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AGENDA ITEM

For Possible Action

Information Only

Date: October 12, 2017
Item Number: VI
Title: Affordable Care Act status 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.

CONTENTS

PURPOSE	1
CONTENTS	1
GENERAL COMMENTS	1

GENERAL COMMENTS

Congress entered the month of September 2017 with a list of competing priorities and pressing deadlines – the debt ceiling, government spending, hurricane relief, Children’s Health Insurance Program (CHIP) financing, and on-going efforts to repeal the Affordable Care Act (ACA) through reconciliation. Meanwhile Congress was met with extra pressure to take steps to stabilize the individual market as deadlines for Plan Year 2018 (PY18) rate filings and the uncertainty around the on-going payments of cost sharing reductions (CSRs) threatened to increase consumer premiums.

The Senate Health, Education, Labor, and Pensions (HELP) committee convened hearings including various panels of experts during the week of September 6, 2017. The committee’s stated goal was to address market stabilization in order to develop a narrow insurance market stabilization bill. The committee heard from State Insurance Commissioners, Governors, policy experts, and other stakeholders on efforts and measures they recommend to immediately stabilize

the marketplace. The panels were in near universal agreement around the need for on-going CSR payments, state flexibility, and federal reinsurance programs. The bipartisan efforts were stalled during the week of September 15th as a result of disagreements over state flexibility and were halted completely as the Graham-Cassidy-Heller-Johnson (GCHJ) ACA repeal bill gained momentum. After the failure of the GCHJ bill the committee has renewed efforts to negotiate a limited bipartisan plan that can stabilize the marketplace for 2018 and 2019.

Senators Heller, Graham, Cassidy, and Johnson released legislation in the middle of September to repeal and replace parts of the ACA. President Trump expressed support for the bills progress; Leader McConnell called for a CBO score, and the bill was under evaluation of the parliamentarian. The bill would have converted ACA funding into a block grant system, giving states flexibility to design their health care systems. The bill would have eliminated the individual and employer mandates, insurance subsidies and CSRs, Medicaid expansion, allow for states to make changes to the essential health benefits, and changed the age band rating to 5:1. The Center on Budget and Policy Priorities' analysis indicated that the bill would add millions to the number of uninsured Americans and destabilize the marketplace. The Nevada analysis conducted by the Governor's office, Department of Health and Human Services, Division of Insurance, and the Exchange indicated that the bill would result in Nevada losing funding at a rate between \$600 million to \$2 billion. Governor Sandoval was quoted saying, "Flexibility with reduced funding is a false choice. I will not pit seniors, families, the mentally ill, the critically ill, hospitals, care providers, or any other Nevadan against each other because of cuts to Nevada's healthcare delivery system proposed by the Graham-Cassidy amendment." The bill sponsors were unable to garner enough votes to bring the bill to a vote and reconciliation expired on September 30th.

While congress spent September debating repeal and replace legislation the U.S. Department of Health and Human Services (DHHS) made decisions relating to the ACA including outreach and marketing funding and HealthCare.gov operations and maintenance. The DHHS Administration sent notices to navigators in fully federally facilitated marketplace states indicating large cuts in funding and announced a decrease in total marketing and outreach funding by ninety percent. The Centers for Medicare and Medicaid Services (CMS) informed the Exchange that the upcoming HealthCare.gov marketing campaign will not include any radio or television advertisements and will largely focus on digital marketing techniques along with direct email/SMS awareness.

HealthCare.gov announced maintenance outages every Sunday between 9pm and 9am during the 45 day open enrollment period, with the exception of December 10th. HealthCare.gov will also be offline on November 1st between 9pm and 9am resulting in a total of 2.5 fewer days of open enrollment. Senate Democrats have called on the DHHS inspector general to investigate the decision.

As legislative repeal and replace efforts cool, the decisions made by DHHS will have dramatic implications on the Nevada Exchange and the individual marketplace. The Exchange continues to monitor and analyze action and inaction closely in order to navigate the Exchange through the various challenges in order to continue to assist Nevadans to access Qualified Health Plans.