



Assemblymember Sarah Peters, Chair  
Senator Fabian Donate, Vice Chair  
Joint Interim Standing Committee on Health and Human Services  
Nevada Legislature  
401 S. Carson St.  
Carson City, NV 89701

Dear Chair Peters:

We appreciate the review of the implementation of Senate Bill 420 by the Joint Interim Standing Committee on Health and Human Services (“Interim Health”). Our coalition has offered multiple letters, comment, actuarial questions, and major policy considerations to be included within the initial actuarial assessment as provided for in Sec 11(2) and Sec. 39 of Senate Bill 420.

Recent presentations by the State and its consultants have, so far, been focused on a review of broad concepts within SB420 by the Division of Health Care Financing and Policy (“Division”) and its consultants. The Sec. 11(2) and Sec. 39 actuarial review of the health care and health insurance markets in Nevada require a two-way collaborative discussion and ultimately an actual survey of physicians, hospitals, and health plans and we continue to look forward to that component of the process.

Over our multiple letters we have noted many issues. These issues would benefit from feedback from policy makers.

Additionally, there are certain questions that absent clear, direct answers preclude legitimate direction from either the stakeholders or the State regarding the Public Option and are critical to understanding its implementation.

**1) What exactly is the Public Option as defined in SB420?<sup>1</sup>**

- a. Is the plan operated and paid for by the State and optionally administered by a managed care organization (MCO) similar to Medicaid as described in SB 420? (Section 10(1) and Section 12((1), (4) (5) and (6)) Or;
- b. Is it a fully insured health plan, offered by an insurer, who ultimately bears the risk of loss?

**2) What specific federal requirement(s) would the state be seeking to waive in its 1332 Waiver?**

- a. A fully insured health plan, underwritten by a licensed insurer as a Qualified Health Plan (“QHP”) at a premium at least 5% lower than the second lowest priced Silver plan on the Exchange would not require any waiver.<sup>2</sup>
- b. Sec. 11(4) specifically prohibits the state from requesting a waiver any condition of eligibility to purchase a QHP on the Exchange.

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<sup>1</sup> See, Manatt Health, Senate Concurrent Resolution No. 10 Study: Evaluating Public Health Insurance Plan Options for Nevada Residents. January 2021. [https://www.manatt.com/Manatt/media/Documents/Articles/Manatt-Health\\_Nevada-Concurrent-Resolution-No-10-Public-Option-Study\\_January-17-2021.pdf](https://www.manatt.com/Manatt/media/Documents/Articles/Manatt-Health_Nevada-Concurrent-Resolution-No-10-Public-Option-Study_January-17-2021.pdf) . Page 23

<sup>2</sup> *Ibid*, at p. 15



**3) Will DHCFP be conducting two (2) separate actuarial analyses?**

- a. The mandatory initial actuarial analysis must focus on “the impact of the Public Option on the markets for health care and health insurance.” Engagement meetings to date have focused on plan design, population, and overall goals without any discussion on analytical tools to survey the markets about the effects on the health care or health insurance market such as:
  - i. Will benchmarking rates to the second-lowest Silver QHP ultimately harm overall subsidies received by the state?
  - ii. Will rates comparable to Medicare exacerbate Nevada’s access to care problem?<sup>3</sup>

These are base level questions and must be understood and answered to inform all subsequent discussions. These questions do not “relitigate” the policy of SB420, rather they represent the foundation from which meaningful engagement begins.

We appreciate Interim Health’s review of SB420 and the Division’s continued stakeholder engagement.

cc. Nevada Division of Health Care Financing and Policy

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<sup>3</sup> *Ibid*, at p. 24. “Under tying, ensuring a competitive provider reimbursement rate in the public option—one that is above Medicaid rates—will be essential for preventing a potential erosion of Medicaid participation.”