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AGENDA ITEM

For Possible Action

Information Only

Date: August 10, 2017

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.

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GENERAL COMMENTS

Despite a tumultuous several months in Washington D.C., the Silver State Health Insurance Exchange’s staff has remained focused on our agency’s mission to increase the number of insured Nevadans. While the volatility and uncertainty remain both in our state and in Congress, the operations and functions of the Exchange are steady.

The landscape for plan year 2018 on the Exchange continues to vacillate primarily as a result of the federal instability around the funding of Cost Sharing Reductions (CSRs) and enforcement of the individual mandate. At our last meeting the Division of Insurance (DOI) announced that 14 of Nevada’s 17 counties would have no on-exchange plan offerings. As of August 6, 2017, the bare counties remain without a carrier. The DOI, Exchange, and the Governor’s office have been working collaboratively and feverishly to identify an on-exchange solution for consumers in these counties. While we are very hopeful that we will be able to announce that a carrier will have plan offerings, the situation remains fluid while particulars are worked out.

In July the DOI and the Exchange were notified by Aetna and Anthem that both companies will not be participating on Exchange for plan year 2018. Aetna had submitted a binder of plans to be sold on the Exchange and has since retracted those plans. Aetna has not sold plans on the Nevada Exchange; as such no current consumers will be impacted by their exit. Aetna has also exited their contract to provide Medicaid Managed Care services for the DHCFP.

In June Anthem announced a reduction in their Nevada footprint whereby leaving 14 counties without Exchange plans. Anthem then submitted filings to offer Qualified Health Plans (QHPs) in Clark, Washoe, and Nye counties. Based on the rate submissions the DOI received from Anthem, they proposed an average rate increase of 62 percent for these QHPs. This proposed increase did not reflect the potential elimination of CSRs. In late July Anthem notified the DOI and the Exchange that they intend to leave the Exchange entirely which will impact approximately 24 percent of Nevada's Exchange consumers. Anthem indicates that the federal instability and uncertainty have resulted in their exit.

While the Exchange is extremely disappointed in Anthem's decisions we look forward to working with our two remaining carriers, Centene (SilverSummitt) and Health Plan of Nevada. It is important that Anthem's Exchange consumers know that there will be Exchange plans available for them to replace their existing Anthem plans. It is critical that these consumers work with an enrollment professional and shop the marketplace during open enrollment to select a plan that is right for their specific health and financial needs. If consumers do not actively shop they will be automatically enrolled into another plan on the Exchange for plan year 2018.

As per the Board's request from the June 28, 2017 meeting, I have reached out to Prominence, Aetna, and Anthem and asked that they attend this meeting to provide the Board with information as to why they have left the Exchange. I did not receive a response from Prominence or Aetna, however Anthem has provided a statement.

Throughout the month of July the Senate bill to repeal the Affordable Care Act (ACA) was drafted, modified and ultimately voted down. During this period I spent a great deal of time working with the Nevada Department of Health and Human Services (HHS), the Division of Health Care Finance and Policy (DHCFP), and the Governor's office analyzing the impact of the bills on the Exchange's consumers and operations. Our organizations were able to provide rapid analytical responses which required deep collaboration. All of our agencies helped each other and were unified around one goal - to protect the best interest of Nevadans. I was also in regular and frequent contact with Nevada's federal delegates and provided them with requested data and analysis.

Although the Senate was unable to successfully pass a repeal bill, there are indications that the initiative is not over. While Congress continues to debate healthcare reform many lawmakers are working toward stabilizing the existing marketplace. These efforts will be critical for Nevada's individual market and, if successful, will offer carriers the stability that they have been looking for over the past seven months. Nevada carriers need assurances around the payment of CSRs, and they need enforcement of the individual mandate as it relates to risk-mix, and indications of short and long term reinsurance programs. Many states have filed a lawsuit in order to ensure the

payment of CSRs should the Administration choose not to fund them. I have provided information about this lawsuit to the office of Nevada's Attorney General with a request that the state consider the merits of joining the suit.

Over the past five months the Exchange has been keenly focused on strategy for open enrollment period five (OE5). The challenges for OE5 are daunting – a truncated enrollment period (90 days down to 45 days), unknown support from HealthCare.gov, and the longstanding limitations of having no member-level data. My colleagues from other State Based Marketplaces utilizing the Federal Platform (SBM-FP) and I have collectively and individually requested information from the Centers for Medicare and Medicaid (CMS) regarding the ability of HealthCare.gov's infrastructure to support a truncated open enrollment period, details about what kind of outreach they will be making to our consumers, and specific information about HealthCare.gov's plans for outreach and marketing for the upcoming open enrollment period. I have yet to receive any answers to my questions, or indication as to when we will receive answers; which is particularly frustrating considering the Exchange is set to spend over five million dollars to lease HealthCare.gov for 2017. I will remain committed in my requests; meanwhile the Exchange will continue to develop targeted outreach and actively engage consumers through Nevada Health Link's advertising campaign regardless of the answers we may or may not receive.

Finally, CMS sent out a request for information (RFI) in June with a response deadline in early July. The RFI was titled Reducing Regulatory Burdens Imposed by the Patient Protection and Affordable Care Act & Improving Healthcare Choices to Empower Patients; the Exchange response has been included in the board packet for your review. In summary, the Exchange suggests that the lease fees for SBM-FPs to utilize HealthCare.gov do not represent a true market value of the services provided, nor do they offer the data or flexibility the Exchange requires to maximize efficiencies and effectively communicate with our consumers. Allowing for Nevada to transition from its reliance on HealthCare.gov to an affordable application and eligibility technology solution that is already being used successfully by one more state-based marketplace will promote consumer choice while enhancing affordability.

Clearly the Exchange is enduring one of the most tenuous periods in its short but tense lifetime. Every day presents new challenges and opportunities. I have been focused on a list of my top five priorities for the Exchange that I prominently display on my whiteboard, which are: 1) consumer service/perception; 2) carrier availability; 3) reliable technology; 4) enrollment channel development; 5) political sensitivity. While many of these items are sometimes out of our direct control, our staff are focused on controlling what we can within our sphere of influence. I know I say it at every meeting, but it's important for the Board to know – the Exchange team is a unique group of individuals who are committed and focused on our vision and mission. I am grateful every day for their steady presence in this very rocky landscape.