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# Silver State Health Insurance Exchange

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## AGENDA ITEM

For Possible Action

Information Only

**Date:** May 9, 2013  
**Item Number:** VIII  
**Title:** Service Areas

### PURPOSE

The purpose of this report is to review the rating areas approved by the Centers for Medicare and Medicaid Services.

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### CURRENT POLICY TO ALIGN SERVICE AREAS WITH RATING AREAS

Affordable Care Act regulations<sup>1</sup> mandate that the Exchange must have a process to establish or evaluate the service areas of Quality Health Plans (QHP) to ensure such service areas meet the following minimum criteria:

- (a) The service area of a QHP covers a minimum geographical area that is at least the entire geographic area of a county, or a group of counties defined by the Exchange, unless the Exchange determines that serving a smaller geographic area is necessary, nondiscriminatory, and in the best interest of the qualified individuals and employers.
- (b) The service area of a QHP has been established without regard to racial, ethnic, language, health status-related factors specified under section 2705(a) of the PHS Act, or other factors that exclude specific high utilizing, high cost or medically-underserved populations.

<sup>1</sup> [45 CFR § 155.1055](#) Service areas of a QHP

In a federal ruling on March 27, 2012 by the Center for Consumer Information and Insurance Oversight (CCIIO), CCIIO recommended:

“Exchanges consider aligning QHP service areas with rating areas established by the State in accordance with section 2701(a)(2) of the PHS Act. To the extent QHPs operate within such uniform service areas, this policy would facilitate consumers’ ability to compare premiums of QHPs, promoting competition within the Exchange market. Furthermore, aligning QHP service areas with rating areas may simplify consumer understanding and Exchange administration of eligibility determinations for premium tax credits, which may be complex if QHP service areas are highly individualized.”

State laws governing the Commissioner of Insurance’s (Commissioner) duties and responsibilities, provide the Commissioner the power to establish geographical service areas and establishment of rates within those areas.<sup>2,3,4</sup> The Division of Insurance recommended to CMS that the following four rating areas be established:

1. Clark County plus Pahrump (not approved)
2. Washoe County
3. Carson City, Lyon, Douglas, and Storey counties
4. All other counties

On February 14, 2013, the Board decided to align the service areas for Qualified Health Plans with the rating areas developed by the Division of Insurance and approved by the Center for Consumer Information and Insurance Oversight (CCIIO). The Board indicated the Exchange will review the services areas once they are approved by CCIIO.

#### **APPROVED RATING AREAS**

CMS rejected Nevada’s rating area submission. The final rating areas were approved as follows:

1. Clark and Nye counties
2. Washoe County
3. Carson City, Lyon, Douglas, and Storey counties
4. All other counties

#### **RECOMMENDATION(S)**

None.

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<sup>2</sup> [NRS 689A.525](#) “Geographic area” defined.

<sup>3</sup> [NRS 689A.520](#) “Established geographic service area” defined.

<sup>4</sup> [NRS 689A.700](#) Regulations regarding rates.

Service Areas  
May 9, 2013

Rating Areas

1. Clark and Nye counties
2. Washoe County
3. Carson City, Lyon, Douglas, and Storey counties
4. All other counties

