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MEMORANDUM

DATE: September 24, 2018

TO: Chair Patricia (Pat) Spearman and Members of the Legislative Committee on Health Care (*Nevada Revised Statutes* 439B.200)

FROM: Assembly Member Michael C. Sprinkle

SUBJECT: **Report Regarding the Working Group and Public Listening Sessions on the Development of a Program Similar to the Medicaid Managed Care Program (Nevada Care Plan)**

Summary—Assembly Member Sprinkle sponsored Assembly Bill 374 (2017), which would have required the Department of Health and Human Services (DHHS), if authorized by federal law, to establish a health care plan within Medicaid for purchase by persons who are not otherwise eligible for Medicaid. The governor vetoed the measure on June 16, 2017.

Senate Bill 394 (2017) subsequently passed, requiring the Legislative Committee on Health Care (LCHC) to study opportunities for:

- Establishing a program similar to Medicaid managed care, available through the Silver State Health Insurance Exchange, to individuals otherwise ineligible for Medicaid;
- Allowing a person eligible for certain federal tax credits or cost-sharing reductions to use these funds to pay for such coverage; and
- Maintaining the current level of health insurance coverage provided in the state under the federal Affordable Care Act (ACA), even if the law is repealed.

Assembly Member Sprinkle established a working group to discuss the development of a program similar to the Medicaid managed care program that would be available for purchase in Nevada by low-income persons who are not currently eligible for Medicaid. The program is generally referred to as the "Nevada Care Plan."

Agenda Item VIII (HEALTH)
Meeting Date: 09-24-18

Assembly Member Sprinkle led the effort to review the matter, meet with stakeholders, liaise with DHHS, and report to the LCHC.

Working Group Meetings—The Nevada Care Plan working group held five meetings on: November 18, 2017, and January 18, April 27, June 11, and August 3, 2018.

The working group:

- Discussed the population that might be eligible or interested in purchasing the Plan;
- Reviewed other solutions for making health care more affordable for individuals whose income is over 400 percent of poverty and do not receive the federal insurance subsidy to assist with premiums;
- Coordinated with DHHS to develop a request for information (RFI) to gauge insurer interest, concerns, and potential solutions regarding the development of the Plan;
- Discussed the possible impact of the Plan on the insurance market in Nevada; and
- Initiated community listening sessions to discuss existing insurance options and the potential development of the Plan, hear concerns and ideas, and gauge interest from the public.

Working Group Participants—Representatives from the following organizations participated in the Nevada Care Plan working group meetings:

Assembly Member Sprinkle
Assembly Member Steve Yeager
Amerigroup Corporation
Anthem Insurance Companies
Department of Health and Human Services
Division of Health Care Financing and Policy (DHCFP), DHHS
Division of Insurance (DOI), Department of Business and Industry
Division of Public and Behavioral Health (DPBH), DHHS
Hometown Health
Nevada Hospital Association
Nevada State Medical Association
Purchasing Division, Department of Administration
Silver State Health Insurance Exchange
UnitedHealth Group

Request for Information—The DHHS released an RFI on April 27, 2018, to evaluate insurer interest and invite insurers to provide solutions regarding two project options:

A. Utilizing the combined purchasing power of Nevada Medicaid, the Public Employees' Benefits Program, and the Department of Corrections to purchase health care services. The objective of this initiative is to develop a health care product that all three of the state programs could use to offer coverage and services to their respective populations; and

B. Exploring the use of Medicaid to create a product for purchase by individuals who do not qualify for Medicaid and who do not qualify for a subsidy through the Silver State Health Insurance Exchange.

Julie Kotchevar, Ph.D., Administrator, DPBH, DHHS, provided a summary of responses to the RFI. Four responses were received and two did not directly address the project options proposed. Following are excerpts from the summary regarding option B.

Response 3:

> For Option B, response #3 expressed concern that introduction of a Medicaid Buy-In option would have consequences to the Exchange risk pool or provide disincentives for employers to offer insurance. However, they did recommend policy changes that could maximize the existing system and encourage further study of the impact that a buy-in program would have on the existing coverage systems.
>
> Policy recommendations include:
>
> - Maximizing enrollment in Medicaid by simplifying eligibility determinations, including mandatory enrollment in managed care with a minimum lock in period of 12 months supported by 12-month continuous eligibility.
>
> - Relaxing outreach restrictions to support enrollment and retention by permitting marketing during periods other than open enrollment.
>
> - Enhance benefits and coverage to include services that support social determinants of health including the use of an 1115-demonstration waiver to cover tenancy support and employment services for subpopulations (e.g. chronically homeless).
>
> - Evaluate and/or eliminate regulator or licensing barriers that prevent nursing homes from repurposing or leveraging empty beds for things such as medical respite for the chronically homeless and defining medical respite a Medicaid covered service.
>
> - Facilitate greater inter-agency collaborations with sister agencies to share and transmit data to ensure that all an individual's needs are known and met.
>
> - Develop protections against service cost inflation caused by such things as freestanding emergency room departments and prescription drug costs.

Response 3:

> For Option B, response #4 recommended that modifications be made to develop a program with a leaner scope of covered benefits than what is currently included in Medicaid, a cost sharing mechanism for covered services, and state legislation that extends Medicaid provider rates to three Medicaid–style insurance products. Without a narrower scope and other modifications, they believe that the product would likely be unaffordable to purchase.

> Response #4 also included other recommended innovations such as a 1332 waiver to implement reinsurance, or a similar waiver to modify the essential health benefits package. Additionally, wellness and disease management programs would be offered in the individual market. Lastly, the state could implement a state-funded premium subsidy to provide similar financial support to individuals who do not qualify for a federal subsidy, which would allow individuals to participate in the exchange market."

In conclusion:

> The development of a Medicaid-like product to purchase would require additional study and there is concern regarding its impact on the broader health insurance market. However, there were other recommended innovations such as a state funded subsidy that would meet the need utilizing a different method.

Listening Sessions—Community listening sessions were held to engage members of the public in discussions regarding existing insurance options and the possibility of developing the Nevada Care Plan. Assembly Member Sprinkle facilitated the listening sessions and representatives from the DHCFP, DHHS (Nevada Medicaid), and the Silver State Health Insurance Exchange/Nevada Health Link provided information about their respective programs. Eight community listening sessions were held across the state:

June 21 @ 10 a.m. – Pahrump
June 21 @ 3 p.m. – Las Vegas
June 22 @ 10 a.m. – Henderson
June 22 @ 4 p.m. – Las Vegas
July 26 @ 6:30 p.m. – Las Vegas
July 10 @ 2 p.m. – Carson City
July 11 @ 10 a.m. – Reno
July 11 @ 2 p.m. – Reno

Attendance at the listening sessions ranged from 5 to 25 participants. A copy of the PowerPoint presentation provided during each session is attached to this report.

In general, listening session participants provided ideas and thoughts regarding access to coverage in Nevada and concerns about affordable health insurance options.

Discussion regarding the Nevada Care Plan centered on the following topics and questions:

1. Administration of the Nevada Care Plan and covered benefits:

    a. Who will administer the Plan—the DHCFP, a managed care organization (MCO), or another plan-specific entity?

    b. Will such a plan have to abide by Centers for Medicare and Medicaid Services' rules?

    c. How will the Plan's covered benefits differ from current Medicaid coverage?

    d. Will the Plan provide services through fee-for-service or managed care?

e. Will the Plan cover the ten essential benefits required by the ACA?

f. Emphases on the Plan covering addiction and mental health treatment and access to out-of-state benefits.

2. Defining the target population of the Nevada Care Plan:

   a. What are the eligibility requirements to purchase the Plan?

   b. Define different geographic areas in determining who would benefit most from the Plan.

   c. Will the Plan meet the needs of rural residents, employees of small businesses, low-income individuals who do not qualify for the federal subsidy, the homeless population, or additional segments of the population?

   d. How might this Plan intersect with the Medicaid expansion population?

3. The cost of the Nevada Care Plan:

   a. How will Plan premiums, deductibles, and copays be established?

   b. Will premium payments and out-of-pocket expenses be income-related?

   c. Will premiums and out-of-pocket expenses be subsidized to keep costs low? If so, how would the subsidy be funded?

   d. Consider the benefits of multiple states developing a single product or plan.

   e. Study establishing a state incentive or tax abatement for businesses that share the cost for Plan premiums.

   f. Prioritize making the Plan affordable, with reasonable premiums and deductibles.

   g. Ensure that the risk pool is varied to keep costs low.

   h. Consider different provider rates for Medicaid and the Plan.

   i. What will prescription drug prices be for consumers in the Plan? In addition, how will these costs be managed?

4. Possible impact of the Nevada Care Plan on the current provider community and insurance market:

   a. Consider how the Plan might improve access to primary and preventive care for rural residents.

b. Possible opportunity to divert chronic use of emergency rooms by providing greater access to primary care to Plan participants.

c. How will the provider network for the Plan be established? How will the provider shortage affect its development?

d. Will the Plan minimize the administrative burden placed on providers and have competitive reimbursement rates?

e. Would the Plan use current MCOs or established provider networks?

f. Will the Plan be sold on the Exchange?

g. Recommendation to make the Plan state-driven rather than profit-driven.

h. How might the Plan impact enrollment on the Exchange?

i. Would the Plan be the answer for the decrease in enrollment on the Exchange?

j. How will changes in the ACA affect the Plan and the overall insurance market in Nevada?

k. How do you mitigate the impact of people leaving one market if another option (such as the Plan) becomes available and provides a better option?

Next Steps—Assembly Member Sprinkle will continue to collaborate with the Nevada Care Plan working group to define some of the details necessary to develop a viable plan. Building on the questions and information gained through the listening sessions, Assembly Member Sprinkle will work with the DOI and DHCFP to define the covered population and the administration of the Nevada Care Plan. In addition, Assemblyman Sprinkle will submit a bill draft request to implement any legislative changes deemed necessary to establish the Nevada Care Plan.

MDL/jc:W182340
Att.

Healthcare Options in Nevada

Assemblyman Mike Sprinkle

Division of Health Care Financing & Policy (Nevada Medicaid)

Silver State Health Insurance Exchange/ Nevada Health Link

Current Insurance Options

- Medicaid & Nevada Check Up
- Commercial Insurance through Employers
- Private Pay Plans via the Silver State Health Insurance Exchange
- Private Pay Plans direct with the Provider

What is Medicaid & Nevada Check Up

- Medically necessary services that are funded with State and Federal monies
- Individual/family eligibility is determined by the Division of Welfare and Supportive Services
- Must be U.S. citizens and household income must be under 205% of the Federal Poverty Limit (FPL) or 138% for the expanded population
- No co-pays or deductibles
- Nevada Check Up requires a quarterly premium between $25 and $80

Medicaid Essential Health Benefits

Medicaid Mandatory Services

- Physician Services
- Laboratory and x-ray services
- Inpatient hospital services
- Outpatient hospital services
- Early and periodic screening, diagnostic, and treatment (EPSDT) services for individuals under the age of 21
- Family planning and supplies
- Federally-qualified health center (FQHC) services
- Rural health clinic services
- Nurse midwife services
- Certified nurse practitioner services
- Nursing facility services for individuals 21 or over
- Transportation (Non-emergency is not covered in Nevada Check Up)
- Free-standing birthing centers

Medicaid Covered Optional Services

- Prescription drugs, prosthetic devices, eyeglasses
- Medical care or remedial care furnished by licensed practitioners (Limited)
- Diagnostic, screening, and preventive services
- Clinic services
- Dental services (only EPSDT), extractions and dentures for adults
- Therapy (physical, occupational, speech, audiology)
- Primary care case management & Targeted Case Management (Limited)
- ICF/MR services
- Inpatient/nursing facility services for individuals 65 and over in an institution for mental diseases (IMD)
- Inpatient psychiatric hospital services for individuals under age 21
- Nursing Facility services for individuals under 21
- Respiratory care services for ventilator-dependent individuals
- Personal care, Home Health, Private duty nursing & Hospice services

Employer Sponsored Insurance

- Insurance that is available to an individual who is working for a company that has medical benefits available to the individual and/or their family members.

- Employers are required to provide health insurance benefits to employees and dependents (other than spouses), but only employers with at least 50 employees can be penalized for not providing such benefits.

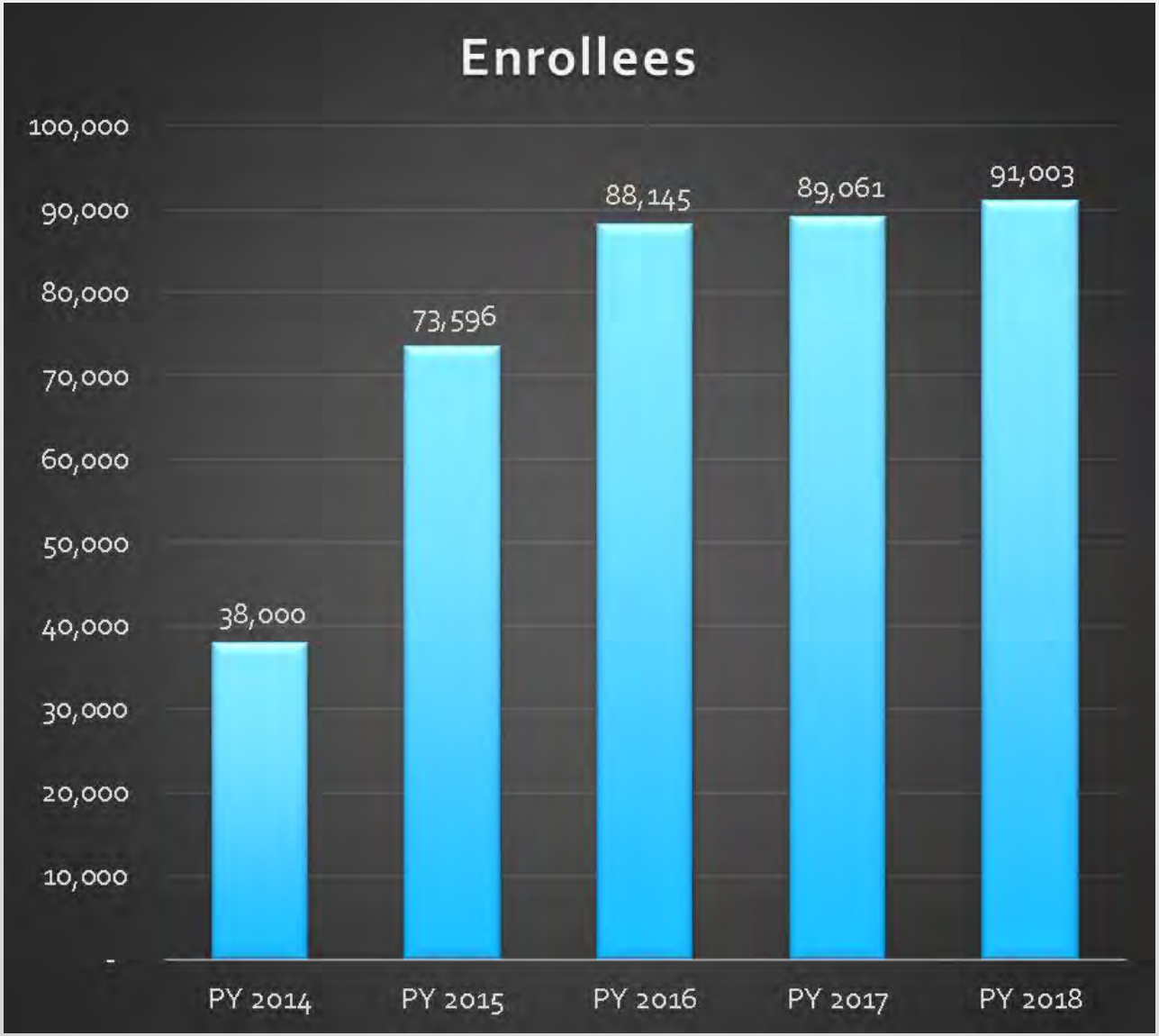
Silver State Health Insurance Exchange

- The Silver State Health Insurance Exchange operates the online marketplace, Nevada Health Link.
- Connects Nevadans who are not insured by their employer, Medicaid, or Medicare to health insurance.
- Individuals can purchase Affordable Care Act certified Qualified Health Plans through the Exchange. If eligible they can receive subsidy assistance to help offset monthly premium costs.
- Hybrid model – State Based Marketplace that utilizes the Federal Platform (HealthCare.gov)
- Solely self-funded – no state or federal funds to support operations.

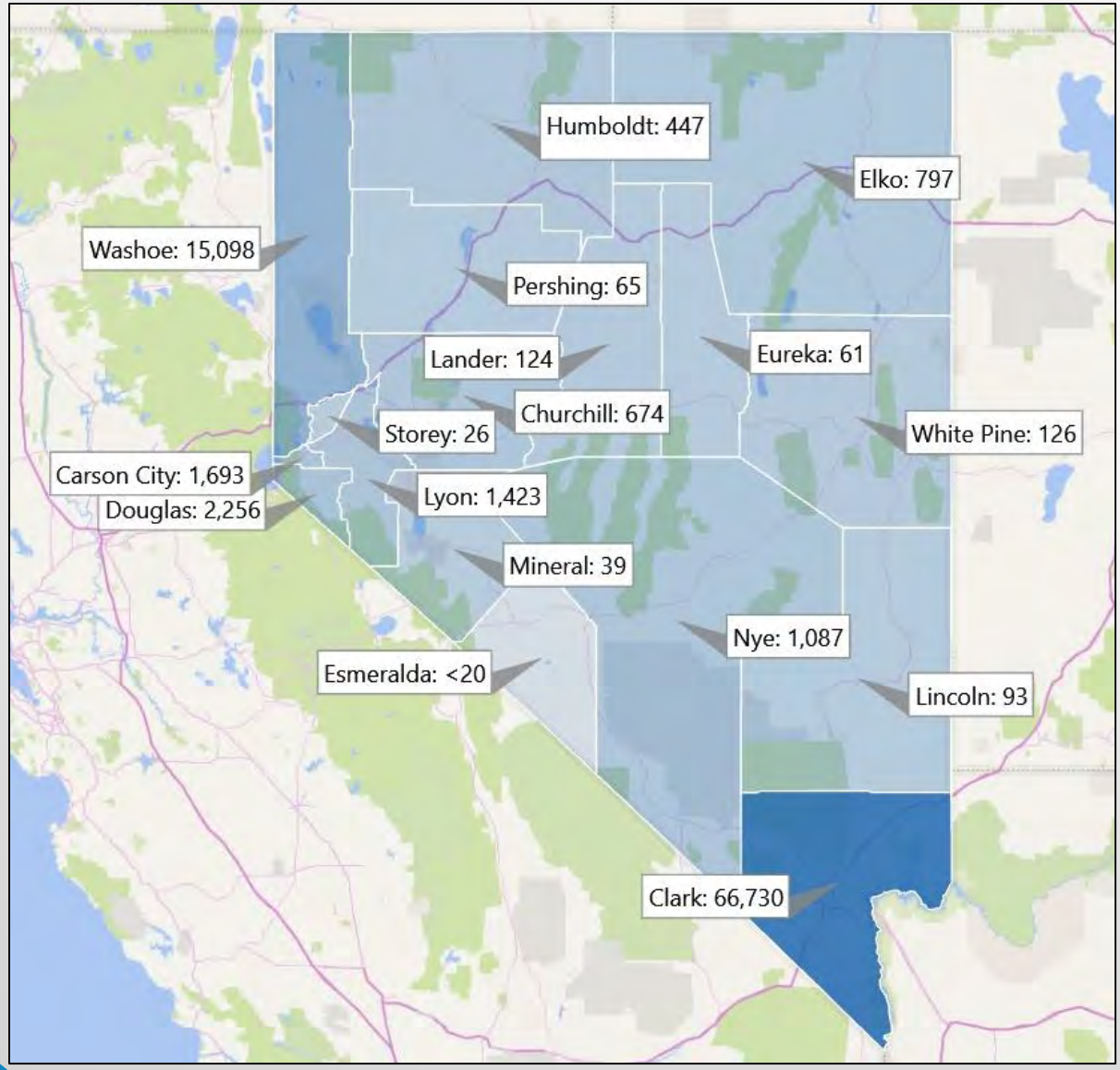
Open Enrollment

- 15 Qualified Health Plans (QHP) Plans – 2 Carriers
  - Health Plan of Nevada & Silver Summit
  - 1 Catastrophic; 4 Bronze; 8 Silver; 2 Gold
  - Counties: Clark, Nye, and Washoe will have the choice from all 15 plans offered
  - Counties: Carson, Churchill, Douglas, Elko, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Lyon, Mineral, Pershing, Storey, White Pine will have the choice of the 6 plans from Silver Summit
- 22 SADP – Six carriers (Alpha, EMI, Delta, Liberty, Best, and Rocky Mountain)

Year-Over-Year Enrollment



2018 Enrollment Geography



NOTE: CMS' policy is to redact exact counts for Zip codes with fewer than 10 plan selections. As a result the county-by-county figures listed above represent 264 fewer plan selections than the statewide total of 91,003.

Current Facts

- Nevada's current uninsured rate is 8%
- Possible federal changes to the Affordable Care Act may increase Nevada's uninsured rate
- Nevada needs to be prepared to offer additional health insurance to ensure continued access to healthcare

Senate Bill 394

- SB394 was passed during the 2017 Legislative Session which allows the Legislative Interim Committee on Health Care to look into creating a new health care plan.
- A work group has been established which includes provider associations, insurance companies, state officials and Assemblyman Mike Sprinkle.

The Nevada Care Plan

- The current vision is to establish a plan that would have services similar to the Medicaid program
    - *Excluding non-emergency transportation*
- Looking for ideas on what should be included in this new plan
- The Nevada Care Plan may be available for purchase on the Silver State Health Exchange

Questions We Have for You

- What do you like about your current insurance?
- What concerns do you have with your current insurance?
- What would you like to see in an insurance product?
- If you don't have insurance, what are the barriers?

Website

nvcareplan.com

- Visit the website for up-to-date information on the study, listening sessions, Frequently Asked Questions and the Nevada Care Plan
- Send comments, questions and concerns
- Sign up for our listserv to receive an email when documents are uploaded to the website or changes are made

Questions?