



# Silver State Health Insurance Exchange

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## AGENDA ITEM

For Possible Action

Information Only

**Date:** January 14, 2016  
**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.

### CONTENTS

PURPOSE .....	1
CONTENTS .....	1
GENERAL COMMENTS .....	1

### GENERAL COMMENTS

With two weeks to go, the Open Enrollment period for Plan Year 2016 is nearly over, and I would share with you that I believe it has gone and will continue to go well.

According to CMS, over 76,000 Nevadans applied for and enrolled in qualified health plans in the nine weeks between November 1<sup>st</sup> and January 2<sup>nd</sup>. That figure is 104% of our prior year's enrollment and 30% higher than our enrollments in-force at September 30<sup>th</sup>. Last year's improved customer experience, coupled with targeted marketing and consumer outreach efforts, has made it easier for Nevadans to apply for and enroll in health plans and helped drive enrollments to record levels for the second consecutive year.

We now have two weeks left in this open enrollment cycle. Two weeks to educate and assist, two weeks to drive our message home. I've never been willing to set a benchmark enrollment number, a specific and imaginary target which would be invoked to determine our success or failure, and I have no intention of doing it today. What I will say is that we will continue

working and messaging and doing everything that's gotten us where we are, and then judge how we've done once the final numbers are available.

Even as we enjoy what appears to be another successful open enrollment, we must be mindful that the hardest part of this year's journey lies ahead of us. The recently proposed Notice of Benefit Payment Parameters for 2017 from CMS, made public in late November, has created a set of issues which we will have to address.

In the proposed rule, CMS has set the access fee for use of the federal eligibility and enrollment platform and associated call center support at 3% of premium. This represents 100% of the revenue of our state-based marketplace. If the Board were to agree to pay CMS an access fee equal to 3% of premium, under our budget – as approved by the legislature - there would be no monies available for plan management and certification. There would be no monies for marketing or consumer outreach or for our navigator program.

I have previously shared with the Board my assessment that the methodology upon which CMS has calculated the proposed user fee unfairly penalizes Nevada and other less populous states. Our enrollees represent less than one-tenth of one percent of the population serviced by the federal platform and call center, and the costs borne by Nevadans should reflect the cost of servicing our population. More importantly, the premiums paid by Nevadans are based on the costs of care in our state and have no connection whatsoever with the anticipated or actual workload attributable to supporting Nevada's consumers.

The proposed 3% fee is also an inaccurate representation of value provided by the federal infrastructure. State-based marketplaces on the federal system do not have access to real-time or ad hoc reporting. Whatever the informational needs of a state, the data reported will be that chosen by federally facilitated marketplace and released when and as it chooses.

My message today is that, despite the challenge posed by the proposed rule, the Silver State Health Insurance Exchange is poised to continue its success. We are working diligently to identify and qualify options which will assure that Nevadans can easily apply for and enroll in health plans without making it impossible for the Exchange to appropriately fund plan certification activities, consumer outreach and education, and a strong and vibrant navigator program.

It is worth noting that we are not alone in this effort, and are working closely with other states that have the same concerns as Nevada. In fact, the Exchange will be providing a representative to serve on the Oregon Health Insurance Marketplace RFP Evaluation Committee to consider existing technology solutions capable of providing an affordable multi-state platform to potentially replace our reliance on healthcare.gov.

I told the Board a year ago (almost to the day) that the Silver State Health Insurance Exchange was transitioning; moving from what had been a troubled start-up to a successful ongoing enterprise. We had identified a successful business model and the time had come to focus on the

Executive Director's Report  
January 14, 2016

management of the Exchange in terms of cost-benefit analyses and – sometimes - trade-offs, no longer tinkering and fixing but thinking and planning.

Unlike last year, the end of Open Enrollment won't be a quiet time that allows us to breathe deep and enjoy our success. We will be spending a good portion of the next few months dealing with uncertainty and working to make decisions about how to most effectively allocate our available resources and respond to the challenges we face. We've done that before with great success, and I am confident that we will continue to build upon two very successful years and increase the number of insured Nevadans.