



# Silver State Health Insurance Exchange

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## AGENDA ITEM

For Possible Action

Information Only

**Date:** December 17, 2024  
**Item Number:** III  
**Title:** Executive Director’s Report

### PURPOSE

The purpose of this report is to provide information to the Board and public regarding the operational matters of the Exchange, as well as State and federal updates affecting the operations of the Exchange.

### CONTENTS

PURPOSE .....	1
CONTENTS .....	1
GENERAL COMMENTS .....	2
FOUR MONTH LOOK-AHEAD .....	2
OPEN ENROLLMENT 2025 .....	4
AGENCY BUDGET.....	5
RFP FOR TECHNOLOGY PLATFORM AND CALL CENTER .....	6
TRIBAL PARTNERSHIP PROGRAM .....	6
AUTOMATIC VOTER REGISTRATION.....	7
POLICY FOR VISION CARRIER PARTNERSHIPS .....	7
PERSONNEL UPDATES .....	8

## **GENERAL COMMENTS**

In the two-month interim since the October Board Meeting, the Exchange has been primarily focused on ensuring a successful Open Enrollment Period for Plan Year 2025. Our communications team maintained a busy schedule of media and public event appearances throughout October and November, and our Quality Assurance team has worked closely with call center vendor GetInsured to ensure that the needs of consumers and enrollment professionals are being met. Additional details on the Exchange's recent OEP activities are provided in the Open Enrollment 2025 section of this report.

## **FOUR MONTH LOOK-AHEAD**

### **Conclusion of the Plan Year 2025 Open Enrollment Period**

Applications for coverage under the Plan Year 2025 Open Enrollment Period (OEP) must be submitted by midnight on January 15, 2025. However, consumers will have an additional six days (through Tuesday, January 21) to submit their plan selections and secure coverage beginning February 2, 2025. Building on last year's messaging efforts, the Exchange will send effectuation reminders throughout the month of January to consumers whose 2025 enrollments remain in a "Pending" (or non-effectuated) status. In addition to email reminders, the Exchange will be sending effectuation reminders via SMS messaging for the first time, in light of our successful use of SMS messaging for Nevadans impacted by the unwinding of the Public Health Emergency.

Following the conclusion of the Plan Year 2025 OEP, the Special Enrollment Period (SEP) for 2025 will begin on January 16, 2025, and continue through October 31, 2025.

### **2025 Legislative Session**

The 2025 Biennial Legislative Session will begin on February 3, 2025. In addition to defending its agency budget for the upcoming State Fiscal Year (SFY) 2026—2027 Biennium, the Exchange's top priority for the session will be the identification and subsequent tracking of proposed legislation which might have a fiscal or operational impact on the Exchange. At this time Exchange anticipates at least one Bill Draft Request (BDR) which will be of interest.

On August 12, 2024, the Nevada Legislature's Joint Interim Standing Committee on Health and Human Services voted in favor of introducing a BDR in the upcoming 2025 Legislative Session which, if approved and signed into law, would require the Exchange to, "seek a waiver to Section 1312 (f)(3) of the ACA to the extent it would otherwise require excluding certain Nevada residents from enrolling in qualified dental and health plans of the State's Exchange Section." Additional details can be found in the [Work Session Documents of the August 12 meeting](#), specifically Agenda Item 5, Recommendation #2. In practical terms, the BDR is intended in part to extend QHP/QDP eligibility to certain categories of undocumented immigrants, which would require the configurable modification of the Exchange's "Lawful Presence" verification functionality.

An update on the Exchange's bill-tracking efforts will be provided during the February 18, 2025 Board Meeting.

### **DACA Eligibility Changes**

During the October 15 Board Meeting, my Executive Director's Report described a CMS rule change which expanded the definition of "lawfully present" to include DACA recipients, thereby allowing these individuals to enroll in ACA coverage beginning December 1, 2024. Earlier this fall, the Nevada Health Link marketplace was updated to ensure that DACA recipients would be granted lawfully present status beginning November 1. In October we also reported that a group of 19 state attorneys general filed a lawsuit in federal district court in North Dakota, seeking an injunction to block the implementation of this rule.

On December 9<sup>th</sup>, Judge Danial Traynor of the U.S. District Court in North Dakota ruled that DACA recipients in the 19 plaintiff states would be barred from enrolling in ACA coverage. At this time DACA recipients in Nevada remain eligible to enroll, however the Exchange will continue to closely monitor any legal or executive developments related to eligibility for DACA recipients.

### **Value Assessment of Equifax's Verify Current Income Service**

As first reported in the June 18, 2024 Executive Director's Report, a CMS rule change promulgated earlier this year required State Based Exchanges to begin paying for the use of Equifax's Verify Current Income (VCI) data service, which is used to verify the income of Nevada Health Link applicants who are seeking financial assistance. This rule took effect on July 1, 2024.

For context, State Based Exchanges are required to verify household income using the IRS' Income and Family Size (IFSV) service, but use of the VCI service is optional, and the Nevada Health Link system is configured to use VCI as a "fallback" verification service in the event that household income cannot be verified through the IRS. Without a fallback verification service in place, households whose income cannot be verified through the IRS alone would be required to upload supporting documentation to verify their subsidy eligibility, which places a burden on consumers and Exchange resources alike. Failure to upload the required documentation is also a leading contributor to loss of subsidy eligibility, and eventually to cancellation or termination for non-payment of premiums. The practical value of the VCI service, then, is to minimize the administrative burden associated with manual income verification, as well as the associated risk of disenrollment. But at nearly \$6 dollars per household, the cost of the VCI service is significant.

Given the extremely short runway provided by the CMS rule change, it was not practical for the Exchange to discontinue its use of the VCI service by the July 1 deadline. Instead, our strategy was to continue utilizing VCI throughout the Plan Year 2025 Open Enrollment Period, after which the Exchange would assess the value that the VCI service provided to Nevada Health Link consumers. In simplest terms, we want to quantify the average cost for each household whose income could not be verified through the IRS, but whose income *could* be verified using VCI. The Exchange is currently in the process of developing the required reporting, and we intend to present the results of this analysis to the Board in February, with the goal of allowing the Board to consider—and potentially vote on—the continued use of the VCI service.

### **Carrier Premium Fees**

In February of each year, the Exchange presents its recommendations to the Board regarding potential adjustments to the monthly Carrier Premium Fee (CPF), which is the percentage of monthly gross premiums assessed to each of the Exchange's insurance carriers. The CPF is the Exchange's sole source of operating revenue. In February of 2024, the Exchange recommended that the CPF be reduced from 3.05% to 2.95% of gross premiums, citing healthy reserve levels and an optimistic enrollment outlook for Plan Year 2024.

The Exchange will be performing a similar analysis for presentation at the February 18, 2025 Board Meeting. However, this year's recommendation might be contingent upon the continued use of the VCI service, as described in the previous section. In such a case the agenda for the February Board Meeting will be structure to allow the Board to consider the continued use of the VCI service before considering the Exchange's recommendations for the CPF.

### **Corrective Action related to LCB and IRS Audits**

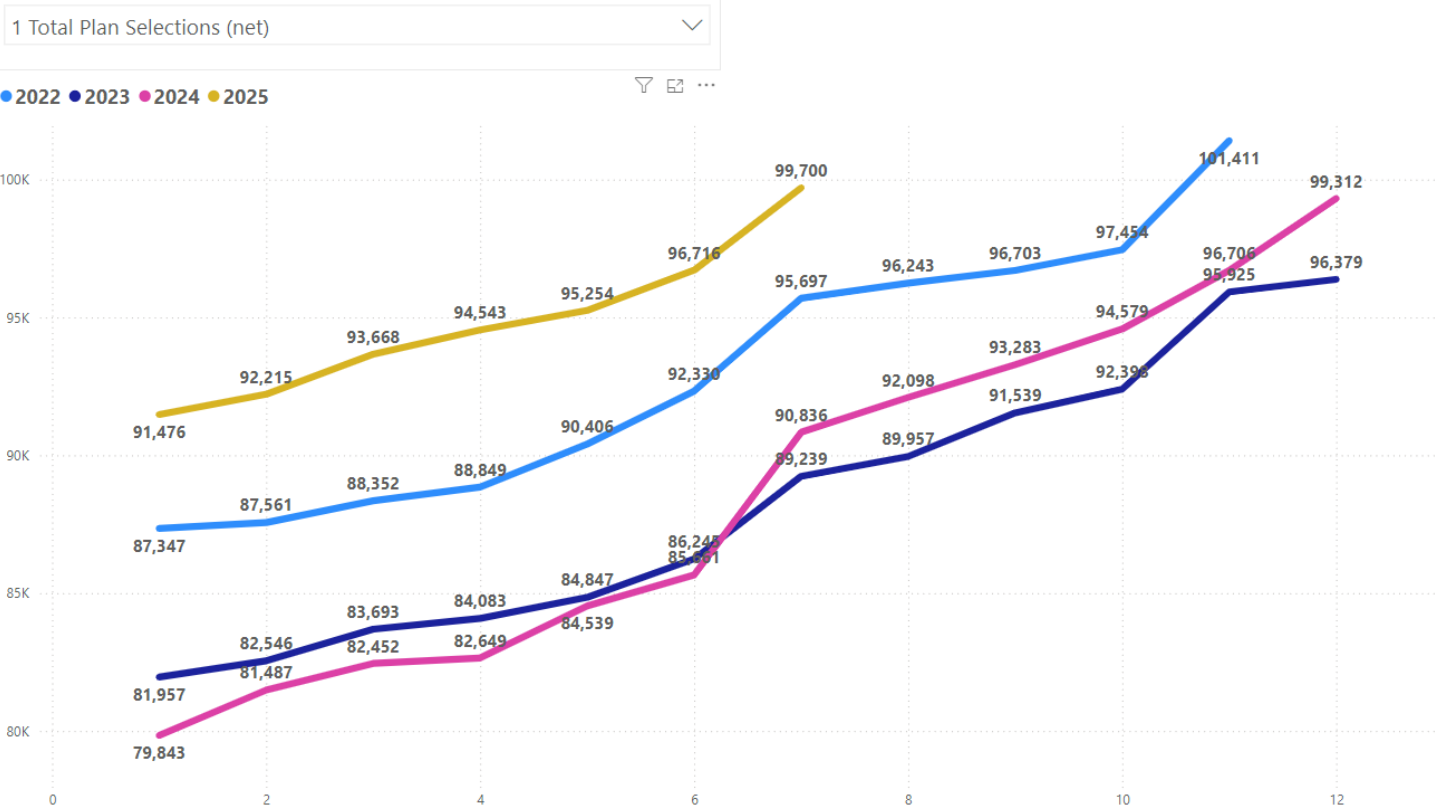
During the October Board Meeting the Exchange reported on the recent of completion of two information security audits conducted by the IRS and Nevada's Legislative Counsel Bureau (LCB). The results of the LCB audit are now publicly available on LCB's website [at this link](#), but I believe the most telling bit of information in the document is contained on the first page: "While we noted various opportunities for improvement, our work did not identify any critical security vulnerabilities at the Exchange within our testing areas." A summary of their most significant findings follows:

- User Access Requests lack consistency and documentation with respect to Agents/Brokers and Navigators, for whom an explicit Access Request form has not previously been required. The Exchange has implemented this requirement going forward.
- Security training for agency personnel lacks oversight. The Exchange has addressed this control by implementing a state-sponsored training framework known as KnowBe4.
- Routine User Access Reviews were not being documented. The Exchange has addressed this finding by implementing—and documenting—quarterly user access reviews.
- Internal Risk Assessment not conducted. For reference, the Exchange conducts an annual Information Security Risk Assessment as required by CMS regulations, however agency workstations and network infrastructure have not historically been included in this process. The Exchange has addressed this finding by implementing automated network vulnerability scanning, and agency IT hardware will be included in our risk assessments going forward.
- Asset Inventory Process (i.e. IT asset tracking) needs improvement. The Exchange has addressed this finding by updating its asset inventory to accurately reflect our workstation and laptop holdings.
- Server Room Security should be enhanced. The Exchange is working to obtain bids for a metal door which will secure it's on-premises server room.

The IRS' findings overlapped substantially with LCB's findings, but added some findings that were specific to IRS regulations, including the need to add IRS "Exhibit 7" language to our vendor contract with GetInsured. The Exchange is currently working on a contract amendment to address this deficiency. The IRS also noted "physical security" deficiencies, including the lack of a written policy prohibiting "tailgaiting" or "piggybacking" with respect to foot traffic through the main entrances of the Exchange's office location. The vast majority of the IRS' findings have been addressed, or will be addressed in the near future, by the modification of existing policy and procedure or contractual documentation. As with the LCB audit, no critical findings were identified by the IRS.

## **OPEN ENROLLMENT 2025**

Following the close of week seven, the Plan Year 2025 OEP is the Exchange's highest performing to date. The annual passive renewals (or Auto-renewals) job was completed in mid-October with a greater than 99.9% renewal success rate. When OEP began on November 1, 91,555 individuals were enrolled in 2025 health coverage, and 16,820 individuals were enrolled in dental coverage, our highest starting numbers ever. Since November 1, enrollments have increased steadily. As of December 13, 99,700 Nevadans were actively enrolled in health coverage for 2025. Already this figure exceeds 2024's end-of-OEP total of 99,312 health enrollees, and if the current trajectory continues then 2025 could see a record-setting number of marketplace enrollments in Nevada. The following chart illustrates the weekly pace of OEP enrollments for the last four plan years:



As with prior years, the Exchange is offering extended call center hours during OEP. Based upon a review of historical call volumes, though, we made the decision to discontinue offering Sunday hours. This allowed the Exchange to achieve a substantial cost savings versus the extended call center hours for Plan Year 2024’s OEP, while still exceeding target service levels for average wait and handle times. Customer satisfaction, as measured by post-call surveys, has averaged 92% since OEP began on November 1, which includes calls handled during non-business hours by the “Amelia” automated virtual assistant.

A post-OEP summary report, as well as any relevant analysis regarding demographics and consumer behavior, will be provided during the February 18, 2025 Board Meeting.

## **AGENCY BUDGET**

At the time of this report’s preparation, the Governor’s Recommended budget for SFY 2026—2027 has not been officially released. But as we reported during the October Board Meeting, the Exchange’s Agency Request budget reflected an average increase of 8.3% versus the current biennium, which included the new costs associated with Equifax’s VCI income verification service (contingent upon its continued use), as well as two new staff positions.

The first of these requested positions is a Plan Certification supervisor, which the Exchange hopes will address the steadily-increasing plan certification workload associated with the growing number of insurance carriers offering plans for sale through the Nevada Health Link marketplace. We believe this position will also be essential for ensuring the successful rollout of the Market Stabilization Program—and the associated Battle Born State Plans—next fall.

The second requested position is a full-time Tribal Liaison, which we believe will be essential to ensuring the growth and continued success of the Exchange’s Tribal Partnership Program. Based on recent meetings with the Governor’s Finance Office, the Exchange remains optimistic that these positions will be forwarded for Legislative review as part of the

Governor's Recommended Budget. Further details regarding the final status of the Governor's Recommended budget will be provided during the February 18, 2025 Board Meeting.

## **RFP FOR TECHNOLOGY PLATFORM AND CALL CENTER**

Due to administrative delays encountered in late October and early November, the Exchange was unable to deliver the proposed RFP for technology platform and call center services to the State Purchasing Agency until November 26. As of the writing of this report, the RFP remains under review from State Purchasing and the Exchange's Deputy Attorney General. I acknowledge that this schedule represents a substantial delay relative to the timeline that was proposed in the Executive Director's Report from our October Board Meeting, and I'd like to provide the Board with some insight into the impediments that we encountered in the meantime.

To provide the appropriate context, the Exchange is required to maintain a status known as the "Authority to Connect" (ATC) to the Federal Data Services Hub, which is the source of the electronic data services that the Nevada Health Link marketplace uses to verify the eligibility of its enrollees. ATC status is granted in three-year increments, and the Exchange's current ATC is set to expire on September 13, 2025. In order to renew its ATC status, the Exchange is required to solicit a third-party agency to perform an "Independent Security Assessment," which involves the review and testing of the privacy and security controls implemented by the marketplace technology platform.

Based upon previous discussions with the Exchange's information security liaisons at CMS, with whom the Exchange meets on a monthly basis to ensure ongoing ATC compliance, it was our understanding that if the RFP resulted in a vendor change, an Independent Security Assessment would only be required for the new technology platform. It was also our understanding that the ATC for the new technology platform would not be required until verification services were needed to facilitate passive renewals in late October. But during our recent meeting with CMS, which included senior information security personnel who do not attend the monthly meetings, the Exchange was informed that in the event of a vendor change, Independent Security Assessments would be required for *both* technology platforms, and that the ATC for both systems must be in place by September 13, 2025. Given the numerous dependencies associated with the RFP's proposed transition plan, this change required significant modifications to the project's schedule and deliverables to ensure CMS compliance. As a result of this correspondence with CMS, the Exchange learned that no other State Based Marketplace has yet faced the possibility of a vendor transition. As with the Exchange's transition away from the HealthCare.gov platform in 2019, we once again find ourselves in the position of having to develop a playbook for an unprecedented contingency.

Based on the impact of these delays on the timeline for solicitation, State Purchasing has expressed concerns about the risk of not meeting the required implementation deadline. To ensure that continued services remain available to Nevada Health Link's consumers, State Purchasing is recommending a temporary contract extension with existing vendor GetInsured in order to allow for a lengthier procurement timeline. The Exchange is in favor of this contingency, and we intend to work with State Purchasing in the coming weeks to develop a proposed contract extension which will be presented to the Board for review and approval during the February 18, 2025 Board Meeting.

## **TRIBAL PARTNERSHIP PROGRAM**

In recent months the Exchange's Tribal Partnership efforts have been focused on deepening our collaborative partnerships with Nevada's tribes. We recently proposed a variety of communication and outreach activities to Director Stacey Montooth at the Nevada Department of Native American Affairs (DNAA), with the goal of authentically representing Native Americans in Nevada through compelling imagery in our Nevada Health Link marketing materials. Our suggestions included:

- Partnering with a skilled Native American photographer who understands tribal communities and their culture, to capture professional-quality photo and video assets at community events which are meaningful to Nevada’s tribes. In addition to using these assets in Nevada Health Link’s promotional materials, the tribes would maintain the rights to all images taken for use in their own promotional materials.
- Sponsoring community events to create a mutually beneficial partnership that enhances these events while promoting awareness of health coverage options available through Nevada Health Link.
- Partnering with members of Nevada’s tribes to translate our fact sheets, resource guides, and future publications into their native languages. To ensure that these materials are accessible to all community members, we are committed to covering the costs associated with these translation services.

These suggestions were met with a favorable response, and as a result of this collaboration SSHIX was presented with the opportunity to sponsor the Nevada’s Tribes Day Legislative Lunch on 2/11. This event will feature a presentation from the Exchange, and we will have a navigator booth staffed at the event with resource guides available. In the leadup to the luncheon, SSHIX will collaborate with the DNAA team on social media posts to promote awareness of the event. We are hopeful that this event is the first of many such collaborations in 2025 and beyond.

### **AUTOMATIC VOTER REGISTRATION**

The Exchange’s Information Systems Manager has been working diligently in recent weeks to finalize the Exchange’s implementation of the Automatic Voter Registration reporting requirements defined in NRS Chapter 293 (per AB 432, 2021 Legislative Session). Successful testing of the electronic reporting service was conducted during the week of December 9. The Exchange anticipates that this system will be online in time to satisfy the statutory implementation deadline of January 1, 2025.

This process will entail the reporting of qualifying Nevada Health Link applicants to the Nevada Secretary of State on a weekly basis, except in the two weeks prior to an election, in which case reporting will be provided on a daily basis. The Exchange has developed a solution which is hosted entirely on State of Nevada computing infrastructure. No direct vendor technology support is required, other than the continued ability for the Exchange to access marketplace applicant data through an online reporting tool, which is a contractually-required service.

### **POLICY FOR VISION CARRIER PARTNERSHIPS**

When the Exchange team met recently to discuss the development of a formal policy governing prospective partnerships with vision carriers, we realized quickly that even developing a high-level outline of a policy would require the Exchange to assume a number decisions which we felt should left to the Board of Directors. These decisions would in turn require action at a future Board meeting. So rather than attempting to produce a draft policy which would be submitted for the Board’s review—and which might be subject to changes as a result of that review—we are proposing instead to administer a framework within which the Board can discuss and vote on what we consider to be the critical decision points.

In hindsight I acknowledge that this proposal might have been better presented as a “For Possible Action” agenda item at today’s meeting, but given the lack of certainty that I expressed during the October Board Meeting regarding the Exchange’s ability to produce a draft policy by this date, along with the demands that this year’s OEP have place on Exchange staff, I hope that the Board will consider this proposal to constitute a good-faith effort to move this project forward in a meaningful and inclusive way. As always, I welcome any comments or feedback from individual Board members following today’s meeting.



Phase One of our proposal would be for the Board to consider the following questions as a “For Possible Action” agenda item during the February 18, 2025 Board Meeting. On Monday, February 3, the Exchange would contact the Board Members via email to solicit any additional questions that should be considered by the Board, with a response deadline of Friday, February 7.

- What shall be the term of a partnership agreement?
  - The Exchange proposes that one year (November—November, which would ensure that new partnerships were in place prior to the start of OEP) should be the minimum term, but the Board might consider a longer term in relation to the administrative requirements of the review/approval process.
- How shall the application process for a partnership be administered?
  - The Exchange proposes that a formal application and review process, similar to a Request for Proposal, would allow for a robust and balanced review/vetting process.
  - The implementation of a standardized application form would allow for the solicitation of comparable information across multiple applicants, while also allowing for the inclusion of contractually-binding language which would streamline the execution of any approved partnerships.
- Shall the application require performance metrics to be provided by prospective partners? If so, which metrics should be required?
- How shall the application, review, and approval timeline be structured?
  - The Exchange proposes that an application window of July—August would allow for applications to be distributed to Board members for review during September, after which the Board could vote on their approvals during the October Board meeting.
  - This timeline would allow for new partnership agreements to be executed, and for the Nevada Health Link website to be updated, prior to the start of OEP on November 1.
- Should approved Vision Carrier partners be required to provide periodic reporting to the Exchange? If so, what data should be reported? (e.g., confirmed enrollments in vision coverage following a Nevada Health Link referral, customer satisfaction metrics, etc.)
- Should there be a maximum limit to the number of concurrent vision partnerships in place at one time?
  - The Exchange is not aware of any other State Based Marketplace with more than three vision carrier partnerships in place.
- Should a hosting fee for approved vision carrier partners be charged by the Exchange?
  - The hosting fees associated with historical partnership agreements have been negligible with respect to the Exchange’s operating budget, and the absence of hosting fees for future partnerships would not present a risk to the Exchange’s revenue.

Phase Two of our proposal would begin after the Board votes on these questions during the February Board Meeting. The Exchange would draft a formal policy, as well as any supporting documentation that would be required by the approved methodology (e.g., and application form), which would be submitted to the Board for review prior to the June, 2025 Board Meeting. The June Board Meeting would then include a “For Possible Action” agenda item to either approve the documentation as submitted, or modify/amend the proposed documentation in accordance with the Board’s preferences.

## **PERSONNEL UPDATES**

In November, the Exchange filled two key vacancies on its Policy Team. One of these vacancies was filled with an existing staff member—the Exchange’s Plan Certification Manager was promoted to our Policy and Compliance Manager position—and although this change did not result in a net increase to agency staffing levels, this promotion allowed the Exchange to retain the significant program expertise garnered by one of its highest performing staff members. As of the



date of this report, the Exchange has two remaining vacancies, both of which are anticipated to be filled in January of 2025.