



Brian Sandoval  
Governor

Florence Jameson, MD  
Chairwoman

Heather Korbolic  
Executive Director

# Silver State Health Insurance Exchange

2310 South Carson Street, Suite 2 Carson City, NV 89701 T: 775-687-9939 F: 775-687-9932

[www.nevadahealthlink.com/sshix](http://www.nevadahealthlink.com/sshix)

## **FISCAL AND OPERATIONAL REPORT** **PROVIDED TO THE GOVERNOR AND LEGISLATURE** **PURSUANT TO NRS 695I.370 (1) (B) & (C)** **DECEMBER 31, 2016**

The Silver State Health Insurance Exchange (Exchange) is pleased to offer this Fiscal and Operational Report, required pursuant to [NRS 695I.370 \(1\) \(b\) &\(c\)](#), to the Governor, the Legislature and the public. It provides information regarding the activities of the Exchange since June 30, 2016.

### **CONTENTS**

EXECUTIVE SUMMARY.....	1
THE BOARD.....	4
STAFF .....	5
MARKETING OFF-SEASON CAMPAIGN HIGHLIGHTS.....	6
OPEN ENROLLMENT MARKETING CAMPAIGN 2017.....	6
STAKEHOLDERS.....	7
BROKERS.....	7
NAVIGATORS, IN-PERSON ASSISTERS (IPA’S) AND CERTIFIED APPLICATION COUNSELORS.....	7
FINANCE.....	8
BUDGET BUILDING FOR SFY 2018 & 2019.....	9
FUNDING .....	9

### **EXECUTIVE SUMMARY**

The Exchange continues to focus efforts in increasing the number of insured Nevadans by giving them access to quality healthcare through affordable health insurance plans. Over the past three years, the Exchange’s efforts, in conjunction with an expansion of Medicaid eligibility, have substantially reduced the state’s uninsured population.

The Exchange had a busy and fruitful off-season wherein existing grant funds were leveraged to develop a successful off-season marketing and outreach campaign with the theme of “Get to Know the Benefits of Health Insurance.” This campaign was successful in developing connections with the Exchange’s existing consumers while allowing the Exchange to make impressions and collect data on uninsured and underserved populations across the state.

Silver State Health Insurance Exchange  
Fiscal and Operational Report  
December 2016

The Exchange saw a significant decline in the number of brokers and agents who are enrolling consumers in on-exchange qualified health plans for plan year 2017. This decline is a result of carriers reducing commissions to brokers and agents for both on and off exchange plans. In order for the Exchange to ensure adequate resources for consumers wishing to have assistance with their enrollment applications, the Exchange is utilizing Navigators, In-Person Assisters (IPA's) and Certified Application Counselors (CAC's) across the state to augment the enrollment force. The Exchange has provided additional training and support to ensure that Navigators, IPAs, and CACs were prepared to enroll consumers.

The Exchange values partnerships with brokers and agents and recognizes the difficult decisions that they have made. The Exchange continues to work collaboratively with their professional associations. The Exchange developed messaging for brokers and agents who will no longer be assisting with enrollments to ensure that they direct consumers to the NevadaHealthLink.com In-Person Assister Tool to find accurate resources for enrollment assistance.

Over the past six months, the Exchange has partnered with the University of Nevada Las Vegas School of Medicine and the Nevada Division of Public and Behavioral Health to integrate CAC training into their Community Health Worker (CHW) curriculum. Between the two organizations, 16 newly trained CHWs, who are also CACs, are now able to assist consumers with enrollment for plan year 2017.

In July 2016, the Center for Medicare and Medicaid Services (CMS) released the annual Proposed 2018 Notice of Benefits and Payment Parameters (NBPP.) The Exchange submitted comments in response to the NBPP to CMS; as of December 1, 2016 the Exchange continues to await the release of the finalized rule. In summary, the Exchange commented on the portions of the proposed rule which sets user fees for both federally facilitated marketplaces and state-based marketplaces utilizing the federal eligibility and enrollment infrastructure. The Exchange commented on the Federal Facilitated Exchange (FFE) user fee, noting that the proposed rule indicates that the 3.5 percent fee is not sufficient to offset the full costs of states utilizing all of the services provided by the federal exchange. The distortion of this fee is unfair to a state-based marketplace which uses the federal application and enrollment platform and associated call center. By artificially depressing the FFE fee while requiring state-based marketplaces to pay the full cost of accessing its technology and call center, CMS does not equally and fairly apply a single standard to operational cost recovery. This disparity inappropriately benefits issuers and consumers in states serviced by the FFE, and penalizes issuers and consumers in State-Based Marketplaces utilizing the Federal Platform (SBM-FP) jurisdictions.

The Exchange commented on the proposed rule's request for comments related to allowing SBM-FP states to pay 1.5 percent of premiums fee for access to the HealthCare.gov technology and call center for plan year 2018 rather than the 3 percent fee which was established in the 2017 NBPP. Given the late timing of the finalized 2018 fee, the Exchange was not given adequate and necessary time to adjust fees and operational budgets to reflect the costs of accessing the federal eligibility and enrollment system. A one year extension of the 1.5 percent fee would remedy this issue and allow the Exchange to budget and plan accordingly.

Silver State Health Insurance Exchange  
Fiscal and Operational Report  
December 2016

The Exchange continues to believe that SBM-FPs should be assessed a significantly lower fee than that charged by CMS to issuers in FFE states as SBM-FPs provide a high level of value and reduce CMS costs and workload in core program areas. Nevada's state-based marketplace provides a level of service to our citizens that CMS, understandably, could never offer. The Exchange is prepared to fairly compensate CMS for the true market value of the services provided, while still assuring the Exchange is able to properly perform all required and baseline obligations.

The Exchange must be able to retain sufficient revenues to meet statutory duties of a state-based marketplace: plan management and coordination with state insurance departments, funding and overseeing the Navigator program, developing and implementing outreach, education and marketing activities, financial management and oversight, annual financial and performance audits, revenue collection and reconciliation, and general administration and management of the marketplace. The Exchange believes that establishing an on-going fee of 1.5 percent is a more equitable assessment which is more in line with fair market value.

Open Enrollment began on Tuesday, November 1st and the Exchange was prepared with an all-inclusive strategy for increasing enrollment. The Exchange rolled out a comprehensive and robust marketing, advertising, and outreach campaign with the theme of "It's Time to Get Connected;" television ads began airing on Wednesday, November 9, 2016. Communications Officer, Janel Davis and Executive Director, Heather Korbolic have been busy speaking with media and generating attention on our Open Enrollment activities.

More information and up-to-date media activity can be found on the Exchange's website: <https://www.nevadahealthlink.com/sshix/media/>

Aside from being interested in Open Enrollment activities, statewide media has been primarily interested in premium increases and impacts to the Affordable Care Act (ACA) under a new presidential administration. While the Exchange notes that the national average for premium increases is 25 percent, Nevada's on-exchange increase is 10.43%--well below the national average. It is also important to note that 87 percent of Exchange consumers receive federal subsidies and will see an increase in subsidy assistance which will help offset the cost of monthly premium. Part of the Exchange's Open Enrollment messaging includes encouraging Nevada consumers to shop the marketplace to ensure that they find a plan that works for their specific health and financial needs.

In responding to media as it relates to the future of the ACA, the Exchange notes that enacting changes to laws, like the ACA, require legislative action, approval and a considerable amount of time to drive substantive change. The State of Nevada established our healthcare exchange at the state level, allowing us to design, implement and maintain the Exchange with local control. Nevada Health Link is working for Nevadans by offering choice, transparency and competition. During open enrollment three, more than 88,000 Nevadans found health insurance coverage through Nevada Health Link. The Exchange will work with state and federal lawmakers as the future of affordable health insurance is reexamined. The law remains in effect and the Exchange

Silver State Health Insurance Exchange  
Fiscal and Operational Report  
December 2016

is working to provide coverage for consumers who want and need health insurance to safeguard their families and comply with the law.

The Exchange's first week of Open Enrollment had enrollment numbers up from previous years, however, at the end of week four; numbers are down slightly from the same time period in 2015. This decline could be a result of the uncertain fate of the ACA with a new presidential administration taking office, along with a significant decrease in number of brokers and agents selling on-exchange products for Plan Year 2017. The Exchange's robust advertising and marketing campaign has seen increases in impressions and on-line engagement with consumer and outreach continues with attendance at a record number of community outreach events statewide. The Exchange has also joined the Hispanic Business Chamber as well as the Latin Chamber of Commerce and the Las Vegas Metro Chamber of Commerce in order to have more exposure at future events to collaborate resources with stakeholders.

Throughout the duration of Open Enrollment, healthcare.gov has experienced intermittent latency (delay) issues; most of the issues are related to login and account changes. Consumers are put into, "waiting rooms" (on-line) while healthcare.gov works on issues. The Exchange monitors healthcare.gov issues closely and notifies consumers and IPAs as appropriate.

Finally, the Exchange is working with the Nevada Division of Insurance (DOI) to coordinate an on-exchange Advisory Committee wherein we request feedback from both on-exchange carriers, along with carriers who are interested in selling on-exchange plans, to determine a course of action going forward to establish a vibrant marketplace. We hope to begin these conversations sometime in January 2017.

## **THE BOARD**

In accordance with 45 CFR § 155.110(c), the State must insure that the Exchange has in place a clearly defined Governing Board.

The Board consists of seven voting members and three non-voting members. Of the seven voting Board members, five appointments to the Board were made by the Governor, one by the Speaker of the Nevada Assembly, and one by the Nevada Senate Majority leader.

The current Board members are:

- Voting Members
  - Florence Jameson, MD, Chair
  - Valerie Clark, Vice-Chair
  - Jonathan Johnson
  - E. Lavonne Lewis
  - Angie Wilson
  - Jose Melendrez
  - Dr. Daniel Cook
- Ex-Officio – Non-voting

Silver State Health Insurance Exchange  
Fiscal and Operational Report  
December 2016

- Debi Reynolds - Department of Administration, for Patrick Cates, Director
- Barbara Richardson– Commissioner Division of Insurance
- Betsy Aiello – Department of Health & Human Services, for Richard Whitley, Director

Since our last report there have been four Board meetings. The Board, required to meet at least once a calendar quarter, currently meets on a monthly basis as directed by the Chair or majority of members (NRS 695I.340). Board Meetings are held in Carson City and Henderson as well as streamed over the internet.

## **STAFF**

In September 2016, the Board of the Silver State Health Insurance Exchange appointed Heather Korbolic as Executive Director. Korbolic joined the Exchange as the Chief Operations Officer in August of 2015 after eight years with Aging and Disability Services Division where she was the State of Nevada's Long Term Care Ombudsman. Her extensive background includes the interpretation and application of State and Federal regulations, legislative testimony and advocacy, project management, research and data analysis, budget administration, complaint resolutions, quality assurance development and strategic planning. Korbolic has a Bachelor of Science from the University of Oregon and is a Certified Public Manager.

The Exchange has hired a new Chief Operations Officer, Ryan High. Ryan has a Bachelor's Degree in English and a Juris Doctor degree in law. He is currently a candidate for a Business Intelligence Analysis Certification with the University of San Diego. Ryan worked for the Secretary of State's office from 2008-2014 where he was the Deputy Secretary of State (SOS) of Operations and oversaw \$12 million in expenses and \$164 million in revenue. In the SOS office he managed the IT department and negotiated and approved professional services, IT, Inter-governmental, and cross-agency contracts.

Ryan has spent the past several years as the Strategic Initiatives Manager for the City of Reno in the City Manager's office. He has developed departmental and cross-departmental initiatives with strategic priorities by collaborating with all of the city departments. He has identified performance metrics for the city's annual budget book and managed portions of the City Manager's office operations. The Exchange is excited to welcome Ryan to the team. Not only is he well qualified and enthusiastic, he's a good fit.

Ryan and our Executive Director, Heather Korbolic, spent time in Las Vegas during our Open Enrollment kickoff event, (Nov. 1) where they were able to see the excitement that surrounds Open Enrollment. Thanks to our board member, Jose Melendrez, they were also able to meet with leadership of the Latin Chamber of Commerce, the Coalition for the Office of Minority Health, and representatives of University of Nevada Las Vegas School of Community Health Sciences. It was a productive trip with several new partnership opportunities.

Silver State Health Insurance Exchange  
Fiscal and Operational Report  
December 2016

The Exchange staff currently consists of thirteen full-time employees. Nevada has, by far, the lowest Exchange employee count in the nation. Pursuant to NRS 695I.380, all employees of the Exchange are in the unclassified service of the state, with three non-exempt employees.

#### **MARKETING OFF-SEASON CAMPAIGN HIGHLIGHTS**

The Exchange conducted an off-season marketing campaign which took place from March 2016 through October 2016. The campaign's theme was "Get to know the benefits of health insurance." The objective was, and still is, to institutionalize the Exchange, identify and target the uninsured populations throughout Nevada, and use social media, digital advertising, and outdoor advertising to educate target audiences about the need for health insurance.

The Exchange maintained awareness through an outdoor advertising campaign as well as a strong digital advertising presence. By creating an email capture campaign, nearly 3,000 consumers opted-in to receive health insurance information and health tips related to blog posts on the Nevada Health Link's website. Emails were sent to this list of consumers referencing important dates and deadlines related to open enrollment on a bi-weekly basis.

Nevada Health Link expanded its outreach presence by attending more off-season events than in years past. The Exchange researched multiple events with targeted demographics; which consist of, but is not limited to: the tribes, rural Nevada, the Hispanic/Latino population, millennials, the 50+ community, self-employed, and multicultural ethnicities. Thus far, we have attended 128 events through this year and have 162 events planned through to January 31, 2017. New outreach educational materials, and literature have been printed to engage audiences and provide a clear understanding of how to enroll in a health insurance plan and receive in-person assistance with an emphasis on why it is important to be covered. The off season campaign was a success for the Exchange and has helped us to realize the importance of having a year round presence with the public and potential and existing consumers within the Marketplace.

#### **OPEN ENROLLMENT 4 MARKETING CAMPAIGN**

Open enrollment began November 1, 2016 and will run through January 31, 2017. This is the Exchange's fourth open enrollment and third enrollment using the federal platform, healthcare.gov, for eligibility and enrollment purposes. The theme for this open enrollment is "It's Time to Get Connected." The Exchange continues to focus on the millennial population, families and individuals, the 50+ community, the self-employed, rural and tribal areas, and Hispanic/Latino populations as well as multicultural ethnicities. Marketing and outreach messaging will remain the same; encouraging consumers to visit NevadaHealthLink.com to find licensed and local in-person assistance.

The Exchange's media campaign includes content marketing which is comprised of all forms of social media with new additions of snapchat, buzz feed, and online video advertising. There is also a traditional and robust advertising presence including television, radio, PR, website updates, and ongoing email communications that kicked off the week of October 24 and will run through the end of open enrollment.

Silver State Health Insurance Exchange  
Fiscal and Operational Report  
December 2016

Last year's Open Enrollment campaign saw record-breaking numbers and the Exchange increased the number of enrolled residents by nearly 20 percent compared to 2015. According to CMS, Nevada was ranked number one for the greatest rate of enrollment growth of any state over the final week of Open Enrollment and was one of the top five states in terms of enrollment growth increase over 2015. Nevada also saw the greatest decline in the number of uninsured children in the nation and the greatest progress of any state in reducing the number of uninsured Hispanic and Latino children.

## **STAKEHOLDERS**

The Exchange has been actively working on stakeholder initiatives. It is important to leverage relationships within the healthcare community and provide resources to collaborate and synthesize mutual efforts to reach target populations. The Exchange has developed an email blast, a PowerPoint presentation, and a fact sheet for stakeholders to use as they see fit. The Exchange and partners have been working diligently in an effort to make this our best Open Enrollment yet.

## **BROKERS**

The Exchange has seen a decline in the number of brokers and agents who will be enrolling consumers in on-exchange qualified health plans for plan year 2017. This decline is a result of carriers reducing commissions to brokers and agents for both on and off exchange plans. The Exchange values our partnerships with brokers and agents and recognizes the difficult decisions that they are making; we continue to work collaboratively with their associations. We have developed messaging for brokers and agents who will no longer be assisting with enrollments to ensure that they direct consumers to the NevadaHealthLink.com In-Person Assister Tool to find accurate resources for enrollment assistance.

## **NAVIGATORS, IN-PERSON ASSISTERS, AND CERTIFIED APPLICATION COUNSELORS**

The Exchange must have consumer assistance resources and functions, including a Navigator program, and must refer consumers to appropriate state resources when available. In February 2016, the Exchange published a Request for Applications for the Navigator and IPA program. The Exchange awarded contracts to two entities to serve as state wide Navigators and seven In-Person Assister (IPA) entities.

### **Navigator Entities**

- Dignity Health - St. Rose Dominican
- State of Nevada - Office for Consumer Health Assistance

### **In-Person Assister Entities**

- Academy of Human Development
- Asian Community Resource Center

Silver State Health Insurance Exchange  
Fiscal and Operational Report  
December 2016

- Consumer Assistance Resource Center
- Foundation for Positively Kids
- Three Square
- Community Services of Southern Nevada
- Immunize Nevada

In order for the Exchange to ensure that there are adequate resources for consumers wishing to have assistance with their enrollment applications, our Navigators, IPAs, and CACs across the state will augment the enrollment force. The Exchange has provided additional training and support to Navigators, IPAs, and CACs to prepare them to enroll consumers.

**FINANCE**

**State Fiscal Year 2017 approved budget is as follows:**

<b>B/A 14 Silver State Health Insurance Exchange</b>					
<b>SFY17 Budget as of 11/10/16</b>					
		GL 3508	GL 3510	GL 3601	
		Federal Receipts	Federal Receipts	QHP Fees	
		Est. Grant	Est. Grant		TOTAL
		Level Two	Level One # 5		
<b>Revenue</b>					
Balance Forward From Prior Year				\$ 8,836,490	\$ 8,836,490
RGL 350 Federal Receipts - Level #3					\$ -
RGL 350 Federal Receipts - Level #2	\$ 3,881,465				\$ 3,881,465
RGL 350 Federal Receipts - Level #4					\$ -
RGL 351 Federal Receipts - Level #5			\$ 2,184,758		\$ 2,184,758
RGL 360 QHP Fees				\$ 10,591,845	\$ 10,591,845
					\$ -
		<b>\$ 3,881,465</b>	<b>\$ 2,184,758</b>	<b>\$ 19,428,335</b>	<b>\$ 25,494,558</b>
<b>Expenditures</b>					
Cat 01 Personnel	\$ -	\$ -	\$ -	\$ 1,241,690	\$ 1,241,690
Cat 02 Out-of-State Travel	\$ -	\$ -	\$ -	\$ 20,055	\$ 20,055
Cat 03 In-State Travel	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Cat 04 Operating (supplies and othe	\$ -	\$ -	\$ -	\$ 2,500,991	\$ 2,500,991
Cat 11 Transfer to CMS	\$ -	\$ -	\$ -	\$ 2,656,733	\$ 2,656,733
Cat 26 Information Services	\$ -	\$ -	\$ -	\$ 23,510	\$ 23,510
Cat 30 Training	\$ -	\$ -	\$ -	\$ 6,523	\$ 6,523
Cat 67 Fifth Level One	\$ -	\$ -	\$ 2,184,758	\$ -	\$ 2,184,758
Cat 68 Third Level One	\$ -	\$ -	\$ -	\$ -	\$ -
Cat 70 Establishment Implementation	\$ 3,881,465	\$ -	\$ -	\$ -	\$ 3,881,465
Cat 71 Navigators	\$ -	\$ -	\$ -	\$ 2,200,000	\$ 2,200,000
Cat 72 Fourth Level One	\$ -	\$ -	\$ -	\$ -	\$ -
Cat 75 Transfer to Welfare Division	\$ -	\$ -	\$ -	\$ -	\$ -
Cat 82 DHRM Cost Allocation	\$ -	\$ -	\$ -	\$ 6,497	\$ 6,497
Cat 85 Cash Reserve	\$ -	\$ -	\$ -	\$ 10,585,158	\$ 10,585,158
Cat 87 Purchasing Assessment	\$ -	\$ -	\$ -	\$ 15,097	\$ 15,097
Cat 88 SWCAP	\$ -	\$ -	\$ -	\$ 19,924	\$ 19,924
Cat 89 AG Cost Allocation Plan	\$ -	\$ -	\$ -	\$ 127,157	\$ 127,157
Total Expenditures	<b>\$ 3,881,465</b>	<b>\$ 2,184,758</b>	<b>\$ 19,428,335</b>	<b>\$ 25,494,558</b>	<b>\$ 25,494,558</b>

Silver State Health Insurance Exchange  
Fiscal and Operational Report  
December 2016

**Note:**

In October the Interim Finance Committee (IFC) approved funding from per member per month (PMPM) fee to be used to pay CMS for use of the federal platform. This funding is seen in Category 11 and represents a 1.5 percent of total premiums collected by carriers for Plan Year 2017.

**BUDGET BUILDING FOR SFY 2018 & 2019**

The Agency Requested Budget is currently under review by the Governor's Fiscal staff.

**FUNDING**

The Exchange is currently self-funded and uses no general funds. The Exchange collects PMPM fee which equates to 3 percent of premiums written by carriers. Beginning January 2017, the Exchange will collect 3.15 percent of premiums written by carriers.

The Exchange has a small amount of 1311 establishment funds which augments the funding of outreach and education and IT management. These 1311 funds are set to expire December 31, 2016. The Centers for Medicare & Medicaid Services (CMS) has offered the Exchange another extension to spend down these funds. The Exchange has submitted a no cost extension to extend these funds through August 22, 2017.