May 3, 2021

Dear Chair Ratti and Members of the Senate Health and Human Service,

It’s no secret that healthcare has changed dramatically due to COVID-19. It has put a spotlight on the critical need to expand healthcare infrastructure, support programs that navigate patients to the appropriate level of care and invest in healthcare workforce development. The passage of SB 420 undermines the possibility of successfully addressing those fundamental components. In addition, it is inconsistent with the Centers for Medicare and Medicaid Services’ Triple Aim: improve patient care, reduce healthcare costs and improve population health.

SB 420 would be a disastrous blow to the state’s entire healthcare system - from primary care providers to specialists, from major health networks to private, nonprofit businesses like REMSA. Since 1986, REMSA has provided - without taxpayer support - out-of-hospital healthcare throughout the region - including into rural and super rural parts of Nevada.

There is a fixed cost of readiness that REMSA must pay for and we rely on adequate compensation for the services we provide. As a safety net provider, REMSA is required to transport patients, regardless of their ability to pay. In 2020, REMSA provided $8.9 million in uncompensated care. We manage our expenses well and we have built this into our cost of doing business. Nevertheless, we rely heavily on reimbursements from private insurers to offset the disparity in the lower reimbursements from Medicare and Medicaid. The passage of SB 420 will not only shift more people into the public option the costs will be passed through and the private insurance companies will have to lower reimbursements to maintain their profit margins. This directly impacts REMSA’s bottom line; and, as a reminder, we are a nonprofit so all of our revenue is reinvested into the communities we care for through services, programs, equipment, personnel and education.

For the last 12 years, since REMSA received an Innovation Grant from the Centers for Medicare and Medicaid Services, we have been committed to navigating patients to the right level of care. At REMSA, at least 30 percent of the calls we respond to are not life-threatening emergencies and require only first-aid level care - meaning that a paramedic-level ambulance transport to an emergency room is not the right level of care. While all of the effects of SB 420 are not yet known, it is almost certain that it will cause a decrease in primary care physicians willing to treat patients on the public option. And when those public option patients need healthcare and can’t access primary care, they will call 9-1-1 seeking safety net healthcare via an ambulance transport to an emergency room.

Rather than passing legislation that has so many unknowns, we encourage you to increase Medicaid reimbursement rates, expand Medicaid reimbursement for programs that navigate patients to the right level of care, invest in residency programs at our universities so that
physicians are enticed to work in the communities in which they trained, invest in healthcare workforce development, and address the skyrocketing cost of housing. REMSA is working hard to do its part in recruiting and retaining healthcare providers by offering desirable shift lines, competitive wages and benefits, and career growth opportunities.

REMSA is a nationally-recognized leader in out-of-hospital healthcare solutions. We remain committed to caring for vulnerable populations - regardless of their ability to pay. We have a long history of providing compassionate, clinically-excellent patient care. REMSA believes that the future is in more choice, not less and certainly not in a one-size-fits-all program. We strongly urge you to vote against the passage of SB 420.

If you have any questions or would like to speak to more about REMSA’s position on this matter, please feel free to contact me.

Sincerely,

Barry Duplantis
Chief Financial Officer
REMSA
Chair Ratti and Members of Senate Health and Human Services,

On behalf of the over 100 members of the Nevada Orthopaedic Society we stand in opposition to SB420. For years Nevada has struggled to recruit physicians and other essential healthcare workers into the state and Nevada remains at the bottom national rankings of physician to patient ratio. In seeking to increase access to physicians in Nevada, we believe SB420 will actually have an opposite effect by the mechanism of forced physician participation. Rather than offering incentives for participation, forced participation will make it harder for physician recruitment. As currently written, SB420 as written does not provide the stability in the health care market necessary to recruiting new physicians into the state.

By forcing physicians that currently choose to take Medicaid, EPBS and Workers Compensation to also mandatorily take patients that utilize the public option, there is the potential of those physicians to choose to opt out of all of those programs and thus drastically impact those patients that are currently enrolled in Medicaid, PEBS, and for Nevada’s injured workers. Workers Compensation care can be clinically and administratively challenging and it would be unwise to disincentivize physician participation in the workers compensation system.

Patient care has been crippled by the limited access to care. In order to start providing the necessary care to Nevada’s patients, instead we must look at increasing Medicaid reimbursement rates to encourage physician participation, enhancing efforts in work force development, and investing in additional residency positions.

Our responsibility has been and always will be to provide the best care possible to our patients, however, Nevada has continually struggled with access to healthcare. Mandating and forcing participation into a public option will only exacerbate the issue for physician participation and for physician recruitment.

NVOS fully supports increasing access to care for Nevadans and stand committed to continuing these discussions in the interim. We would suggest to policy makers to continue to look at ways to incentivize participation recruitment and less on mandates.

Sincerely,

Dr. Thomas Christensen, MD
NVOS Board President
Nevada Orthopaedic Society
5355 Kietzke Lane, Suite 100
Reno, NV 89511
Phone: (813) 482-1168
EMAIL: laura@nevadaortho.net
May 3, 2021

Dear Chair Ratti and Members of Senate Health and Human Services,

Nevada Self-Insurer’s Association’s (NSIA) membership is comprised of self-insured employers, self-insured groups, employers with large deductible workers’ compensation insurance coverage, third party administrators, medical providers, and other entities with an interest in serving the workers’ compensation community in Nevada. We have reviewed SB420 and would like to share our concerns regarding the proposed requirement for physicians who choose to accept workers’ compensation patients to be forcibly required to accept patients who enroll in the public option.

The workers’ compensation community already struggles to empanel adequate choices of qualified physicians in all areas of healthcare. Many physicians already choose not to accept workers’ compensation patients because of the regulatory requirements involved and the burden it places not only on themselves but also on their administrative staff.

There are many injuries and industrially related conditions that require specialized care with few to no appropriate physicians available to treat them. This issue is not limited to rural areas but exists statewide, even in our largest counties.

While NSIA fully supports the desire to increase access to healthcare for Nevadans, we believe that, as written, SB420 will create additional detriment against the workers’ compensation stakeholders, including injured employees, in our state and communities.

In 2019, NSIA worked with Nevada Justice Association to pass SB381, created to expand each injured worker’s access to quality healthcare; we believe this change will undermine the changes made under SB381. Physicians who do not have the staff, desire, or resources to treat both workers’ compensation and the public option patients will simply choose to withdraw from the State of Nevada’s list of approved treating physicians and chiropractors for workers’ compensation. This will cause a reduction in the limited number of physicians already available to our workers’ compensation community. We therefore respectfully request that you remove workers’ compensation physicians from the public option requirement. We would be happy to discuss this matter further, if desired.

Sincerely,

L. Robinson
Lezlie Robinson
President
Nevada Self-Insurers Association
State Board

cc: NSIA Membership
May 3, 2021

Senator Nicole Cannizzaro
6th Senate District
361 Soubrette Court
Las Vegas, NV 89145

Chair Julia Ratti
Senate Health and Human Services Committee
Legislative Building
401 S. Carson Street
Carson City, NV 89701

Re: SB 420 - Public Health Benefit Plan

Dear Senator Cannizzaro, Chair Ratti, and Members of the Senate Health and Human Services Committee:

I write today on behalf of America’s Health Insurance Plans (AHIP)\(^1\) to express our strong opposition to SB 420, which would create a government-run public option to purchase coverage in the individual health care market.

Every Nevadan should be able to get affordable, comprehensive coverage regardless of their income, health status, or pre-existing conditions. We agree that hardworking Nevadans who buy their coverage in the individual market increasingly find that their premiums are out of reach if they do not qualify for premium subsidies, but upending the competitive private health insurance market through the offering of a government-run health insurance plan with artificially deflated premiums based on government price setting is not the answer.

Americans want health care that works – not a one-size-fits-all health care system. They want to improve what’s working and fix what’s broken. That is why AHIP supported the increased premium subsidies that were included in the federal American Rescue Plan Act (ARPA) and agree that these enhanced subsidies should be made permanent. Our members stand ready to work with state policymakers to make coverage more affordable to Nevadans. However, we believe SB 420 is flawed and would cause significant unintended consequences including subversion of the health insurance marketplace.

We offer the following comments on the “public option” provisions included in SB 420:

**Government rate setting will not address the high cost of health care.** SB 420 mandates that premiums for the Public Option plan be at least five percent lower than the reference premium to reduce “average premiums for health insurance in [Nevada] by at least 15 percent over the first 5 years in which the Public Option is in operation.”\(^2\) However, other than setting arbitrary rates for providers and hospitals, there is no mechanism included in the proposal to drive down health care costs to achieve the bill’s premium reduction goals. Creating a new set of health plans that look identical to other plans but with capped reimbursement rates does not address the underlying high costs of care, and will only serve to raise costs outside of the individual market as health care providers seek higher reimbursements to remain whole.

\(^1\) America's Health Insurance Plans (AHIP) is the national association whose members provide coverage for health care and related services to hundreds of millions of Americans every day. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities, and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers.
Instead of government-set rates, the legislature should focus on the underlying cost drivers and market distortions that are driving premium increases – prescription drug pricing, third party payments driving patients to higher-cost drugs and settings of care, and overly restrictive market rules inhibiting private market innovation and value-based insurance designs.

SB 420 ignores the single largest driver of health care costs – the ever-increasing price of pharmaceuticals. Prescription drugs represent the largest segment of health care spending, making up more than 21.5 percent of commercial premiums. Ever-higher launch prices for new drugs and a thousand-percent price hike on decades-old medications are the biggest threat to the sustainability of our health care system, but SB 420 fails to contemplate any policy measures that would hold drug manufacturers accountable for high drug prices.

This proposal will destabilize rural hospitals, health care providers, and the group health insurance market. Medicare-based reimbursement rates will destabilize small rural hospitals and those physician practices serving those communities. According to the American Hospital Association, Medicare and Medicaid represent 60 percent of all health care services provided by hospitals, yet underpayments for Medicare amounted to a shortfall of $75.8 billion. These providers simply cannot sustain large new blocks of business at below-commercial market levels of reimbursement. Federal price-cap proposals have repeatedly been dismissed because they posed too many risks to the health care delivery system. SB 420 will likely create patient access challenges in large geographic portions of the state and could have devastating effects on patients’ access to the care that they need.

Additionally, by setting reimbursement rates for doctors and facilities at below-commercial market rates, providers will “shift the cost” and require higher reimbursement rates in their contracts to other purchasers of health insurance coverage to cover their losses from participating in the Public Option plans. Higher reimbursement rates will put upward premium pressure on small and large employer groups, self-insured plans, and Taft-Hartley trust plans, where over a million Nevadans get their coverage. AHIP members are very concerned about their ability to continue to assemble networks in group health plans that offer consumers a choice of providers and access to high-quality facilities at reasonable rates.

Nevada should work on enrolling the remaining uninsured in Medicaid or subsidy-eligible coverage through the Nevada Health Link. According to the Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services, there are currently more than 275,000 uninsured Nevadans. Of the uninsured, a significant number – more than 100,000 (37%) – are eligible for Medicaid but not enrolled. Another 80,000 uninsured Nevadans have household incomes that qualify them for zero-cost plans through the Nevada Health Link. Thanks to the American Rescue Plan Act, many more will receive increased financial assistance to help pay for premiums. Given the large number of uninsured Nevadans, particularly those who are eligible for Medicaid, AHIP recommends the state policymakers focus on getting the most vulnerable populations enrolled in the affordable coverage that is currently available. This uninsured Medicaid-eligible population would not be eligible for subsidies to purchase coverage under a Public Option.

Finally, with only 28 days left in the 2021 legislative session, there is insufficient time to truly engage in the necessary debate on a bill with this level of complexity, particularly when the special enrollment period for obtaining enhanced subsidies from ARPA has just begun and continues through August 15. Instead,
AHIP recommends taking the time to study ARPA’s impact on Nevada’s individual market and how the new access and affordability measures included in ARPA will impact coverage in the Nevada market.

Our members stand ready and eager to working with policymakers and other stakeholders to make coverage more affordable, but we must do so in ways that do not destabilize an already fragile individual market and provide real health insurance coverage options to those in need.

Sincerely,

Stephanie Berry
Regional Director, State Affairs
May 4, 2021

Senate Health & Human Service
401 S. Carson St.
Carson City, NV 89701

Re: Senate Bill 420

Dear Chair Ratti,

Thank you for your service to our State in unprecedented times. We appreciate the desire to transition more folks from the uninsured population to the insured but are very concerned about how this bill contemplates doing this good work, and how it will have a profound effect on the stability of the safety net of care in Nevada’s emergency departments.

The Nevada Chapter of the American College of Emergency Physicians represents more than 400 emergency physicians and together we serve more than 1.5 million patients per year. We represent emergency physicians, emergency medicine residents and medical students. We are actively involved in a wide range of issues that matter to our patients: 24/7/365 emergency medical services, public health and safety, and disaster preparedness and response. Importantly, our members are part of Nevada’s statewide team fighting daily on the front lines against the COVID-19 pandemic. We are proud to serve folks in their greatest hour of need, and we share your concerns regarding the levels of uninsured in Nevada.

We support the provisions in SB420 to expand Medicaid coverage to pregnant women. Additionally, we support an actuarial study to evaluate the impact of a public option on the public and private insurance market. Unfortunately, there are provisions in this bill that would place the emergency physician into a position of being valued at a level that is untenable for the survival of high-quality emergency services in Nevada.

SB420 has great potential to increase costs, limit access and limit options for patients in the state based upon data from other states with similar legislation. The bill will mandate all providers to participate in the state-run public option and set the floor for reimbursement rates
of the plan at Medicare which has failed to keep pace with inflation for decades. Due to the Emergency Medical Treatment and Labor Act (EMTALA), emergency departments must evaluate every patient that walks through the door, regardless of their ability to pay. We are proud to care for every single patient, but we also must balance this responsibility with how the market values our care. Provider mandates and systemic rate setting set the stage for an access of care crisis.

We will have no ability to negotiate rates up from Medicare once contracting leverage tectonically shifts because we are EMTALA mandated providers. Medicare rates will never cover the cost of a highly trained and board-certified emergency physician. We also believe insurance premiums will increase for the privately insured to account for the insufficient funding of the public option. There is substantial risk that this bill will cause an exodus of many emergency physicians who understand their value in the national market. Recruitment would immediately suffer, making it difficult at best to replace those leaving or retiring. With this mandate in place, many physicians across all specialties will simply decide not to practice in Nevada. This will cause a narrowing of access and on-call coverage and lead to increased wait times for patients with seconds to minutes emergencies. Many patients will need to be transferred when on call panels narrow, increasing risk of poor outcomes.

NV ACEP would like to see the Nevada focus on restoring the 6% Medicaid cuts from last summer and increasing Medicaid rates to compete with other states in the nation. Increasing our Medicaid rates to be competitive with other states will incentivize recruitment of the best and brightest providers to relocate and provide high-quality care across our great state. We encourage the state to focus resources on enrolling the more than half of the uninsured population to Medicaid and the exchange through subsidies. Let’s take full advantage of the constructs before us both at the state and federal level which allow for over 100,000 additional Nevadans to gain insurance without need of any additional legislation.

Thank you for your time and consideration.

Sincerely,

Bret Frey, M.D.
Board Certified Emergency Physician
President, Nevada ACEP
Opposition – Bruce Schoenberger

Senator,

As a taxpayer and a citizen of Nevada I am adamantly opposed to AB-420, of granting any welfare to illegal citizens. These are people that have broken our law and entered our country illegally they cannot be rewarded you know what in the taxpayers should not be charge for the sort of illegal conduct.

As a senator you need to represent your constituents, and they are overwhelmingly again Funding or rewarding people that enter our country illegally.

Taxpayers money is taxpayers money it is not yours to give away to non-citizens.

Frankly this is absurd, that we would even be talking about this. Furthermore is only making matters worse that lawmakers such as some are proposing these outrageous giveaways.

Perhaps those that propose these giveaway programs should be paying for them with their own money if they think it’s so important certainly the taxpayer is not obligated.

This is unconstitutional, and you should be ashamed of yourself if you do not vote against it.

A constituent Nevada resident,
Bruce Schoenberger
Randi Thompson  
Nevada State Director,  
National Federation of Independent Business  
SB 420 – Oppose  
May 4, 2021

Dear Members of Senate Health Committee:

On behalf of Nevada’s small businesses, I am opposed to SB 420.

For 30 consecutive years, the rising cost of health insurance has been the No.1 worry for Main Street, mom-and-pop firms. That is No. 1 out of 75 issues measured by NFIB’s Small Business Problems & Priorities survey…. for the past 30 years.

Employer-based health insurance is the largest source of health coverage for the nonelderly, covering 58% of this population. About 1.5 million Nevadans are covered by employer health plans.

Offering health insurance is the best perk a company can offer employees, but for many the cost is becoming too expensive. The average premium for family coverage has increased 54% over the last ten years, significantly more than either workers’ wages or inflation.

As costs have continued to escalate, more and more small businesses are finding it is prohibitive to provide health care. Part of the reason for the increase in private health insurance is cost shifting: Insurers are raising premiums on businesses to make up for the losses they are enduring in providing Medicare and Medicaid. A government mandated state-run plan like this will only exacerbate the cost shift problem. It will increase health insurance costs for over 1.5 million Nevadans who get their care through employer-sponsored insurance.

Business associations are coming together to help small businesses provide health plans. NFIB offers a Health Insurance Exchange that allows our over 300,000 members across the U.S. to shop for alternative coverage options for their employees. Around Nevada, the Las Vegas and Reno Chambers both offer health care plans for their members.

This bill will demand insurance premium reductions for a small group of Nevadans while potentially raising rates on a majority of Nevadans.

This bill will require a 5 percent markdown on public option policies with the overall target of reducing average premium costs in the state by 15 percent over five years.

Will reducing premiums help increase participation?
The health policy firm Manatt Health estimated that a 10 percent reduction in premiums would translate to between zero and 1,500 uninsured individuals gaining coverage in the first year of the plan’s existence. A 20 percent reduction in premiums would reduce the state’s uninsured population between 300 and 4,800 people in the first year.

“These enrollment figures highlight that a 10 percent or 20 percent reduction in premiums may not be enough to substantially encourage the currently uninsured to enroll in coverage for the first time,” the study said.

It seems we will need to find other ways to encourage people to get health insurance. We also need to address the underlying cost-drivers in health care, such as expensive technologies and procedures, fragmented and uncoordinated care, and chronic illnesses that stem from unhealthy behaviors.

Instead of creating a new public option, we need to encourage uninsured residents who are already eligible for Medicaid or subsidized coverage through the state’s health insurance exchange to sign up for coverage.

To encourage small businesses to buy health insurance, we should be looking at ways to increase health insurance options for small businesses, such as incentivizing small businesses to start a health insurance plan for their employees.

We should allow small businesses to access similar health insurance opportunities as large businesses. We should enact polities to protect and expand the ability of individuals and employers to band together to form larger, more stable risk pools with greater negotiating power.

This bill also seems to be putting the cart before the horse. The bill authorizes the state to contract with an actuary to assess the impact of a public option plan on the state’s health insurance markets in preparation for applying for any federal waivers.

It appears you will have to pass this bill before you can conduct a study to find out its impact on the health insurance market. That seems like the wrong approach.

Forcing insurance carriers to offer a government-designed product and requiring health care providers to accept government-set reimbursement rates that don’t their cover costs, threatens access to health care for all Nevadans.
RE: SB420

Dear Senator Cannizzaro, Chair Ratti and members of the Senate Health and Human Services,

I am writing on behalf of the Nevada Association of Health Underwriters (NVAHU), a professional association representing thousands of Nevada licensed health insurance agents, brokers & benefit specialists in our state and on behalf of our clients, which include individual members on and off the exchange, small and large business owners and their employees.

We would like to thank the bill sponsor for bringing up a topic that we deal with on a daily basis while assisting our clients. While we appreciate the effort, we feel the bill as written doesn’t achieve its intended goal without harm to a significant number of Nevadans and therefore we must be in opposition.

Affordability

The word affordable is very subjective so to determine health insurance premium affordability, we must use the IRS methodology. The IRS has determined the calculation for what is deemed “affordable” via the Affordable Care Act. If a person qualifies for Premium Tax Credit assistance, based upon household size and income, their monthly premiums may be reduced and they may also receive cost-share reductions that lower deductibles and out of pocket costs.

The American Rescue Plan Act has increased the Premium Tax Credit for 2021 and 2022. The Act also removed the ceiling (which was 400% of the Federal Poverty Level) making even more Nevadans eligible for Premium Tax Credit assistance who were not included in the Manatt interim session study¹ in 2020.

The Manatt study identified that there were 331,700 uninsured Nevadans and 83% qualified for either Medicaid, which is free, or Premium Tax Credit assistance through Nevada Health Link. This is roughly 275,311 Nevadans that could be covered today. This means that we are solving for possibly 56,389 people, or 1.8% of the population of Nevada.

Per the US Department of Health and Human Services fact sheet released March 12, 2021, the American Rescue Plan Act would create new Premium Tax Credit assistance eligibility for an additional 41,000 uninsured Nevadans². We are now solving for 15,389 people, or 0.51% of our population.

This public option is not necessary and does nothing to improve access or address the increasing costs of health insurance for the majority of Nevadans. An alternate and more effective solution would be to create a hybrid high-risk pool, sometimes called an invisible high-risk pool. This could be funded using available federal and state funds, including health insurance premium tax revenue.

www.nvsahu.org
Here are some examples of what a 5% decrease and 15% decrease would be to the 2021 2\textsuperscript{nd} lowest Silver Plan on Nevada Health Link would be:

Graph 1.

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<th>5% reduction</th>
<th>15% reduction</th>
<th>2021</th>
<th>5% reduction</th>
<th>15% reduction</th>
<th>2021</th>
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Network and Provider Access

Nevada currently has one of the lowest providers to patient ratios in the country, being ranked 45\textsuperscript{th} for active physicians per 100,000 population, 48\textsuperscript{th} for primary care physicians per 100,000 population, and 50\textsuperscript{th} for general surgeons per 100,000 population.\(^3\)

Reimbursing providers at Medicare reimbursement rates will disincentivize new providers from wanting to practice medicine in Nevada at a time when they are critically needed.

Mandating providers to participate in the public option does not guarantee that they will remain an available provider accepting new patients. They can simply go “closed panel”.

The bill does nothing to improve access to care. If anything, it will likely cause increased wait times and exacerbate provider shortages, especially for Medicaid beneficiaries. This could also impact access for current PEBP members.

Market Stability / Cost-Shifting

Under a public option, marketplace plans and stable employee-sponsored plans would be eroded. As a result, Nevadans would have fewer and fewer choices for their health insurance options.

Medicare reimbursement does not cover the cost of providing care to patients. Private insurance subsidizes the Medicaid and Medicare low reimbursement rates by paying higher reimbursement rates to providers for commercial plan claims. This comes back to Nevadans in the form of higher premiums. Due to the public option mandating the reimbursement rates at Medicare levels, costs will further shift to the commercial plans and will result in even higher premiums for Nevadans with employer-based insurance and those enrolled in unsubsidized individual plans.

Per Kaiser Family Foundation:\(^4\):

- Private insurers paid nearly double Medicare rates for all hospital services (199\% of Medicare rates, on average), ranging from 141\% to 259\% of Medicare rates across the reviewed studies.
- The difference between private and Medicare rates was greater for outpatient than inpatient hospital services, which averaged 264\% and 189\% of Medicare rates overall, respectively.
- For physician services, private insurance paid 143\% of Medicare rates, on average, ranging from 118\% to 179\% of Medicare rates across studies.

www.nvsahu.org
While we are in opposition to this bill in its original draft, Nevada Association of Health Underwriters would welcome the opportunity to discuss alternate options to help lower health insurance premiums for all Nevadans and not just a subset of a subset.

Nevada AHU, our members and our clients appreciate the opportunity to provide comments and we look forward to working with the sponsors on this bill.

Sincerely,

Kenneth G Furr

Kenneth G Furr, President
Nevada Association of Health Underwriters


Graph 1: http://healthrates.doi.nv.gov/Default.aspx
Opposition – David Warren

Vote NO on SB420 the very expensive Public Option health insurance program for Nevada. We don’t want an Obamacare style health insurance in Nevada. Obamacare caused health insurance premiums to double between 2013 and 2017. We don’t want to pay for Illegal Aliens’ health insurance through Medicaid or for pregnant illegal aliens to have their babies here in Nevada. Nevadans are struggling to pay for their own health insurance having lost jobs and businesses during the emergency. This program will force taxes to rise and encourages more illegals to come to Nevada. 62% of illegals already access the state’s welfare programs. We can’t afford to pay for health insurance and care for illegal aliens.

TAX PAYER DOLLARS SHOULD NOT BE USED TO FUND HEALTH INSURANCE FOR ILLEGAL ALIENS!
Vote **NO** on SB420 – It is a very expensive Public Option health insurance program for Nevada.

This is very much like the Obamacare style health insurance which caused health insurance premiums to double between 2013 and 2017. We don’t want that again here in Nevada

We don’t want to pay for Illegal Aliens’ health insurance through Medicaid which would cover a pregnant illegal interloper to have their babies here in Nevada, which would incentivize them to travel to our state.

A lot of Nevadans who have lost their own health Insurance due to this unnecessary lockdown are struggling to pay for their own health insurance having lost jobs and businesses.

Just how is this program being funded – I am sure it will force taxes to rise and encourages more illegals to come to Nevada.

Illegals already access the state’s welfare programs at an alarming rate of **62%**.

Nevadan’s should not be forced to endure this and can’t afford to pay for health insurance and care for illegal interlopers

**Janet Butcher**
May 4, 2021

Senators Cannizzaro, Donate, Lange, Spearman
Assembly Members Frierson and Benitez-Thompson
Senator Julia Ratti and members of Senate HHS
Nevada Legislature
401 S. Carson Street
Carson City, NV 89701-4747

Re: SB420

Good morning,

On behalf of our membership and partners, the Nevada Independent Insurance Agents (NIIA) request your support in opposing SB420. Excuse this group email, but I understand you will be meeting on SB420 today and understand time is sensitive.

Our organization not only represents the independent insurance agents and carriers across the state, we also support and represent consumer protection for all our customers, residents of Nevada. These include individual policy holders, small businesses and Large employers in Nevada.

SB420 is not the solution for affordable healthcare. In fact, it is the opposite. Per recent studies, there are about 331,700 Nevadans who are uninsured and 83% of them already qualify for tax credit or Medicaid, but need assistance on working for the process to obtain insurance. The problem is not affordability when you look at the studies of why the remaining uninsured are so. Then this leaves a small percentage of residents, 56,000 who are uninsured. Approving the proposed legislation to try and solve a problem for 1.8% of our population, does not make sense due to the unintended consequences it will have on the entire state.

The proposed legislation is likely to cause affordability issues for many who are currently on their own private plan or an employer sponsored plan where they pay most of the premium, like yourself. Should this legislation pass, the rates will go up on the private individual plans and employer plans as these plans subsidize Medicaid and Exchange. What will we do when hard working people can’t afford
their portion of their premium? They will start dropping their plans. Basically the other 2.9 million Nevadans will be impacted negatively.

This public option is not necessary and does nothing to improve access or address the increasing costs of health insurance for the majority of Nevadans. An alternate and more effective solution would be to create a hybrid high-risk pool, sometimes called an invisible high-risk pool. This could be funded using available federal and state funds, including health insurance premium tax revenue.

The lack of providers in our state is already an issue. This legislation will only make this a bigger issue. Doctors will be less attracted to our state and more will stop taking new patients in order to protect their current practice. More restrictions, less compensation, less opportunity to serve patients, will only deter physicians from working in our state. We already see physicians shying away from contracts. Patients are already having a hard time finding doctors on their provider list and when they do they have long waits to get in for appointments. In addition, doctors are restricted to how they can serve and treat the patients.

It will do no one any good to have our residents obtain insurance for health but not have access to doctors and actual care they need and deserve.

The Nevada Independent Insurance Agents go on record to oppose SB420 in its original draft. We offer ourselves and our members as a resource to help revise language to be less damaging to our state and its residents. We appreciate your consideration and look forward to working with the sponsors to develop legislation that would provide a more all-inclusive solution for all Nevadan’s.

The following are resources for you and your team to support the above claims.  


Respectfully,

Susan Bauman, CIC | Executive Director
Nevada Independent Insurance Agents (NIIA)
775-499-5844 O | 775-295-5010 F | 702-592-0188 C
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CC; Scott Meant, NIIA Legislative Chairman
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Thank you to all our Partners!
Opposition Statement – SB420

The goal of SB 420 to get everyone in Nevada covered with health insurance is laudable, but in our view this bill as written will have significant unintended consequences which will likely make the situation worse than our current situation. For those reasons which are included in the points below we are opposed to passage of this bill as written.

1. Currently about 3/4 of the insured population in Nevada get some or all of their health insurance coverage from one or more of the government or partially government programs. In a quick look at senate members, it appears likely about 2/3 of you are insured through a government program or have been within the last year. The national numbers I could find indicate Medicare covers roughly 89% of the actual cost and Medicare covers roughly only 54% of the actual cost of care. Therefore roughly 1/4 of those with private sector insurance are currently subsidizing cost differential between the actual cost and the coverage OR the medical sector or parts of it are operating at marginally unsustainable compensation rates.

2. As I read SB 420, it seems to force the private sector carriers and their premium payers to accept the lower rate structure as a method of subsidizing those without coverage today. Logically, it appears to be a drive to force lower medical rates from the providers whether Doctors, Hospitals or other medical coverage EXCEPT those specialties where nearly all of their patients have private sector coverage or provide coverage to cash customers. I believe those are mostly alternative treatment and what I would call "vanity medical procedures". Those are part of the high cost of medical care, but generally are not part of mainstream necessary medical treatments.

3. If SB 420 passes in its current form, I suspect at least some of the existing medical practice groups which formed to lower the overhead cost of medical coverage will at least consider splitting up into those providing Government funded coverage and those providing only private sector coverage. Those only providing Government or primarily government funded care will become increasingly fiscally challenge and become even more so in the next few years with the rate reductions required in the bill.

4. Nevada is and has been a doctor and medical care shortage state for decades partially because our growth rate, but also because of the lack of residency program related to our now three medical school programs in this state. Our rapid growth rate started in the 1950/1960’s and has only waned a couple time in the years since. I don’t see that changing anytime soon. I fear SB 420 as written will likely increase the doctor shortages in this state. Few go to medical school with a goal to go into a practice where they are guaranteed to be overworked and probably unpaid long term. If we structure a program where doctors, nurses and other medical professionals,
see great reasons to leave the state, then why did we spend millions creating a second taxpayer funded medical school?

5. The timing of this bill is particularly suspect. We are just coming out of the most challenging medical environment where nearly every part of the healthcare system has been strained to or in many cases beyond the breaking point in dealing with the current pandemic probably since the Spanish Flu pandemic/WWI challenges a century ago. Given the fractured nature CDC guidance, the amazing response of the vaccine developer and producers, the global nature of the disease spread and nature of some in government and outsiders of it looking for a perfect solution; the US Medical Professionals have done truly amazing work. It seems to me the Nevada response could easily be interpreted by the medical community as, "Now we want you to do provide the same care to everyone for less compensation even though many of us know you did a lot for free during the pandemic." I believe many will be insulted and should be.

6. This comment is just that a comment. Medical billing and pricing is perhaps the only system more complex to understand than airline pricing. Adding new rules and requirement to a system which cannot be understood by the average patient and even many of those inside the system seems insane. Increasing access, lower cost by helping the healthcare system improve productivity and removing some of the nonproductive processes, rules and procedures over the next couple years via an interim study with many health professionals engaged and involved in your process might get Nevada closer to what you want and where we need to be for our long-term future.

Thank you for your consideration of our comments.

Ray Bacon
info@nvmanufacturers.org
office 775-882-6662
cell 775-771-8550
Testimony of Janine Hansen, State Chairman Independent American Party
Opposing SB420 Public Option Health Insurance

We oppose SB420. Government involvement in health care and insurance has caused prices to rise and consumer choices to diminish. For instance, Obamacare caused health insurance premiums to double between 2013 and 2017. The higher the costs, the fewer the choices.

In addition, Nevada Taxpayers cannot afford a program which will cost over $245,249,817 for 2022 through 2025. Many Nevadans cannot afford their own health insurance and are forced to do without.

Taxpayers cannot possibly afford to subsidize “all residents” of Nevada including all immigrants and illegal immigrants, who make up according to the original version of AB376, 19% of Nevada’s population.

According to the Center for Immigration Studies **62% of households headed by illegal immigrants used one or more welfare programs**…usually accessed through their children.

On page 21 Section 24, the bill states that “the Director **shall not** include in the State Plan for Medicaid a requirement that a pregnant woman who is otherwise eligible for Medicaid **must reside in the United States for a prescribed period of time before enrolling in Medicaid**.”

What is this, an invitation for illegals to cross the U.S. border, come to Nevada and birth their babies for an all expense taxpayer paid baby?

This is a perfect example of what Ronald Reagan said, “government is not the solution to our problem, government IS the problem.”

Cato Institute sums up the problem and the solution for health care well: “The freedom to make one’s own health care decisions is a fundamental human right. When government protects that right, innovation and competition make health care more universal—better, more affordable, and more secure. When government taxes our earnings or restricts our choice of providers, treatments, and health insurance, it denies that right and makes health care less universal.”

Thank you.

CATO: [https://www.cato.org/health-care](https://www.cato.org/health-care)
Verbal Testimony in Opposition to SB 420

May 6, 2021

(This was the verbal testimony I was going to give but was not able to due to time limits)

Good afternoon Chair Ratti, members of the committee. For the record, my name is Katie Ryan and I am System Director of Nevada Government Relations for Dignity Health-St. Rose Dominican, the only not-for-profit health system in southern Nevada.

I am calling in opposition today to SB 420 because of many of the reasons my colleagues have previously discussed.

Even though this bill’s intent is worthy and we believe in creating access to affordable health care for all, SB 420 will most likely increase the cost of health care in this state, which is in direct conflict to the intent of this bill. And remember – every Nevadan is eligible to purchase an insurance plan on the exchange.

As others have discussed, Medicare rates do not cover the cost of care and there will be no incentive for payers to negotiate with health systems if they know we will have to take these plans as a Medicaid provider.

We are willing to work with the bill sponsor and proponents to come to a solution that is the best for all involved and look forward to those conversations. Thank you.

Sincerely,

Katie Roe Ryan, MPS
System Director, Nevada Government Relations
Dignity Health-St. Rose Dominican
Good evening, Chair and members of the committee, for the record my name is Jessica Ferrato. Today I am here on behalf of Nevada ACEP. ACEP represents more than 400 emergency physicians and together we serve more than 1.5 million patients per year. Emergency providers are one of the many on the front line fighting COVID-19 every day.

We support the provisions in SB420 to expand Medicaid coverage to pregnant women. That being said we have serious concerns about the state-run health plan and provisions in this bill that impact the provider community.

This bill requires all providers to participate in the plan and starts reimbursement rates at Medicare. These provisions, among others will increase costs and limit access for patients. As you know, ER doctors are subject to EMTALA requiring emergency departments to care for every patient that walks through the door, regardless of their ability to pay. Because we care for all Nevadans, we will have no leverage to negotiate higher rates and Medicare doesn’t come close to covering costs for ER doctors. SB420 will increase costs for privately insured patients as costs are shifted from public plans.

Additionally, this bill will decrease doctor recruitment to Nevada. We will not be able to attract enough providers to the state to replace the retiring workforce. This will cause decreased access, increase on-call coverage and lead to higher wait times for patients.
We request the state focus on getting more than half of the eligible uninsured population to sign up for Medicaid at no or littler cost or enrolled in the exchange with subsidies. Emergency room doctors have seen and worked through the unthinkable with their patients during this pandemic. We would like to focus on the healing of our community and providing coverage to those currently eligible.

Thank you for your time.
Chair Ratti and Members of the Committee:

On behalf of America’s Health Insurance Plans, my name is Jeanette Thornton, I’m a senior vice president overseeing Federal commercial health insurance policy at AHIP. I’ve spent over the last 10 years advising our plans who participate on health insurance marketplaces, including Nevada Health Link and building policy consensus on Federal health care policy that reduces the uninsured rate and increases healthcare access and affordability. I’m here today to testify in strong opposition to SB420. Please see our written letter for additional detail.

In the American Rescue Plan Act, enacted by Congress on March 11, Congress took an historic step that will reduce the cost of insurance for 9 million people who buy their own insurance and provide needed help for around 15 million uninsured people. The Rescue Plan Act did two things:

- Increases the premium tax credit to buy Nevada Health Link Coverage at every income level by reducing the amount consumers are expected to pay as a share of their income toward a benchmark silver plan. This means according to the HHS data that approximately 80,000 uninsured Nevadans now qualify for zero cost or significantly reduced plans through Nevada Health Link. With an additional 50,000 qualifying for reduced price plans.

- Allows individuals earning above 400 percent of FPL to receive tax credits for the first time and caps the share of income they are expected to pay towards coverage to 8.5 percent—compared to no cap today. Thus 41,000 uninsured Nevadans will qualify for premium tax credits who have never before been eligible for subsidies.

Coupled with the data that shows that 37% of uninsured Nevadans qualify for Medicaid coverage but are simply unaware of this benefit or need assistance in taking advantage of it.

Why am I mentioning this at a hearing to discuss a public option bill?

The state of Nevada has an historic opportunity to take steps to get these people covered. Focusing on getting people enrolled in Medicaid and Nevada Health Link will give uninsured the peace of mind of health coverage, without jeopardizing coverage for the over 1 million Nevadans who get their coverage through work and exacerbating Nevada’s physician shortage.

If this help is not enough and affordability continues to be a concern, we have seen many states consider other innovative policies to help. States have had successful subsidy programs that provide additional premium or cost-sharing support or have taken advantage of a 1332 waiver.
to capture savings and reduce costs even further. Other states have automated Medicaid and Exchange eligibility checks so people know they are eligible for coverage.

We know the uninsured are often hard to reach and are in underserved communities. Nevada Health Link is accepting new enrollees until August 15 and we should be encouraging all uninsured Nevadans to get covered. And by having your own exchange and the ability to do your own targeted outreach and education about Medicaid and Nevada Health Link you can target outreach exactly where it’s needed.

We urge you to address Nevada’s uninsured rate by building on the strength of the private market. A government run public option will hurt people who are left behind in the individual market – hurt those who get their insurance through work – access to less providers/ higher cost.

As referenced in our letter, SB 420 would destabilize the Nevada health care system by requiring providers to accept reimbursements at lower than cost. This would force these providers, many in rural areas already experiencing a severe provider shortage, to recoup their costs by demanding higher reimbursement rates from all group plans, including small business plans and union trusts.

The vast majority of Nevadans – more than a million people – get their coverage from the group commercial market. By design, those who are offered coverage from their employers are ineligible for subsidies through the Nevada Health Link, including the proposed public option. They won’t benefit from this bill, but they could see increased premiums from cost shifting.

Moreover, this bill does nothing to address the underlying cost drivers that are driving higher premiums – in particular, the ever-increasing price of prescription drugs. Prescription drugs represent the largest portion of health care spending, making up more than 21 cents for every premium dollar. SB 420 demands that the public option premium achieve at least five percent in reduced premiums but does nothing to actually address the portion of the premium that keeps increasing – the high price of drugs.

In closing, we urge you to focus on getting those in Nevada without coverage covered, without driving up the cost coverage for everyone else. See who takes advantage of the SEP and then revisit how to fill the gap. We strongly support expanding Medicaid Coverage and urge you to move forward with these provisions of the bill. Given by recent action in Congress to make coverage more affordable which we expect will be extended we believe this is the best path for Nevada’s uninsured. Thank you.
Senators Cannizzaro, Donate, Lange, Spearman  
Assemblymembers Frierson and Benitez-Thompson  
Senator Julia Ratti and members of Senate HHS  
Nevada Legislature  
401 S Carson Street  
Carson City NV 89701-4747

RE: SB420

Dear Senator Cannizzaro, Chair Ratti and members of the Senate Health and Human Services,

I am writing as not just an insurance broker and member of the Northern Nevada Association of Health Underwriters, but as a small business owner in Carson City, NV.

As an insurance broker I can share countless stories about conversations I have had with consumers and I can provide you with information about the number of quotes I have run. I feel it is my job as a broker to show my clients and prospective clients all their options, which includes mentioning their eligibility for Medicaid, if that is the case.

Too many times I have heard people tell me they do not want to be on Medicaid, so they either make the decision to go uninsured or they work with their financials to make sure they will qualify for APTC and / or CSR. The main reason I am given as to their opposition to being on Medicaid is the stigma of Medicaid and the lack of providers who accept Medicaid beneficiaries.

Additionally, I have provided health insurance quotes to countless people who will not only qualify for APTC, but also for CSR, and they still make the decision to go uninsured. Unfortunately, there are people who will continue to go uninsured no matter how much assistance is available unless they “need” the insurance. This is no different than what the auto insurance industry sees with their number of uninsured.

Within the past several months I have spoken with many clients who are frustrated with their lack of ability to seek care because of the extremely long wait times. I also have clients who are providers, some of which have gone the concierge route, which only increases the provider to patient ratio, and I feel SB420, in its current form, will only exacerbate that ratio.

Lastly, although SB420 has good intent, I do not think it meets the needs of Nevada consumers in its current form. And I would encourage you to work on the “family glitch” issue that is a huge hindrance to many people being able to qualify for APTC and / or CSR because they are “eligible” for benefits through a family members employer, but they cannot afford it.

Sincerely,

Julie Ann Evans  
Jewels Benefits, Inc.
May 4, 2021

Senator Nicole Cannizzaro
6th Senate District
361 Soubrette Court
Las Vegas, NV 89415

Chair Julia Ratti
Senate Health and Human Services Committee
Legislative Building
401 S. Carson Street
Carson City, NV 89701

Re: SB 420 – Public Health Benefit Plan

Dear Senator Cannizzaro, Chair Ratti, and Members of the Senate Health and Human Services Committee:

On behalf of Prominence Health Plan, a Reno-based company providing health insurance to over 40,000 lives in Northern and Southern Nevada, we express deep concern for a state-sponsored Public Health Benefit Plan ("Public Option") and urge you to decline this measure. Prominence has served employer groups, patients, and Medicare eligible Nevadans to obtain health care coverage for over 25 years since 1993. We employ over 200 Nevadans and provide insurance coverage to individuals and small businesses, including those businesses and their employees and family members that are members of the Reno+Sparks Chamber of Commerce.

Market Destabilization

A Public Option would have a deleterious effect on the insurance markets in the state of Nevada and would destabilize the ACA, fully-insured, and Association Health Plan infrastructure, jeopardizing these vital health insurance programs that cover approximately 575,000 Nevadans. By including small employer groups in the Public Option, it will undercut the small group market leading to a more adverse risk pool and further destabilizing the ACA fully-insured market in the State of Nevada. This consequence is in direct contrast to one of the key goals of the Public Option to improve the stability of the insurance market, particularly against the backdrop of COVID-19.

Reimbursement & Network Adequacy

Together, Section 13 which requires PEBP, Culinary Union, and Medicaid contracted providers to accept Public Option patients and Section 14 that sets reimbursement rates to be comparable to or better than Medicare rates, will continue to erode access to care, a multi-generational problem in the state of Nevada. While the intention is for Medicare rates to act as a floor rather than a ceiling, hospitals and providers will contend that Medicare rates are lower than their cost structure and not accept Public Option patients, causing them to continue to disengage from other government-sponsored health plans or leave the state altogether. The state cannot afford another mass exodus of providers that would exacerbate the already dire access problem in the state, especially for federal qualified health centers and rural health centers.

Impact to Uninsured Population

Lastly, the modest impact a Public Option would have on the uninsured population neither supports upsetting the current health insurance marketplace nor does it lead to effective management of the existing government-sponsored
health insurance plans available to Nevadans today. The Mannatt Health study\(^1\) estimates that 9,000 - 32,000 individuals will enroll in a Public Option plan, of which 1,500 - 4,900 would be previously uninsured, depending on the premium reduction scenario. Under the 10% and 20% premium reduction scenarios, the Silver plan monthly average statewide premium would cost $297 – $358 and the Gold plan would cost $385 – $433, either on- or off-Marketplace (with off-Marketplace plans being slightly cheaper within that range). Of particular concern with these estimates is the anticipated reduction to the uninsured population. Adding 1,500 – 5,000 uninsured to the Public Option does not seem like a sound investment given the substantial public costs, especially when other state-sponsored options already exist. This would reduce the current uninsured population of 331,700 (as of 2019) by a meager .45% – 1.5%. Also, while it is clear the Public Option will achieve savings for off-Marketplace members that are over the 400% FPL, the modest amount of premium reduction (approximately $30 on average) will not be enough to encourage current uninsured Nevadans to buy-in to the Public Option.

Prominence Health Plan supports ways to decrease the uninsured population for Nevadans.; however, we strongly oppose SB 420. As a Nevada-based company insuring thousands of Nevada families, we encourage the Nevada Legislature to pursue an approach that makes wise use of the existing government-sponsored health insurance programs like Medicaid and the Silver State Health Insurance Exchange rather than implementing a costly proposal that destabilizes the health insurance market while not clearly presenting a viable solution for the uninsured in our state.

Sincerely,

Kamal Jemmoua
Chief Executive Officer
Prominence Health Plan

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Dear Chair Ratti and Members of the Senate Committee on Health & Human Services,

As the CEO of Dillon Health, an employee benefits and health insurance brokerage who represents over 420 employers, 12,000 employees and their families in Nevada I am urging you to oppose SB 420. We have offices in both Las Vegas and Reno, Nevada.

With ten employees at our agency, we are experts in Employee Benefits and Health Insurance Benefits on and off the exchange. We all want more participation and access to health insurance for Nevadans, but this bill is not accomplishing the goal and actually is hurting more consumers than it would be helping.

Here are the reasons I would recommend you oppose this legislation:

1) There is nothing in the bill to address the rising costs of healthcare.

2) The proposal simple increases the cost on of the public option onto the private insurance market which has astronomical rates already.

3) The second largest cost to an employer after payroll is employee benefits.

4) Employees are a huge Nevada consumer, just as are the uninsured. The employees of employers often contribute to premiums for their own insurance and certainly pay for the majority of cost for their dependents.

5) The Nevada Health Link aligned with Medicaid are already available and the marketing done to enroll people is enormous. There is simply a portion of the population who will not enroll.

6) We have a shortage of physicians in the State of Nevada and they simply would accept private insurance rates over Medicaid and Medicare reimbursement levels which is 200 to 300 percent different.

Please call on me if I can be of assistance. Thank you, in advance, for your consideration on your goals to help more Nevadans. My email is mdillon@DillonHealth.com and I can also be reached at 775-560-7006.

Sincerely,

Michael F. Dillon, Jr., CEBS
SB420 Opposition Statement

Dear Senator Ratti and Members of the Nevada Senate Health and Human Services Committee,

I am writing in opposition to SB 420, which would create a Public Health Option for Nevadans. I support the concept of Nevadans having another insurance option and support any efforts to get Nevadans health insurance. I am, however, very concerned about the portion of the bill that would mandate that physicians contracted with Medicare, Medicaid, worker’s compensation, or the state public employees benefit program (PEBP) also be required by law to contract with these new plans.

As a family physician in private practice in Reno, I am frankly on the brunt end of the physician shortage in our state. Despite being overloaded, our practice continues to see new patients. We also continue to contract with Medicare and Medicaid as we want to offer all Nevadans a primary care home.

In the past 5-10 years, the shortage of primary care physicians is being made worse by physicians choosing to go into a “concierge” model. Many of these physicians are tired of the red tape and headaches inherent to Medicare and Medicaid. While the concierge model works well for these physicians and the patients who can afford it, a single physician switching from a traditional model to a concierge model can often displace 1000-2000 patients. When I see another one of my colleagues changing to the concierge model, my office staff has to brace themselves for a deluge of phone calls of people needing a new family physician.

While I have some other concerns about SB420, which have been detailed by the Nevada State Medical Association and American Medical Association, the mandate for providers to take this insurance is my main opposition. I would love to see the public option created, so Nevadans have a newer, less expensive option for health care as this benefits the health of our community. I just don’t understand that while the public will have a new option in healthcare, many physicians in Nevada won’t have an option of whether or not to contract with this plan. I worry that many primary care physicians give up their Medicare, Medicaid, worker’s comp, or PEBP contracts and head to a concierge model to avoid this mandate.

Thank you for your consideration and your service to Nevada.

Sincerely,

Andrew Pasternak, MD, MS
Silver Sage Center for Family Medicine
SB420 Opposition Statement

The current rendition of this bill, tying everything to Medicare rates, will be a disaster for ER docs. Private insurance, which pays 2-3x those rates, is what makes the system function. This will disappear with this bill. ER docs are mandated by federal law to see everyone and also cannot balance bill any longer. The trifecta will be complete with this bill - effectively making ER docs government workers without any benefits. I will leave practice in this state. Specialists will not see these folks in their office at Medicare rates either, as they are not federally mandated to do so.

Sven Inda, MD
SB420 – Opposed  
May 4, 2021  
Karen Massey, MHA, FACMPE  
Legislative Liaison, Nevada Medical Group Management Association

Chairwoman Ratti and members of the committee; thank you for the opportunity to comment on SB 420. My name is Karen Massey and I serve as the volunteer Legislative Liaison for the Nevada Medical Group Management Association, representing medical practices throughout the state of Nevada. Professionally, I am the Executive Director for N. Nv. Emergency Physicians, a medical practice serving three ERs in Northern Nevada.

SB420 articulates the best hopes of our healthcare system but has some structural problems the make it likely to make matters worse as the result of unintended consequences.

- SB420 does not lower the cost of healthcare  
- SB420 does not increase competition  
- SB420 does not increase access

I want to focus on the business practicalities of this bill. The business practicalities are mundane but that IS what gives people in my profession the ability to deliver a framework that increases access and care for patients.

All of us agree that access to care is a fundamental goal that serves our communities and promotes wellness. More than that, access to care if fundamental to basic human dignity and a sense of security. An important feature of access is seeing patients at the most cost-effective level of care and to reduce overall healthcare expenditures. We all want to “bend the cost curve,” we all want to care for sick patients to create access, AND we and to do that we have to be sustainable.

There is nothing more heartbreaking to emergency physicians – and all medical professionals – then seeing a serious illness because someone deferred care. We share the same goal, but this bill is not the way.

- Administering another plan with separate contracts, eligibility requirements, processes will increase cost of administering care. This bill may mandate a change in premium, moving commercial rates to Medicare rates but that does not change the cost of providing the care.
  - It moves patients from commercial insurance to Medicare rates. It says “negotiate up” but why would an insurer do that? Picture the negotiation: the insurer says Medicare and the practice says, “give me rates that cover my costs or I will quit public, Medicaid, PEB, Workers’ Comp.”
  - Parity will take patients that were once commercially insured and move them to Medicare rates. Instead of commercial rates with a typical 15% differential in
reimbursement for physician and APRN care, now both will be the same at Medicare rates.

- This does not increase competition which is the real way to drive down cost.
  - While this is presented as another option for consumers, what happens behind the scenes is providers are forced to take this and see their commercial rates, some of the only rates above the cost of care, move to rates below the cost of care.
  - There is concern that in many instances, there is only one option on the ACA exchange. Why is that? Shouldn’t that be what we are trying to address so that there is competition there?

Alternatives

- You have heard the Kaiser Family Foundation statistics about 37% of uninsured being eligible for Medicaid and more than 20% of the uninsured are eligible for a subsidy on the exchange. If Medicaid is designed to serve the poor and the ACA exchange is designed for individuals and families seeking insurance - with subsidies to bridge the gap, then who is falling out with those scenarios? Why isn’t small business or their employees finding a robust option with the exchanges? The modest overall cost saving realized by this plan by paying healthcare providers less will not create plans that are affordable and reduce the uninsured population.

- In health delivery, we focus a lot on getting the patient to the right level of care: should we do the same here?
  - Focus on getting every person to the right insurance so access if available to all?
  - Focus on right level of benefits so those with coverage can get care with robust networks of providers and appropriate pharmacy support?
  - Focus on access and provider supply so that getting insurance means getting care in a timely fashion so that every person has access at the right level of care.

By studying the barriers to those eligible for Medicaid and ACA exchanges we can craft policy that promotes those options through:

- Expansion of Medicaid and ACA programs and/or their eligibility
  - Robust competition on the ACA exchanges as envisioned with create a competitive dynamic which will drive down cost without increased regulation or overhead
- Promotion of the work FQHCs do in our communities
- Increasing the supply of Advanced Practice Nurses, Physician Assistants and Physicians in our communities to naturally reduce the cost of care
- Fund Medicaid (and Medicare) and rates that reflect cost to promote access
Testimony (2 minutes):

Chairwoman Ratti and members of the committee; thank you for the opportunity to comment on SB 420. My name is Karen Massey M-A-S-S-E-Y with the Medical Group Management Association here in Nevada, representing medical practices throughout the State.

When I hear the objectives of this bill, I agree 100% with:

1. Moving Nevadans onto insurance, and
2. Reducing the price of premiums.

These are great goals but let me tell you why I don’t think this bill accomplishes either objective.

- Providers would be required to participate in the Public Option if they take Medicaid, PEB or Workers Comp, and
- Providers cannot generally accept Medicare rates because they are lower than cost. Right now, this is off-set by commercial rates. But if commercial rates move to Medicare rates – as envisioned by this bill - providers will have some hard choices to make about if they can participate with any of the plans that are now linked together.
- While the bill allows for negotiation up from Medicare, this is not really an option because why would an insurer pay more? The provider’s only real options are to take the rate or opt out.
- Adding more patients to an insurance plan does not necessarily increase capacity or access – a provider can’t expand services when they are operating at a loss, and you can’t operate at a loss for very long.
- The program can reduce premiums artificially for a short period of time, but with the dynamic described, who is going to deliver those services? The system becomes unsustainable.

So how do we achieve those laudable objectives?

Rather than adding to the expense of healthcare with another program to administer: another set of rules, eligibility, overhead for provider offices; I believe we focus on moving the uninsured to existing insurance by understanding the barriers that exist today and developing solutions to fit those problems.

What the Kaiser Family Foundation tells us about the uninsured today is that:

- 37% are Medicaid eligible
- 20% eligible for a subsidy on the exchange.

So how do we make those options more attractive and affordable to the uninsured?

This Public Option doesn’t fix this – it only moves patients from Commercial Insurance rates to a new program that pays below cost. That’s not the fix we need in a health system that is already stressed by the pandemic.

Thank you for your time, and I have submitted a more detailed version of my comments for the record.
May 11, 2021

RE: Testimony in **Opposition to Senate Bill 420** of the 2021 Nevada Legislature:

Members of the Senate Committee on Health and Human Services:

On behalf of Republicans in the great State of Nevada, I would like to communicate our strong opposition of Senate Bill 420.

In 2010 the Federal Government passed the Affordable Care Act (Obamacare), which did absolutely nothing to address healthcare costs. In fact, individual health insurance premiums in Nevada are 300-400% higher now than they were before the “Affordable” Care Act was passed. The government hid this price increase by spending over $1.7 trillion on increased Medicaid expenses and premium subsidies for many consumers. Many consumers who did not qualify for subsidies or Medicaid but could not afford the new higher premiums were forced to give up their healthcare and join the ranks of the uninsured.

Now in 2021, Democrats in the Legislature want to bring the failures of Obamacare to the Silver State. Enter SB420, sponsored by Democrat Senate Majority Leader Nicole Cannizzaro. This bill creates a government-run public option in the state of Nevada, which will cost Nevadans $77 million within the first two years, and nearly $200 million in the following two years. According to the legislature’s own fiscal notes, the ongoing costs will be tens of millions of dollars every year after that.

Like the Affordable Care Act, the vast majority of the expense in SB420 comes from expanding access to Medicaid, and the state is solely responsible to cover all of those expenses.

Government-run healthcare has created problems every time it has been implemented. Non-profit insurance cooperatives were part of the original Affordable Care Act, and every single one of them failed within a few years. Democrats in the Legislature know that this is a terrible bill that will financially cripple our state. Yet, they still are trying to rush through the same anti-free market and anti-consumer ideas that failed in 2010, and actually led to consumers losing their plans and being forced to join the ranks of the uninsured.

When the federal government needed $1.7 Trillion to pay for Obamacare, they simply cranked up the printing presses and borrowed money from our grandchildren. The state of Nevada cannot do that – if legislative Democrats want to waste hundreds of millions of dollars on ineffective and unnecessary programs, they need to get that money from Nevada taxpayers.

Nearly every healthcare provider, chamber of commerce, and insurance company in the state of Nevada is against this bill. It is time for Democrats to listen to health care experts and professionals, work on the root causes of high healthcare costs, and put an end to government-run healthcare.
Finally, we would respectfully request that the members under litigation for a Constitutional violation of the separation of powers clause (Article 3, Section 1, Nevada Constitution) for their concurrent employment with government agencies while being state legislators—recuse themselves until the litigation is settled or they have fully resolved their violation of the Nevada Constitution.

The powers of the Government of the State of Nevada shall be divided into three separate departments, the Legislature, the Executive and the Judicial; and no person charged with the exercise of powers properly belonging to one of these departments shall exercise any functions, appertaining to either of the others, except in the cases expressly directed or permitted in this constitution. Nevada Const. Art. 3, §1, ¶1.

For these reasons, the Nevada Republican Party strongly opposes SB420.

Sincerely,

Chairman Michael J. McDonald
May 10, 2021

Senate Committee on Health and Human Services
Legislative Building
401 S. Carson Street
Carson City, NV 89701

Dear Chair Ratti and Members of Senate Health and Human Services,

Tahoe Emergency Physicians is a small company of emergency physicians who provide emergency department care at a critical-access rural hospital in Western Nevada. As is true for emergency medical providers throughout the nation, we have stood steadfast in the face of personal danger to continue to provide critical emergency care throughout the Covid-19 pandemic.

Recently it has come to our attention that there is proposed legislation before the Nevada Senate (SB 420) that proports to expand access to health care for Nevadans. However there is a concerning provision in this bill that would permit commercial healthcare insurance companies to pay emergency medical physicians medicare rates for their services.

Starting on page 8, line number 12 of the SB 420 document, the proposed law states that payment for unscheduled emergency services must be “comparable to or better than medicare rates” for the same service. As you likely recall, we emergency physicians recently suffered a loss in reimbursement January 1st, 2020 when AB 469 went into effect and banned emergency physicians and hospitals from “balance billing” patients for medical care costs not covered by their health insurance. SB 420 would further harm emergency physicians by permitting health insurance companies to lower their reimbursement rates to “comparable to medicare”. Emergency providers are at a distinct disadvantage in negotiating rates with insurance companies because we are required by Federal EMTALA statutes to provide our services to all patients regardless of their insurance (or lack thereof).

Utilizing Medicare rates as a standard for determining fair payment for out of network providers is a fundamentally flawed approach because Medicare rates were never designed to represent the fair market value of healthcare services or to even cover provider costs. Additionally, Medicare rates fluctuate based on variables unrelated to the services provided, such as the federal budget.

A Medicare-based reimbursement scheme would destabilize the ED safety net and financially burden our most vulnerable hospitals, including our community and rural hospitals. Excellent emergency department care should be available in all communities, and many hospitals cannot afford to subsidize their emergency departments any further. Imposing Medicare rates would cause many hospital emergency departments to close, or cut back on the quality of care they can
offer their communities. Those most vulnerable are those serving the communities with the greatest need. There is potential that patients will find themselves hours from the nearest hospital or emergency department.

A non-profit 2016 Rand study concluded that many New Jersey hospitals would be at serious financial risk if reimbursement rates were set at 250% of Medicare, and that fully a third would be pushed into operating losses if rates were set at 90% of Medicare.

Highlighting the fundamental flaw of using Medicare as a standard, stand rates have not even kept pace with general inflation costs (see below table). Comparing Medicare payments to inflation (CPI-U), between the start of the RBRVS system in 1992 and 2016 Medicare payments have decreased by 53%. Had Medicare been used as an index for private payers in 1992 the healthcare system would have broken long ago.

Sincerely,

Kandra Yee, MD, FACEP
CEO/President of Tahoe Emergency Physicians

on behalf of my physician partners:

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