they had -- it was a $10,000 annual grant. And the way the brokers used it was one broker used it to supplement her marketing budget. So she was able to spend money in marketing materials, advertising costs, radio spots, so on and so forth. She also was able to use funds to represent a space at a community partners office. So she had her own storefront and then was able to have a secondary spot in a different location to bolster

enrollments there as well.

And they really, in Oregon, they were saying, the brokers said they really were able to foster strong relationships with community partners, even some they didn't even know were in their own neighborhood.

Another broker used it for street signage that helped with -- this was in Hood River, where it's a large walking community there. And she said that really helped, that street advertising helped bring in business right off the street.

A third broker used it to supplement staff. So for a shortened time period, they were able to hire temporary staff.

So those are three different examples of how they used the funds.

And you're right, it's not to, I guess, lease a space for an entire year. You couldn't do that probably for $10,000. But it's a supplement for the open enrollment time period.

And then the selection process would be similar to the Request for Applications that we use for the navigators. So it's an extensive application process, up to, I believe, 15 pages, where they'll give an executive summary; they'll comment on the outreach, the pool of people they want to try and reach, their

community partnerships that they already have, and then give a sample budget of how they expect to spend the $10,000.

DR. JAMESON: Thank you.

So that's very exciting. So we'll be seeing a lot of new things going on. We'll be having these storefront. We'll be having more carriers. It sounds like, you know -- at least I want to make this clear, that in the state of Nevada, we are moving ahead, getting innovative, creative, expanding, and only successful. And, unfortunately -- I wish it was this successful across the country.

I also wanted to -- oh. Before I ask another question, I'm going to give Lavonne a chance.

MS. LEWIS: I didn't get it, I didn't fully understand whether he said it was going to be $10,000 per broker or $2,000 per broker. I think, that was part of your question earlier. And I didn't really understand the answer.

So is it $10,000 for five brokers or $2,000 for five brokers, each?

MR. HIGH: It's $10,000 per brokerage.

MS. LEWIS: Okay.

MR. HIGH: So it wouldn't be awarded to a specific person, but to the brokerage itself, the agency

itself.

MS. LEWIS: Right. Okay.

DR. JAMESON: And I just wanted to make a comment about you continuing to work with the UNLV School of Medicine integrating the certified application counselors into the community health program.

So looking back, my first question is, how many did we end up, that program, how many certified health workers became certified applicants, what was the number?

And then you were talking about continuing to work with them and, through another grant, hoping to expand and support more community health workers. So what did we really get, the number of them last year? And what are we -- what's a target for this year?

MS. KORBULIC: Thank you. This is Heather Korbulic, for the record.

I will have to go back and look at how many community health workers were produced, because we had two different grants going on last year. So I would have to tell you how many UNLV produced. And I will get that to you.

And then we just received the proposal yesterday from UNLV. So I haven't had a chance to review their proposal of how many community health

workers they will put out. But I will get that to you and the rest of the Board.

DR. JAMESON: I had another question on we talked about the shorter enrollment period and that if they enrolled late in January they might not be able to complete their enrollment process in a shortened six-week enrollment period. So I got a little confused about that statement. Because even in our 90-day, if they enroll at the end, I thought pretty much, once they did the initial enrollment process, they were in, whether they absolutely completed it all. So you understand my confusion.

MS. KORBULIC: I think, what I was just trying to say is that the bulk of the younger and healthy people were enrolling very late in the game, and so encouraging them to get in earlier and complete their application is going to be a big uphill challenge.

DR. JAMESON: I agree. I wish I could say it was only the young that procrastinated till the end.

Anybody else have any other questions?

I just wanted again to just say great on Aetna and Centene, if I'm saying that correct, and that, again, for our local state, Heather, your staff, you and your staff have done amazing, and congratulations on all this work you're doing.

MS. KORBULIC: Thank you.

DR. JAMESON: Then, if there's no other questions on the Executive Director's report, we're going on to marketing and outreach update.

MS. JANEL DAVIS: Thank you. Janel Davis, for the record.

DR. JAMESON: Who will be starting that?

MS. JANEL DAVIS: Okay. So, real quick, I'll just go over some general comments.

Basically, Penna Powers and the Exchange have been working diligently on our upcoming off-season marketing outreach campaign, which we're looking to kick that off at the end of May this year.

We're really focusing on finding testimonial stories and experiences from consumers who have benefitted from the resources that Nevada Health Link connects those consumers to.

I'm going to try and just skip over a couple things. Basically, that the creative campaign for the off-season will trickle into open enrollment, so we'll have the same creative concepts.

We learned that it's time to put emphasis on the consumer, who they are, what resources they're using, along with educating our audience on the benefits of having health insurance and also demonstrating the

impacts of going through life and the consequences of not having health insurance.

And so from these creative concepts, in late February of this year, Penna Powers and the Exchange, we were able to conduct some focus group research through Consumer Opinion Services in both Las Vegas and Reno. Our primary objective was to help the Exchange better understand our consumers' level of understanding of the insurance marketplace and the Affordable Care Act as well as Nevada Health Link.

After participating in this research, it became pretty clear that most participants had difficulty differentiating ACA versus Obamacare, Medicaid versus Nevada Health Link and the Exchange.

So, overall, we found that it was a really great tool to guide us and what direction to go for our spring and fall marketing campaigns, and also made us realize the importance to continue to build knowledge around Nevada Health Link.

So, in regard to our strategy, we're going to focus on efforts on digging deeper into those target demographics that I've mentioned in almost every meeting. We want to alleviate any confusion and educate our consumers through community-engaged outreach and partnerships.

Penna Powers has hired two new staff specifically to the Nevada Health Link account. And I'll let Patty go over that and introduce those folks there in the Las Vegas office.

In regard to outreach specifically, our tactic is to utilize our current and new navigators as primary event staff. And we all know the value that navigators hold. They're able to enroll consumers and connect consumers to the resources they need based on their eligibility.

Our goal is also to attend community-based events while enhancing the consumer experience with interactive activities at our booth, as well as also providing educational literature in this time of uncertainty.

Our objective to institutionalize Nevada Health Link and the Exchange remains. We are doing this by identifying and targeting the uninsured and underinsured populations throughout Nevada, while also leveraging our social content media, public relations, digital advertising, and traditional marketing to educate our audience about the importance for health insurance coverage.

Obviously, the marketing team will be supporting the broker pilot program that was just

discussed and strategizing ways in which we can support the initiative from an advertising and marketing perspective.

And I'll now let Patty Halabuk introduce those new Penna employees and also go over the details of our upcoming marketing and outreach campaign.

Thank you.

DR. JAMESON: Thank you.

MS. HALABUK: Good afternoon. I'm going give a brief update to the marketing deck that you have.

Basically, pages one and two kind of summarize what Janel said as far as our focus groups go and our strategy for marketing for this year. We laid a great foundation with our advertising and marketing, but there's still work to do. So that's what we're going to concentrate on this year with our marketing.

On page three, as Janel mentioned, outreach is a key and essential component of our marketing. It's critical to Nevada Health Link's success.

We are integrating new ways to attract more attention to our event booths. This will allow navigators to engage more people. We want to enhance our follow-up reporting to capture more relevant data that will help us retain the pulse of consumer sentiment out there.

And we are also collaborating with new partners to engage additional tactics for outreach, such as neighborhood street team surveyors. And these kind of tactics can provide measurable results for us.

On page four, you'll see that we have already booked over 130 events for outreach this year. And we expect to add at least another 100 for the remainder of the year.

And I would like to mention, Charlene Kaufmann is our new program coordinator, and she's responsible for that endeavor ongoing.

And in addition to Charlene, we have Gladys Pastor. She has joined in the role of community relations coordinator. Gladys is spending her time out in the field, meeting one-on-one with existing partners, as well as developing new partnerships. In just a few short weeks, she has been hard at work cultivating these opportunities. You'll see a small list of those six.

And I'd like to mention that just in the past week, she has also arranged or conducted meetings with Marketon Supermarkets, which cater to the Hispanic community, CareNow Urgent Care centers, and La Campensino Radio, which is a new regional Mexican music station from southern California that's going to put down roots here in southern Nevada.

I'd also like to mention that marketing sponsorships are still very important, an important way for us to build awareness both in the community and at a business-to-business level.

You'll see on page seven of the deck that we have renewed some of our successful partnerships from last year, in addition to new partnerships. And we're going to continue to add more throughout the year.

And I'd like to note that we are currently talking to the RTC here in southern Nevada, along with the AARP, about putting together a potential senior "Stuff a Bus" event here in southern Nevada, similar to the one that takes place in northern Nevada that we are partnering with currently.

We believe that these kinds of partnerships are a great way to create more opportunities for outreach within the community.

I'd also like to mention on page eight that part of our marketing strategy involves updates to NevadaHealthLink.com. We want to reflect the new advertising campaign and also create an easier more consumer-friendly experience for our users.

As Janel mentioned, all of these activities and strategies are underway, and elements and components of the campaign will begin launching at the end of May.

And we look forward to providing you with more of an update on our progress and implementation at the next meeting.

Thank you.

DR. JAMESON: Thank you, Patty. And welcome to our two, your two new staff.

Does anybody have any comments on Patty's report?

I just have one question, which you probably told me long ago and I don't recall. What exactly does one do to become a sponsor? Do they pay us money? Is it just a contract? Do they advertise for us? Is there a memo of understanding?

MS. HALABUK: Good question. We seek out various sponsorships. Some are in the form of partnerships where it's a mutual; we perhaps combine event activities to create a co-ops-type event.

Some are traditional marketing sponsorships, for example, with the two colleges, UNR and UNLV, where we exchange some marketing dollars and advertising media and things like that. So we get signage on the football field, basketball field. We get radio and TV commercials and things of that nature.

We also want to keep our options open to creating new types of sponsorships as well. But they're

always followed up with a contract and agreement, sometimes for part of our budget, as well as services in return.

DR. JAMESON: Thank you.

Are there any other questions on that marketing and outreach update?

Well, then, we'll move right along to the report we've all been waiting for. But probably there's still no bottom line. The Affordable Care Act status update report. Heather.

MS. KORBULIC: Thank you. Thank you, Madam Chair.

Heather Korbulic, for the record. I think, I'm getting used to saying "Heather Korbulic, for the record," because I've been at session so much, so. So I have it.

Yes, so this is, you know, a work in progress and a living document. These things change every day. I finished this report on Sunday, and a lot of things have changed since then. So I'll update you on what I wrote on Sunday, and we can talk more about the lay of the land at the next meeting and what has changed.

The past two months have been really some of the most contentious under the Affordable Care Act's history. And the Republican leadership and the House of

Representatives introduced a bill titled the American Health Care Act on March 6 of 2017, which would have, effectively, replaced the ACA. The AHCA has thus far failed to gather necessary votes to pass. However, the bill continues to evolve and could have long- and short-term impacts on the Silver State Health Insurance Exchange and on Medicaid and on the individual market in general.

Several items in the AHCA would impact the Exchange and consumers, specifically the continuous coverage incentive, the elimination of individual shared responsibility payment, elimination of cost-sharing reductions, and changes to the structure of tax credits would have dramatic implications for the 89,061 Nevada consumers who access QHPs through the Exchange.

Any combination of these changes, if adopted, would have a significant impact on the accessibility and cost for our consumers.

The AHCA proposes a continuous coverage incentive in place of the ACA individual coverage requirement. Through various enrollment options in 2018 and '19, Nevadans would face a 30 percent surcharge on premiums if they had not had continuous coverage over the prior 12 months with no breaks of 63 or more continuous days, per the AHCA proposals. These

surcharges would then be collected directly by insurance carriers.

So, effectively, carriers would be able to charge a consumer who had not had continuous coverage 30 percent more to access a qualified health plan.

Nevada consumers who maintained continuous coverage will maintain the ability to purchase a QHP regardless of any preexisting conditions. But consumers who failed to maintain or obtain coverage would not be guaranteed access to coverage at rates that do not reflect their health status.

So following the initial enrollment period and depending on state policy, insurance carriers would be able to deny coverage, include specific health-related exclusions or waiting periods, and/or charge higher premiums to Nevadans who had failed to purchase or maintain coverage.

Research conducted by the RAND Corporation indicates that consumers who lack literacy and the basic concepts of personal finance and health insurance were more likely to remain uninsured after the rollout of the ACA.

If educational and informational barriers to buying insurance are a significant deterrent for healthy young adults, then a continuous coverage requirement as

proposed in this legislation could fail attract the healthiest consumers, which is the proposal's stated purpose.

Without a healthy risk mix, carriers on the Exchange will likely increase their premiums, and this will be felt by all of Exchange's consumers.

Some provisions in the AHCA related to the elimination of cost-sharing reductions would have been effective December 31st. I should say that the cost-sharing reductions continued to be something that are debated, and I do get into that a little bit more later, too.

But in the AHCA, this provision offered a sliding-scale discount, or CSRs offer sliding-scale discounts that lower the amount that consumers pay for deductibles, copays, and coinsurance. Those will impact both Nevada consumers and insurance carriers who sell QHPs on the Exchange.

Under the ACA, insurance carriers participating on the Exchange must provide CSRs to eligible enrollees, and federal government reimburses them for these costs. If these payments cease, insurance companies will face millions of dollars in liability and could be faced with the decision to either increase consumer premiums or exit the Exchange market altogether.

In 2016, Nevada consumers received an estimated $35.6 million in CSR assistance, which assisted in the coverage of an estimated 51,125 Nevadans. Most of these consumers have serious chronic illnesses requiring costly services and prescription drugs.

If CSRs are eliminated, these consumers will see higher premium costs and deductibles, which will likely put access to affordable insurance out of their reach financially. Those with the lowest incomes will likely be affected the most by the repeal of this assistance. American Indian/Alaska Natives will also be impacted as they can access Exchange coverage with no cost-sharing under the ACA.

Here's the part that got a lot of attention in the news. Under the AHCA, there was a proposal to replace the APTC, the advance premium tax credits, with new tax credits effective 2020.

The APTC under the ACA takes into account a family's income, local cost of insurance, and age, while the AHCA proposed tax credits based only on age, with a phase-out for individuals who have annual incomes above 75,000.

For Nevadans not eligible for subsidized group coverage or public coverage, the proposed AHCA tax credits could be used to purchase insurance on the

individual market or through COBRA.

The following outlines the tax credits afforded through the AHCA. I'm not going to go through what they were per age. You can see those there.

The new tax credits would have been given in advance of a QHP purchase and refundable to consumers with the system that the U.S. HHS would have to put together. And it did require that HHS integrate as much as possible the current system. But because of the way that was written, that did leave some questions about the future and the function of state-based marketplaces in the determination of a federal tax subsidy.

To the extent that the credits exceed the cost of premiums, individuals would only receive that excess amount of money if they requested it to be deposited into a health savings account, or an HSA. And the tax credits could not have been used to purchase transitional or grandfathered coverage on plans that include abortion coverage, other than to save the life of the mother or in cases of rape or incest.

Under the ACA, insurance companies are currently not allowed to charge an older person -- or are only allowed to charge an older person three times that which they would charge a younger person. The AHCA proposed the limit of three times would move to a five

times.

The intent of this change was to allow an insurance company to charge younger Nevadans less, which would then, in theory, encourage younger and healthier people into the risk mix and bring down the cost of health care.

The Congressional Budget Office analysis indicated that the proposed age rating change would broadly cost young people less to enroll. However, it would do so at a higher cost for the older population.

We estimated that Nevada consumers received $265.5 million in advance premium tax credits for plan year 2016. The proposed tax credits under the AHCA are estimated to cost an average 40-year-old in Nevada making an annual income of $30,000 an additional $461 per year just in premium costs, while a 60-year-old making an annual income of $30,000 would pay an additional $6,145 per year in premium costs.

Proposed tax credits from the AHCA would increase out-of-pocket costs for Nevada's low-income working families and older consumers.

The Exchange's consumers between the age of 55 and 64 made up to 26 percent of our total enrollees. So increased burdens from the changes to tax structure and the age rating would ensure that fewer lower income and

older Nevadans would have access to affordable care insurance.

These impacts to Nevada's communities as a result of this shift in coverage will likely increase uncompensated care for hospitals.

When Republican House leadership took the AHCA to the floor on March 24th, 2017, they were forced to pull the bill before a vote because they did not have the required votes necessary to pass the bill. It was largely thought that the bill was dead after this vote, or this failed vote, with Paul Ryan saying, "Obamacare is the law of the land for the foreseeable future."

However, less than a week later, the AHCA had a resurgent with the White House leadership and Congressman Paul Ryan leading discussions with the Republican House leadership.

The same difficulties that prevented consensus in late March are still very much at play today, and they're causing divisions within the Republican party that make it difficult to see how enough votes will be found to support this bill.

The Exchange continues to monitor the federal discussion and proposed legislation that is related to health care reform and the impacts that it will have on our operations and consumers.

Of the utmost concern is the stability in the marketplace for 2018 and beyond. There's several ways in which the structure of plan year 18 could be stabilized, and those are very much discussed regularly in the news. Those two items that I think are most important are funding the cost-sharing reductions and enforcing of the individual mandate.

Cost-sharing reductions are required benefits to be offered by health plans. Failing to provide direct ongoing federal funding would actually increase the costs, the federal costs for hundreds of millions of dollars that would result in dramatically higher premiums for consumers, particularly those who do not receive any financial assistance.

The participation of insurance carriers on the Exchange is extremely fragile and will be largely determined by the stability that the current administration offers. The America's Health Insurance Plans national industry group has encouraged funding of the CSRs due to the financial burdens that not funding them would place on carriers and consumers.

If CSRs are not funded, the Exchange's carriers may choose not to participate, and this could potentially disrupt access to most of Nevada's rural areas where there's currently only one carrier offering

QHPs.

The individual mandate is a requirement under the ACA and helps to ensure a healthy pool of consumers, which helps to lower our premiums for all of our Exchange consumers. For 2017, insurance carriers set their rates based on their best analysis of risk pool, which assumed a percentage of healthy consumers participating, or participation by individuals wishing to avoid paying the penalty. If the penalty is no longer in force, it's likely that many healthy consumers will cancel their coverage and a sicker risk pool will remain.

This change to a healthy risk pool will create a scenario of higher claims and a significant loss for insurance carriers. A less healthy risk pool will raise the cost for participating consumers, and some of the Exchange's insurance carriers may decide to leave the marketplace entirely.

As that federal debate surrounding the ACA continues, the Exchange is working with stakeholders, state agencies, and grantees in order to determine how our collective efforts can add stability to Nevada's individual market.

Market stability for plan year '18 and ongoing will be critical to the Exchange's ability to connect

consumers to affordable QHPs and to the development of new relationships and projects.

DR. JAMESON: Heather, that was just an excellent report and overview. Thank you so much for going through all that work.

MS. KORBULIC: Thank you.

DR. JAMESON: For all of us to have a better understanding.

Personally, I really have no questions on this. But does anybody else have some questions for Heather?

MS. LEWIS: Lavonne Lewis, for the record.

And I don't have any questions. I do appreciate the update and the clarity with which it was given, so that we have a better understanding of what turmoil, I guess, is a good word, around this issue.

And, you know, here's hoping that we come to a resolution that is favorable for the consumer. Which none of the things that are being proposed presently are.

DR. JAMESON: Thank you, Lavonne.

Did anyone in the north have any comments or questions?

Jonathan Johnson? I just like saying that name.

Heather, I think, as you've shared with us

before, we'll just wait and watch. And it's hard to. You know, with can't second-guess anything. We just need to be patient and prayerful. More prayerful than patient, Lavonne says.

So if there are no other comments, and I really do appreciate the time you spent on that report, we will ask for any discussion and possible action regarding dates, times, and future agenda items for our meetings.

The next meeting is set at -- what's the date, Rosa, on the next meeting?

MS. KORBULIC: May 11th.

DR. JAMESON: May 11.

Was there -- so not hearing any discussion or new possible action items, we'll go ahead and move to public comment.

Heather, is that fine with you; did you have anything else?

MS. KORBULIC: That's fine with me.

DR. JAMESON: Public comment in the north?

MS. KORBULIC: There is none.

DR. JAMESON: And no, no public comment in the south?

MR. JOHNSON: This is Jonathan Johnson. I move to adjourn.

MS. CLARK: Second. Valerie Clark. Second.

DR. JAMESON: And the meeting is adjourned. Thank you, everybody.

MS. KORBULIC: Thank you. Bye.

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