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## AGENDA ITEM

For Possible Action

Information Only

**Date:** February 18, 2025  
**Item Number:** V  
**Title:** Adopting 2026 Carrier Premium Fees

### PURPOSE

The purpose of this report is to provide the Board with information regarding adopting the 2026 Exchange Carrier Premium Fees (CPF) at today’s publicly noticed hearing.

### CONTENTS

PURPOSE .....	1
CONTENTS .....	1
ADOPTION OF 2026 CPF FEES.....	1
PREVIOUS 2025 FEE:.....	1
PROPOSED 2026 FEE AND FFM COMPARISON:.....	2
BASIS FOR SETTING PROPOSED FEE: .....	2
CALCULATION OF ADEQUACY OF PROPOSED FEE: .....	2

### ADOPTION OF 2026 CPF FEES

#### *PREVIOUS 2025 FEE:*

On February 20, 2024, the Silver State Health Insurance Exchange (Exchange) board voted to set the CPF fees charged to insurance carriers participating on the Exchange for Plan Year (PY) 2025 at 2.95% for Qualified Health Plans (QHP), and 2.95% for Standalone Dental Plans (SADP).

*PROPOSED 2026 FEE AND FFM COMPARISON:*

Staff proposes to set the CPF fee for PY 2026 unchanged at 2.95% of the pre-subsidized premium generated by QHPs and SADPs sold through the Exchange.

Plan Type	Total Premiums 2024	Projected to Increase in Premiums in 2025	Projected to Decrease in Premiums in 2026	Proposed Exchange Rate of Premiums	Carrier Payments at Exchange Rate of 2.95% of Premiums	Carrier Payments at FFM Rate of 1.8% of Premiums (for comparison)*
Qualified Health Plan	\$584,664,116	\$645,076,935	\$612,823,088	2.95%	\$18,078,281	\$11,030,816
Standalone Dental Plan	\$4,421,674	\$4,906,200	\$4,660,890	2.95%	\$137,496	\$83,896

\* CMS has lowered the user fee rate for QHPs on the Federally-Facilitated Exchanges (FFE) from 2.0% to 1.8% of premiums beginning in PY 2024 and continuing in PY 2026.

*BASIS FOR SETTING PROPOSED FEE:*

The Exchange is required to develop an annual fee which, in the opinion of the Board, allows the agency to perform all duties imposed by state or federal statute without unnecessarily increasing the premiums paid by Nevadans for health plans.

In September 2019, the Exchange officially transitioned technology and call center functionality off of HealthCare.gov and began operations as a fully autonomous State Based Exchange (SBE) for PY 2020. The Exchange transitioned from the federal platform to a SBE in part to remove the budgetary uncertainty that results from the annually fluctuating CMS user fee.

Staff reviewed the legislatively approved budget, existing and projected cash reserves, the most recent enrollment figures, historical year-to-year premium adjustments, and anticipated expenses to develop the recommended fee of 2.95% of pre-subsidized premiums generated by QHPs and SADPs sold through the Exchange.

Staff believes remaining at 2.95% for 2026 will allow the Exchange to continue its important state-based work, while continuing to provide a lower assessment to carriers, who have the option of passing the savings on to consumers in the form of lower premiums. Moreover, the proposed fee structure not only allows for increased transparency, but it will also keep providing budgetary stability and greater detail about the share of costs associated with the operations of a SBE in the face of uncertain future federal and state rule changes.

*CALCULATION OF ADEQUACY OF PROPOSED FEE:*

The proposed fee is based upon a combination of actual and projected numbers. Actual premiums reported to the Exchange for Plan Year 2024 are the foundation for the proposed rate.

In order to forecast future revenues, actual premiums for PY 24 were applied, with projected premiums increasing for PY 25. Similar projections have been developed for Calendar Years 2026 and 2027 to assure data and calculation consistency with prior year results.

Future expenses were modeled using standard state methodologies. Technology platform and call center costs incurred in PY 24 totaled \$5,729,032 equating to 0.98% of PY 24 premiums. During PY 24, the Exchange was managing high Open Enrollment (OE) numbers due to extensive system changes and rules to the eligibility and enrollment platform necessary to provide immediate relief to Nevadans facing economic hardships because of the public health emergency due to the passage of the American Rescue Plan Act (ARPA) in March of 2021. Another significant enhancement was the Unwinding of the Public Health Emergency. The Centers for Medicare & Medicaid Services (CMS) has urged the Exchange to implement a Special Enrollment Period (SEP) that matches the temporary SEP in the Federally Facilitated Marketplace (FFM) announced by CMS on January 27, 2023. This SEP allows individuals who attest to having lost Medicaid or CHIP coverage between March 31, 2023, and July 21, 2024, to enroll in an Exchange plan at any time during that same period. This led to higher revenue than projected while operating costs remained the same. High revenue caused reserves to increase substantially, which is allowing the Exchange to continue to keep the carrier premium fee rate at 2.95%. These maintenance and operation costs equate to approximately 0.98% of premiums, compared to 1.8% of premiums had the Exchange remained on the federal platform.

The CPF for PY 2025 was approved by the Exchange's Board in February 2024 and was set at 2.95% of premiums. Due to the uncertainties faced from the future state and federal rule changes, the Exchange is proposing CPF remain unchanged at 2.95% of premiums for PY 2026. This rate will ensure the sustainability of continued Exchange operations, while keeping costs down for carriers and Nevadans respectively.