



May 4, 2021

The Honorable Nicole Cannizzaro
Senate Majority Leader
Nevada State Senate
401 S. Carson St.
Carson City, NV 89701

The Honorable Julia Ratti, Chair
Senate Committee on Health and Human Services
Nevada State Senate
401 S. Carson St.
Carson City, NV 89701

Re: Senate Bill 420

Dear Senator Cannizzaro;

As the health care delivery and infrastructure system in Nevada, the Nevada Hospital Association (NHA), the Nevada State Medical Society (NSMA), and the Nevada Association of Health Plans (NAHP) have provided significant care to Nevadans and worked in collaboration during this pandemic. We have worked to provide Nevadans no-cost COVID testing, delivered front line patient treatment and increased and preserved patient capacity in the most significant health crisis in the last 100 years.

While we have at times been on the opposite sides of public policy debates, together we have been united in our core mission to provide Nevadans with the very best health care and treatment.

Policy options to provide more coverage for all Nevadans are worthy of meaningful consideration.

However, we and our partners who represent Nevada based employers and businesses are united in opposition to Senate Bill 420 creating a Nevada “Public Option.” While the intention is well placed, the proposal contains significant flaws that will not meaningfully address Nevada’s uninsured population, will damage the health insurance market, and undercut Nevada’s Medicaid safety net. It does nothing to increase the number of providers in urban or rural Nevada, potentially making it more difficult for individuals to receive medical care and will ultimately result in an increase in premiums in urban areas.

Ultimately, at its core, SB420 does nothing different than Medicaid and the Health Exchange currently do, but add costs, increase burdens, and damage both the health insurance market and health care provider network. The public option provisions of the bill are neither a solution nor a benefit to Nevadans.

Compels the health care industry to do business on state-dictated terms. The bill mandates the Director of the Department of Health and Human Services, an agency that does not currently regulate health coverage, to establish a standard health insurance plan and then requires health plans operating in the state to offer that plan.

Further, the proposal requires health care providers to participate AND to accept government set reimbursement rates. While the bill ostensibly permits negotiation of rates, when all sides are compelled to participate and a rate is set, there is neither the leverage nor the ability to create an arm's length transaction. Health carriers will be forced to compete against their own commercial offerings at a mandated lower premium point. Health care providers will be forced to accept less than the cost of delivery as payment in full which could result in providers leaving Nevada.

Over the longer term, individuals in commercial plans may move to the Public Option and health care providers will drop Medicaid patients to avoid operating at a continued loss. This would result in fewer provider options for individuals in the Public Option plan.

Establishes a single, standardized health care plan with extensive network requirements for those products will limit the ability of to help reduce medical cost. Health care delivery looks different in Las Vegas than it does just 2 hours away in Panaca. This bill takes a one-size-fits-all approach to a product that requires customization. Further, benefit and network design are two factors that affect the cost of health insurance premiums. By limiting, a health plans ability to design plans that provides for healthcare services and contain cost is not a sustainable model for providing affordable healthcare coverage for Nevadans.

Nevada already has limited options for primary care, particularly when Nevada's Medicaid reimbursement rates are among the lowest in the nation – even before the reimbursements were cut an additional 6% by Assembly Bill 3 of the 31st Special Session.

There are real ways to improve access to and coverage for health care. As has been noted, 37% of uninsured Nevadans are Medicaid eligible, but not enrolled.

Instead of disrupting the marketplace that is already providing healthcare options on the Nevada Health Link, we should be focused on enrolling more Nevadans into Medicaid and into the existing individual products on the exchange. Expanding eligibility and increasing provider reimbursement rates will add more covered lives and incentivize the expansion of health care.

Establishment of a separate risk pool for high-risk patients will also add more options for coverage and treatment.

Furthermore, the recently passed American Rescue Plan Act significantly expanded subsidies to increase access to and affordability of health insurance. The enhanced subsidies (now for households above the 400% of the federal poverty line) for exchange plans are likely to continue and should be allowed to work in the marketplace.

Nevada's hospitals, doctors, and health plans have a longstanding commitment to improving health care affordability and accessibility. We have been collaborative partners with the State for years. We are committed to real solutions that can achieve those goals.

As we have been, we are always a partner to you and Nevada, in health care. We share your goal for more coverage and health care options and look forward to working together to provide a Nevada based, Nevada centered solution.

Henderson Chamber of Commerce
Latin Chamber of Commerce
Las Vegas Chamber of Commerce
Nevada Association of Health Plans

Nevada Hospital Association
Nevada State Medical Association
Reno + Sparks Chamber of Commerce