



# 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)

## AGENDA ITEM

For Possible Action

Information Only

**Date:** June 13, 2019  
**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

During the first half of 2019 the Silver State Health Insurance Exchange (Exchange) made steady progress toward the Board of Director’s mission to transition Nevada Health Link to a fully operational State Based Exchange (SBE). In addition to the rigorous work of the transition project, the Exchange successfully navigated Nevada’s 80<sup>th</sup> (2019) Legislative Session, monitored and commented on proposed federal rule changes, and coordinated with stakeholders in preparation for open enrollment plan year 2020 (PY20).

### State Based Exchange Transition

The Exchange has been engrossed in the project to transition to a fully operational SBE since November of 2016. Beginning with a series of meetings with the Division of Welfare and

Supportive Services (DWSS), followed by a formal Request for Information (RFI), stakeholder engagement sessions, and ultimately a Request for Proposal (RFP) resulting in a signed contract with a single selected technology and call center vendor, GetInsured in August of 2018; the Exchange has steadily made progress toward a go-live date of November 1, 2019 in time for PY20.

The transition project is enormously complex requiring a comprehensive transition strategy and a Project Management Office (PMO) made up of a lead Project Manager, two Quality Assurance Analysts, a Training Implementation Specialist and a Technical Writer. Between the combined PMO, Exchange staff, and GetInsured staff, the project has remained on schedule and within budget.

The Exchange took extensive measures to learn from the errors of the first SBE implementation and developed a streamlined technology and call center implementation that configures commercial off the shelf products to meet Nevada's specific needs. Working with a single experienced vendor with a proven eligibility and enrollment product mitigated many of the risks associated with establishing an SBE; however contingency plans to stay on HealthCare.gov were developed around the success of the consumer data migration effort. Migrating consumer data from the HealthCare.gov system to the GetInsured platform is critical for the purposes of consumer retention and it eases the burden of the Exchange's transition on consumers and enrollment professionals. Nevada is one of the first states to migrate consumer data to a state based exchange; as such the Exchange spent months working collaboratively with HealthCare.gov staff and their vendors to identify the format, methodology, and delivery dates of consumer data as necessary to accommodate the Exchange's goals and the GetInsured platform.

In order to make a "go" decision to move away from HealthCare.gov the Exchange required GetInsured to provide evidence of their ability to successfully accept and process consumer application and enrollment data. GetInsured was given a deadline of May 31, 2019 to provide the Exchange with a report that was then independently verified by the Exchange's Information Security Officer. The report demonstrated the necessary capability to successfully transfer consumer data and populate the Nevada Health Link; the Exchange has continued to execute the establishment of Nevada's SBE.

The Exchange must be able to demonstrate compliance with the Minimal Acceptable Risk Standards for Exchanges (MARSE) 2.0 to be permitted to access and retain private consumer information. Compliance must be achieved in order for the Exchange to be granted the Authority to Connect (ATC) to the Federal Data Services Hub (FDSH) requiring approvals from both the Internal Revenue Service (IRS) and the Centers for Medicaid & Medicare Services (CMS). The Exchange spent the bulk of February through May of 2019 working to complete exhaustive reporting and documentation requirements for submission to a contracted third party security vendor, SeNet, who will produce a Systems Security Report (SSR) that will be reviewed in coordination with the Exchange's documentation and artifacts for final ATC approval. As the Exchange awaits ATC, the PMO and Exchange staff have worked closely with DWSS in order to leverage their connection to the FDSH to test system functionality within a harnessed testing environment.

In addition to FDSH testing, the Exchange began systems testing in April 2019. PMO staff have taken delivery of GetInsured modules for testing and have implemented User Acceptance Testing (UAT) plans and processes. Concurrent to UAT, PMO staff have begun to develop user reference manuals and training materials for carriers, licensed enrollment professionals, and Exchange administrative staff. The Exchange has worked closely with PY20 insurance carriers to provide necessary technical assistance to enable testing of Electronic Data Interchange (EDI) between their systems and GetInsured. Testing began in April and each carrier must successfully complete 16 scenarios.

Transitioning to a SBE requires intricate communication plans tailored to diverse stakeholders through a variety of mediums; stakeholder communication and project transparency is a top priority for the transition project. The Exchange has engaged directly with stakeholders on topics specifically related to their involvement with Nevada Health Link's new enrollment portal. Carrier communications began in December of 2018 with monthly informational webinars, regular one-on-one meetings, and ad hoc meetings as necessary to provide support and technical assistance. The monthly carrier meetings are recorded and published on a page on NevadaHealthLink.com along with important user manuals and other reference materials.

Monthly webinars with Enrollment Professionals have also been established. Broker and Navigator partners receive updates about the transition project and details about PY20 training and certification requirements. Webinars are recorded and published at a dedicated enrollment professional page on Nevada Health Link's website. As in previous years, enrollment professionals will be required to successfully complete training, agree to abide by Nevada Health Link's broker code of conduct and acceptable use requirements prior to being granted access to the GetInsured portal.

One of the primary goals of the transition project is to connect consumers to enrollment professionals for enrollment for PY20 and beyond. As a part of the data migration from CMS, the Exchange paid close attention to ensure that HealthCare.gov provides not only consumer application and enrollment data, but also the broker of record affiliated with their application. Migrating broker data will allow the Exchange to transfer a broker's book of business into the GetInsured portal. Brokers who sold plans for PY19 and who complete training and certification by August 12, 2019 will have their HealthCare.gov book of business migrated to the GetInsured portal. To ensure adequate availability of enrollment professionals the Exchange has developed communication plans to train and certify returning brokers by the August 12, 2019 deadline while casting a wide net to other licensed life and health brokers who may be interested in partnering with the Exchange for PY20 enrollments. Consumers will be connected to brokers through the call center's interactive voice response (IVR) system through a tool called Broker Connect; callers wishing to receive assistance with enrollment will enter their zip code and will be connected to a broker to set an appointment. Consumers visiting NevadaHealthLink.com will have access to a directory of all broker and navigator enrollment partners.

The Exchange intends to soft launch Nevada Health Link's enrollment portal and call center on September 4, 2019. Consumers will be sent an email with an activation code that allows them to claim their user account. During the months of September and early October consumers will

have the opportunity to claim their accounts, designate a broker, and/or opt-in to auto re-enrollment for PY20 and on-going. The Exchange will work closely with enrollment professionals to encourage and assist consumers with account activation prior to open enrollment. Enrollment professionals will have the proficiency to provide consumers with necessary technical assistance and the Nevada Health Link call center will be available to provide further assistance as appropriate. In the month of October, consumers and enrollment professionals will be able to anonymously “window shop” PY20 Qualified Health Plans (QHP) and Stand Alone Dental Plans (SADP).

The Exchange is working closely with HealthCare.gov, insurance carriers, and GetInsured to coordinate all forms of transition communication efforts; each entity will need to notify consumers through mail, email, website, and call centers that NevadaHealthLink.com will be the only place for Nevadans to enroll beginning November 1, 2019. HealthCare.gov will remain responsible for any consumer matter related to plan years 2015-2019 and the Exchange will take full ownership of all matters beginning PY20. The Exchange has worked to carefully distill complicated transition messaging into simple actionable messages for consumers.

The transition project has many partners who require a policy-based approach to work flows and collaboration. The Exchange works closely with stakeholders to understand their unique needs, existing business processes, and the way in which they prefer to collaborate with the marketplace. Taking a customer service approach, the Exchange has developed collaborative work flows for internal staff, CMS, DWSS, GetInsured, carriers, enrollment professionals, and consumers. In addition to work flows, the Exchange developed a draft policy manual for eligibility and enrollment and with a priority to limit disruption to existing insurance carrier business processes. The draft policy manual went out for comment and feedback from stakeholders in May 2019 and will be finalized and approved at the September 2019 Exchange Executive Board meeting.

As the first state to transition from a State Based Exchange using the Federal Platform to a fully operational SBE, the Exchange has received significant national attention. Aside from being among the first states to transition away from the federal platform (HealthCare.gov), Nevada’s Exchange developed a unique “Exchange-In-A-Box” model whereby all technological and call center functionality will be supported by a single vendor. Many states are interested in better understanding the Nevada model, thus the Exchange’s Executive Director has provided one-on-one consultation with interested states in addition to topical webinars hosted by the National Association of State Health Policies (NASHP) and State Values Health Strategies (SVHS).

### **Legislative Session**

During the 80<sup>th</sup> Session of the Nevada Legislature the Exchange presented its portion of the Governor’s recommended budget to the money committees while also analyzing, tracking, and commenting on proposed legislation impacting the Exchange or relating to healthcare.

The Exchange’s budget included 16 enhancement units - changes from the previous biennium’s budget. Enhancements were primarily developed to accommodate the Exchange’s transition away from HealthCare.gov, establish administration for a SBE, and to support the on-going

operation of a SBE. The Governor's recommended budget for the Exchange was approved as submitted and includes nine additional full time employees in the classified service to absorb the functions previously provided by HealthCare.gov. In addition to transition related budget items, the Exchange's final budget includes increases to marketing and outreach along with continued support for Navigator and Broker grantees. The Exchange anticipates a savings of \$5.3 million over the State Fiscal Year 2020-2021 biennium from that which would have otherwise been spent for the continued use of the HealthCare.gov federal technology platform.

Nevada state legislators proposed a significant amount of health care related legislation during the 80<sup>th</sup> session. The Exchange successfully shepherded Assembly Bill (AB) 496, a bill that makes changes to the Exchange's enabling *Nevada Revised Statute* (NRS) (NRS6951.5380) to allow the Executive Director to hire employees in either classified or unclassified service. The statute previously limited the Director to hiring employees in unclassified service and the Governor's recommended budget included nine employees in classified service, thus AB496 aligns the agency's enabling statute to the Governor's budget.

The Exchange analyzed and tracked several bills related to health care and the insurance industry while carefully monitoring any impact the proposed legislation would have on the agency. Several lawmakers proposed legislation to enshrine protections for pre-existing conditions into state statute. Assemblywoman Spiegel's AB170 was signed into law by Governor Sisolak and included language to codify the Affordable Care Act (ACA) pre-existing protections into state statute while also requiring insurance carriers to provide information to the Office of Consumer Health Assistance (OCHA).

Governor Sisolak also signed into law Senate Bills (SB) 481 and 482. Both bills were efforts to stabilize the ACA. Both SB481 and SB482 underwent significant amendments throughout the bill hearing process; in the end both bills provide for more consumer protections. Senate Bill 481 tightens regulations of Association Health Plans to reduce fraud, limits Short Term Limited Duration plans to 185 days in any 365 day period, and requires any carrier selling an individual market plan off-Exchange to notice consumers that they may be eligible for financial assistance by enrolling in a qualified health plan on Nevada Health Link. Senate Bill 482 allows for reciprocal carrier licensure for the states of Arizona, California, Idaho, Oregon, or Utah. The bill also gives the state of Nevada the legislative authority necessary to submit a 1332 waiver to CMS.

The Governor sponsored and passed SB544, a bill to establish a Patient Protection Commission. The Commission will be responsible for a holistic examination of the state's health needs, health care systems, quality, accessibility, and affordability. The Exchange's Director is appointed to the Commission as an Ex-Officio member.

In the last days of the Legislative Session, Senate Majority Leader, Nicole Cannizzaro introduced Senate Concurrent Resolution (SCR) 10, a bill requiring the Legislative Commission to study the feasibility, viability, and design of public health care insurance plan that may be offered to all residents of the state. The Exchange will participate in the study and provide data as necessary.

## **Federal Updates**

The federal government continues to propose and promulgate rules impacting state exchanges and the guidelines under which they operate. The Nevada Exchange actively tracks and analyzes proposed rules and regulations while providing comments as necessary and appropriate.

On January 17, 2019, CMS released a proposed Notice of Benefit and Payment Parameters (NBPP) for Plan Year (PY) 2020. The payment notice is issued on an annual basis to adopt a variety of major changes CMS intends to implement for the next plan year. Historically the rule is issued in early fall and finalized in early spring in order to give insurance carriers, exchanges, and other stakeholders adequate time to accommodate changes to the rules as they develop products for the next plan year. For PY20 the rule was issued several months late and the delay created concern from insurance carriers who were anxious to receive the finalized rule in order to design products in time for submission deadlines in June.

Below are the sections of the proposed rule in which the Exchange provided comment:

- **Automatic Re-Enrollment** – The proposed rule solicited comment regarding the on-going necessity of the process of auto re-enrollment in the Federally Facilitated Exchange (FFE) and State Based Exchange utilizing the Federal Platform (SBE-FP) states. The proposed rule did not propose changes to the process for PY20, however suggests that changes could be proposed for PY21. While the solicitation for comment was focused on FFE and SBE-FP states, the Exchange’s comments focused on ensuring that SBE states maintain their autonomy to auto re-enroll while highlighting the benefits and necessity of auto re-enrollment for Nevada’s Exchange consumers.
- **Navigator Program Standards** – the rule proposed to allow, but no longer require, FFE state Navigators to provide assistance for certain post-enrollment activities. While the focus of the change was for FFE states the Exchange provided comment on the importance of Navigators to assist consumers with year-round education especially in a landscape of increased confusion.
- **Special Enrollment Periods** – the rule proposed to allow special enrollment period for consumers with individual market coverage outside of the Exchange who experience a decrease in income which would otherwise allow them to receive subsidies. The change would allow them these consumers to transition to affordable coverage on the Exchange outside of the defined open enrollment period. The Nevada Exchange submitted comments supportive of this change and expressing appreciation for allowing SBE states to retain discretion on how and when to implement the change.
- **Federally Facilitated Exchange (FFE), State-Based Exchange Using the Federal Platform (SBE-FP) User Fees for Plan Year 2020** – the rule would change user fee for FFE and SBE-FP states for plan year 2021. The Exchange’s comments focus on the need for transparency and consistency in pricing.

- Silver Loading – the proposed rule solicited comments on banning the practice of silver-loading for all Exchanges. The rule did not propose any changes to the process for PY20, however suggested changes could be proposed for PY21. The Exchange submitted comments highlighting the importance of the silver-load as it relates to protecting consumers from large premium increases and further requested that CMS allow states the autonomy necessary to make decisions as to whether to allow the practice.
- Prohibition on Discrimination – the rule proposed changes to prohibit issuers from discrimination for prescription drug use as it relates to the treatment of Opioid Disorder Treatment. The Exchange’s comments supported the proposed rule change.
- Premium Adjustment Percentage – the rule proposed changes that would change the methodology used to calculate a consumer’s maximum annual out-of-pocket spending limits, and in practice, the amount of premium tax credit consumers may receive to assist with the purchase of a qualified health plan. The Exchange’s comments express concern about the potential impacts of exposing consumers to higher out-of-pocket costs. This change would impact SBE, FFE, and SBE-FP states and is proposed to begin in PY20.

The NBPP was effectively promulgated as proposed on April 18, 2019. Of most urgent concern to the Exchange is the impact of the change to the premium adjustment percentage as it relates to increased costs for Nevada Exchange consumers.

The annual premium adjustment percentage is a measure of premium growth that is used to set the rate of increase for the maximum annual limit on cost-sharing, the required contribution percentage for exemption eligibility, and the employer mandate. CMS changed the methodology for determining the premium adjustment percentage and as a result the premium adjustment percentage for 2020 will be about 1.29 percent. This change could have a significant impact on consumers: a higher premium adjustment percentage means a higher annual limit on cost-sharing, a higher required contribution from consumers, and higher employer mandate penalties.

In light of the change to premium adjustment percentage, CMS also proposed a maximum annual out-of-pocket limit on cost-sharing for 2020 of \$8,200 up from (\$8,000 in PY19) for self-only coverage and \$16,400 (up from \$16,000 for PY19) for a family. This is a 3.8 percent increase over PY19. With an increase in monthly premiums between 2.6% - 4.6% the average Nevada Exchange consumer will pay an additional \$46.80 - \$70.08 per year in premiums with an additional \$200.00 annually in max out-of-pocket costs, representing increased consumer costs at a total of \$246.80 - \$270.08 annually. Any increase in cost is likely to put pressure on both subsidized and unsubsidized consumers’ finances and could result in some consumers being unable to afford health insurance coverage which would in-turn result in fewer people enrolled on the Exchange and more uninsured Nevadans.

Aside from the NBPP, the Exchange also commented on a proposed rule change from the Departments of Treasury, Labor, and HHS to expand the use of Health Reimbursement Arrangements (HRA) to fund access to health insurance and health care. The rule was developed in response to President Trump’s executive order from October 2017 that directed the federal government to expand access to short-term limited duration plans, association health plans, and

HRAs. The proposed rule would make two major changes to the regulation of HRAs: 1) the rule would allow employers to provide an HRA to allow an employee to purchase an individual market plan rather than the employer-sponsored plan. 2) the rule would allow employers to offer up to \$1,800 that can be used to pay premiums for excepted benefits, short term limited duration plans and COBRA.

The Exchange commented on the proposed rule encouraging the Departments to gather more data and evidence about the impact of the rule on employers' decisions to offer coverage as well as stability on the individual market. The Exchange cited the potential for the rule to not only require technical implementation changes but to also create confusion for employers, employees, Brokers, and Navigators and urged the Departments to delay implementation to 2021. In February 2019 the Exchange signed on to a letter with all of the country's State Based Directors requesting the Department finalize the rule with a delay in implementation for SBE states who will need to make technical adjustments.

With the shift of the House of Representatives to a Democrat majority there has also been an increase in proposed health care related legislation some of which specifically aims to bolster the ACA. The Exchange is particularly interested in omnibus legislation passed out of the house on May 17, 2019. The legislation, known as the Strengthening Health Care and Lowering Prescription Drug Costs Act, combines four ACA related bills and three bills to lower prescription drug costs. The bill would restore funding for Navigators and outreach, provide states with \$200 million in federal grant funding to establish a state-based exchange, place limitations on Short Term Limited Duration Plans, and increase transparency requiring HHS to publically report on the way HealthCare.gov user fees are spent.

The Exchange regularly communicates with Nevada's federal delegates and their congressional staff while also tracking action and inaction from Congress. By working with NASHP's policy group, the Nevada Exchange is afforded an opportunity to provide meaningful state perspective on areas of national interest. Monitoring national health policy initiatives allows the Exchange to provide for a rich contextual dialogue on issues of state interest. Federal engagement is a critical function of an effective Exchange and remains one of the Director's top priorities.

### **Open Enrollment Plan Year 2020**

Development for Open Enrollment PY20 is well underway. The Exchange is working with carriers, enrollment professionals, and marketing partner, Penna Powers to weave transition related information into the general open enrollment strategy.

Exchange Plan Management and Certification staff have been in regular contact with carriers wishing to participate in PY20 and issued Plan Certification Guidance in various formats. On December 21<sup>st</sup>, the Draft Issuer Letter was published and sent to carrier stakeholders for a thirty (30) day comment period; the document was finalized on March 21, 2019. Other guidance includes Carrier Checklists, and Carrier Guidance in the form of a PowerPoint presentation which was released on May 6, 2019. Carriers were required to submit initial submissions on June 3, 2019. The Exchange will continue to work collaboratively with the Nevada Division of Insurance (DOI), and carriers in reviewing carrier submissions for compliance with state and

federal regulations. Throughout the plan certification process, the Exchange and the DOI will conduct a series of reviews that will be completed by September 25, 2019 to allow the Exchange to certify and 'lock in' plans for PY20.

The Exchange issued an annual request for applications (RFA) for Navigator and Broker grantees in May 2019. Navigators include, but are not limited to: non-profit organizations, community based organizations, faith based organizations, trade or labor unions, Chambers of Commerce, ranching or farming organizations, schools, school districts, Native American Tribes, and city or county agencies. Brokers and Navigators are instrumental in providing education and in-person assistance for eligible Nevada residents seeking assistance with enrollment.

The Exchange Penna Powers have invested time in carefully developing messaging and marketing plans for PY20 as it relates to the transition and open enrollment to target audiences. The Exchange will build from previous year success to develop a campaign focused on the value of QHPs and the importance of working with a licensed enrollment professional.

### **Conclusion**

All eyes are watching for Nevada's successful transition to a SBE. The Exchange has built a model that many other states are considering, several states are working actively toward, and many others will pursue if the Exchange is successful and can achieve anticipated savings. Operationally, the Exchange is on the precipice of a significant shift with a vastly increased scope of responsibility. Over two years of thoughtful analysis went into the decision to transition and that same thoughtful analysis is being applied to the implementation. As with any large and complex project there will be areas of imperfection, however on the whole the Exchange is well situated for a successful launch thus allowing the state full control over the marketplace.