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15 **FIRST JUDICIAL DISTRICT COURT OF NEVADA**  
16 **IN AND FOR CARSON CITY**

17 NATIONAL TAXPAYERS UNION, a non-  
18 profit organization, and ROBIN L. TITUS,  
19 MD,

20 Plaintiffs,

21 v.

22 THE STATE OF NEVADA, ex, rel., JOSEPH  
23 LOMBARDO, in his official capacity as  
24 Governor of the State of Nevada; ZACH  
25 CONINE, in his official capacity as Nevada  
1 State Treasurer; RICHARD WHITLEY, in his  
2 official capacity as Director of the Nevada  
3 Department of Health and Human Services;  
4 SCOTT J. KIPPER, in his official capacity as  
5 the Nevada Commissioner of Insurance; and  
6 RUSSELL COOK, in his official capacity as  
7 Executive Director of the Silver State Health  
8 Insurance Exchange,

9 Defendants.

10 Case No. 2020cv00022

11 Dept. No. 4

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24 CLERK'S OFFICE  
25 DEPT. 4

26 **PLAINTIFFS' APPENDIX TO MOTION FOR PRELIMINARY INJUNCTION**

27 **Volume 8 of 18**

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E	January 1, 2024 Nevada Department of Health and Human Services submission of application for Section 1332 State Innovation Waiver (part 4)	498-552

35340515\_v1

**HOLLAND & HART LLP  
5470 KIEZKE LANE, SUITE 100  
RENO, NV 89511**



pay parity and scope for APRNs and tearing down barriers that prevent healthcare providers from moving to and practicing in Nevada.

These are important reforms and we encourage the state and CMS to look at comprehensive reforms and best practices that Nevada can engage in, along with the funding that will be provided through approval of the 1332 waiver, to truly rebuild and expand Nevada's network of healthcare providers. We need a healthcare infrastructure that can actually meet the needs of Nevada families and the 1332 waiver application provisions focused on workforce development are essential - we are strongly in support of them and thankful for their inclusion.

Finally, we wanted to point out and applaud the outcome based payment reforms included in SB420 and the 1332 waiver application. For far too long, Nevadans have been suffering under a healthcare system that is among the most expensive in the country with some of the worst healthcare outcomes. It is indeed the inverse of the type of healthcare system you actually want; instead of low cost, high quality we suffer from high cost, low quality.

By modernizing Nevada's payment system so that we incentivize healthcare providers to focus on patients outcomes, Nevada can drastically and practically address this issue. We can deliver in the individual market some of the same reforms that we are seeing in the Medicare and Medicaid market. Over the long-term, these incentive based payment solutions can finally change our healthcare system that has been focused on maximizing profits for insurers while demonstrating indifference to patient care and patient outcomes.

We want to remind everyone, including current providers that all MCOs offer exchange plans already and have been required to for years. We encourage DHHS and Medicaid to continue to explore additional administrative actions and reforms that can realign Nevada's healthcare system to the benefit of consumers and Nevada families and not simply deliver an additional point or two in profit margins to some of the largest healthcare corporations in the world.

Maite Guerra  
Latino Anti-Disinformation Manager for BBP/IPN

### Public Option Comment

My name is Maite Guerra and I am the Anti-Disinformation manager at Battle Born Progress/Institute for a Progressive Nevada.

I am here to discuss how for decades wealthy insurance companies have raised health insurance rates and profited at the expense of hard-working Nevadans. We see many hardworking Nevadans unable to afford quality insurance that effectively covers their medical needs. For that reason, I am here on behalf of the organization to show support for the public option because it will increase insurance options for Nevadans who continue to struggle with affordable healthcare despite medical concerns for themselves and their families.

Currently, 11.6 percent of Nevada residents lack coverage from either public or private insurance, placing the state among the bottom ten in terms of health insurance inclusion. Public option aims to offer a cost-effective alternative for individuals ineligible for public insurance such as Medicare or Medicare, for those without employer-provided insurance, or those who are self-employed.

The effectiveness of Nevada's Public Option Insurance lies in its exemplary governance, as it places the needs of community members at the forefront. By offering a choice for Nevadans to obtain affordable healthcare, it grants them greater autonomy to make decisions that enhance the quality of Nevadans lives.

December 5, 2023

Nevada Department of Health and Human Services  
Division of Health Care Financing and Policy  
1210 S. Valley View Boulevard  
Las Vegas, NV 89102

Dear Sirs,

The Nevada State Education Association has been the voice of Nevada educators for over 120 years.

**NSEA supports the creation of Battle Born Health Plans to ensure high-quality, affordable healthcare options for Nevadans.**

Like public education and other vital services, Nevada ranks near the bottom of states in investment in healthcare. In addition to underinvestment, health disparities continue to run deep in our healthcare system. Nevada's low-income communities face fewer options and higher prices, and there is a significant health disparity in Nevada's communities of color.

In Nevada's rural communities, there are even fewer health insurance options and higher prices. Outside of Clark and Washoe there is typically just one plan on the health exchange, or none at all. This has left rural Nevadans with less choice and higher costs. In order to access basic healthcare in rural areas, many Nevadans have to travel for hours. In some emergency situations, air transport is required at a very high cost.

Due to WEP/GPO, many retired Nevada teachers may not qualify for Medicare and rely on private insurance plans. Some insurance carriers have been known to push older people into sub-standard insurance programs, with high deductible and high co-pay programs.

This new healthcare option will ensure that Nevadans always have equal access to affordable, quality coverage -- especially if they lose their job and insurance or do not have Medicare eligibility. Moreover, it will cut health care costs for everyone in the state by driving competition into the market and forcing insurance companies to compete with the new option for Nevadans' business.

In Solidarity,



Dawn Etcheverry, President

Thank you for the opportunity to testify on this important subject, for the record my name is Steven J Horner I am the President of Nevada State Education Association-Retired and I live in SD 11 and AD8.

So many public employees have worked 30 years or more but because we are a Windfall Elimination Provision/Government Pension Offset (WEP/GPO) state they have discovered that they are not eligible for Medicare. This public option is a way for our dedicated teachers, support professionals, and administrators to have affordable health insurance.

Drug prices and health costs are skyrocketing. Without affordable health insurance many of the teachers and support professionals I work with cannot afford to retire with dignity. That is a blight on our state. Working until a person is eighty or eighty-five simply because they cannot afford to go onto the open market for health insurance should end with this fully funded affordable public option.

This doesn't affect just public-school employees but all public employees that have dedicated their lives to serving the people of Nevada. Full funding is so important to those that sacrificed to serve. Please make sure this is properly and fully funded.

Support Letter for Nevada's Public Option  
Fiorina Chau

My name is Fiorina and I am a first generation Asian American. Last year marked a profound loss in our family as my grandmother experienced a stroke. Hearing the news was devastating, especially since every sporadic movement gave us hope that she would recover from her coma. A decision awaited us – the agonizing choice between clinging to the possibility of her recovery through continued hospitalization, surgeries, and medications, all of which incurred substantial costs, or making the painful decision to let her go. Gratefully, our family, along with our extended relatives, unanimously pooled our resources, allowing my grandmother to persist in her fight. It's a decision that, I believe, resonates with countless families facing similar heart-wrenching choices.

Nevertheless, I can't help but wonder: What if we hadn't had that support? Unfortunately, many are forced to abandon the fight due to the unattainability of affordable health insurance. The prospect that the well-being of our loved ones, and even ourselves, hinges on financial resources is a stark reality. A public option could redefine this narrative, offering families a genuine choice.

Even when it doesn't come down to life or death, lack of affordable healthcare affects many Nevadans in their everyday lives. For instance, due to financial constraints, my friend had to opt for a less effective medication than the one prescribed. They rely on this medication everyday to complete daily tasks. Having access to more affordable high quality healthcare would improve his quality of life. This struggle is shared by 76% of API and Native Nevadans grappling with escalating health insurance concerns.

The implementation of a public option policy in Nevada could be transformative for its residents. It has the potential to instigate a more competitive healthcare market, thereby driving down costs for alternative insurance options. Moreover, affordable healthcare could be a game-changer, granting Nevadans access to necessary medications and procedures without the suffocating weight of financial burdens. For many, it could mean the difference between life and death.

November 30, 2023

DHHS  
400 West King Street, Suite 300  
Carson City, Nevada 89703

RE: Nevada Draft Section 1332 State Innovation Waiver Application Public Notice

Thank you to the Nevada Department of Health and Human Services (DHHS) and the Nevada Division of Health Care Financing and Policy for the opportunity to provide comments on Nevada's section 1332 State Innovation Waiver application.

My name is Brenda Rodriguez and in 2020 I was pregnant with my first child and uninsured. During this time like most, I was struggling and wasn't sure how I would be paying for doctor appointments and the hospital bill once I delivered my son. Due to the fact that I was on DACA, I was able to only qualify to receive emergency Medicaid which helped only pay for the delivery of my son. Although I would not qualify for the Public Option due to my immigration status many others will have the opportunity to access affordable coverage in Nevada.

Despite being one the most expensive states in the nation for healthcare costs we have some of the worst healthcare outcomes. [Two-thirds of Nevadans](#) have struggled to afford healthcare and "65% of respondents who reported health care affordability burdens in the prior 12 months included people foregoing health insurance because it was too expensive, delaying visits for medical needs including dental care, mental health care or addiction treatment, and struggling to pay medical bills." Despite the high costs, even Nevadans that have coverage struggle to get care - with Nevada [ranked](#) as the worst state to get primary care providers.

Now, with the Public Option, Nevada is leveraging taxpayer dollars to bring affordability and competition into Nevada. Because of the Public Option, 90,000 Nevadans will see more affordable health insurance options, cutting the uninsured rate amongst those eligible for individual health coverage by 12% and saving Nevadans more than \$500 million. For those without access to coverage, this new affordable coverage option will be a lifeline that will save people money and allow them to more easily plan and budget for their family's needs.

On top of this, because of the \$500 million in savings, Nevada will be able to recapture these dollars with this 1332 waiver to invest in marketplace stability, workforce development and payment optimization. Three things Nevada's broken healthcare market desperately needs.

With the approval of this waiver, Nevada will have the resources to deploy to address these problems.

Thank you for the opportunity to provide my insight and experience with Nevada's healthcare market and how the Nevada Public Option and the 1332 waiver will help fix our broken healthcare system.

Please approve this waiver and give Nevadans some hope.

Sincerely,

Brenda Rodriguez  
brendarodriguez17@gmail.com

**From:** z.har  
**To:** [DHCFP 1332waiverprogram](#)  
**Subject:** Health Insurance Public Option  
**Date:** Tuesday, November 28, 2023 6:48:51 PM

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**WARNING** - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

I am in favor of Nevada exploring the option of a public health insurance.

Thank you,  
Kelly Larson

**From:** [Michelle Krieg](#)  
**To:** [DHCFP 1332waiverprogram](#)  
**Subject:** Public Comment  
**Date:** Monday, November 27, 2023 4:43:15 PM

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**WARNING** - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hello,

My name is Michelle Krieg and I'm a Reno, Nevada resident. In January of this year I was diagnosed with an early stage of cervical cancer, and had to undergo a number of procedures and tests before needing a hysterectomy. At the time I was on a high deductible plan through my husband's work, but a month before the hysterectomy the company he worked for for over 10 years, laid him off and closed their business. We then had to go through cobra for our insurance. On one hand, we are grateful for the cobra option, but on the other, it meant that our premium now doubled in cost at a time when we were already mentally and financially stressed because of the health condition I was dealing with, and my husband being laid off. We managed to get through the next few months, I had the surgery and my husband got a new job, but we are still paying medical bills from my surgery.

My husband's new job hires workers as independent contractors and since I'm already a sole proprietor, we had to go to healthlink for insurance. Yet again we were faced with an array of high deductible plans. Currently, our so-called affordable plan costs us \$9,000 in annual premiums, and is followed by a \$17,000 family deductible, for a total of \$26,000 a year of out of pocket costs before any healthcare services are covered by our insurance. This means, we do not go to the doctor or seek medical care unless absolutely necessary. These high deductible plans do not actually provide healthcare, they provide catastrophic insurance. \$26,000 every year! This is not affordable healthcare, this is not quality and this is not sustainable for working class families. There must be another way.

- Kindly,  
Michelle Krieg

**From:** [Megan Lewis](#)  
**To:** [DHCFP 1332waiverprogram](#)  
**Subject:** Public Option LTE: Carlos Perez Campbell 12/05  
**Date:** Wednesday, December 6, 2023 2:21:53 PM

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**WARNING** - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Nevada Department of Health and Human Services  
400 West King Street, Suite 300  
Carson City, Nevada 89703

RE: Reno Family Healthcare Costs

Nevadans have long deserved affordable options for healthcare. As a head of household, insuring my family of three cost me \$448 a month. My employer contributes a large portion on top of the amount that I put in. Yet, we typically only have maintenance healthcare and dental work done. While the monthly amount of healthcare is a cost that we are used to being taken out of our paychecks, the question must be asked if there is a better path forward. In Nevada, the democratic controlled legislature has crafted a better path forward through a Public Option.

The public option would allow people to opt into a state operated insurance program that will compete with other health insurance providers in the state. This is significant for a few reasons, mainly that through the public option, prices to insure yourself and your family goes down and it will create an insurance plan that will be vastly more affordable for people to obtain. The public option is not only sound policy, but it is a tool which will insure 90,000 Nevadans within 5 years of its implementation thanks to its more affordable price. In addition, it will give the government the greater ability to negotiate prescription drug prices downward which in our time of major inflation would provide real economic relief for families, especially sectors of our state that are most vulnerable.

Many in our community rightfully may see this and misunderstand it as a government grab into healthcare choice and lament the thought of the government forcing people to get healthcare through their scheme. Our Governor, Joe lambardo, appears to be on that side of the issue. However, I strongly urge Nevadans to see the facts and the benefits of having a public option.

Firstly, competition has always proven to improve the quality of services in all industries. With the entry of a state backed insurance plan, the traditional insurance companies will be forced to compete for Nevadans. They will have to lower costs and improve their services in order to entice us for our business! A public option to you would above all else give you an OPTION. In addition, uninsured individuals will have a health care plan that is in reach. This opportunity will provide Nevadans with an alternative to our current system which is overwhelming Nevadans. It is important that we strengthen the Public option, expand it and preserve it.

I support Nevada's creation of a Public Option that meets the same standards and offers the same essential benefits as private plans offered in the individual market. For those without access to coverage, this new affordable coverage option will be a lifeline that will save people money and allow them to more easily plan and budget for their family's needs.

**Thank you for the opportunity to provide comments on the section 1332 waiver application in support of Nevada's Public Option.**

Sincerely,

Carlos Perez Campbell  
(775) 750-0232

Megan Lewis  
For Our Future Nevada  
NNV Organizing Manager  
She/Hers  
(775) 685-0544

**From:** [Madisen McGrath](#)  
**To:** [DHCFP 1332waiverprogram](#)  
**Subject:** RE: Nevada Draft Section 1332 State Innovation Waiver Application Public Notice  
**Date:** Wednesday, December 6, 2023 2:22:27 PM

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**WARNING** - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

December 5, 2023

Nevada Department of Health and Human Services  
400 West King Street, Suite 300  
Carson City, Nevada 89703

RE: Nevada Draft Section 1332 State Innovation Waiver Application Public Notice

Thank you to the Nevada Department of Health and Human Services (DHHS) and the Nevada Division of Health Care Financing and Policy for the opportunity to provide comments on Nevada's section 1332 State Innovation Waiver application.

Even with expanded access to public and private health insurance coverage during the pandemic, Nevada suffers the highest uninsured rate of any state that has expanded Medicaid. Nearly half of uninsured Nevadans report the major reason they are uninsured is due to coverage being "too expensive". For those who are able to access health insurance, individual marketplace premiums have continued to rise. As a result, many Nevadans, like myself, go without care or are forced to make difficult choices between necessities like food, rent and getting the care we need.

I am Ms. McGrath, an educator who has proudly served our school district for over two decades. I've always seen teaching as my calling and my students as my second family. I enjoyed the work, but eventually realized it was time to retire. I had been on the district's health insurance plan for decades, and now I was alone in the individual markets before I qualify for Medicare in 6 months. However, after researching the marketplace I realized that my health insurance would be \$800/month. I was shocked. In order to pay for this new, expensive bill, I had to return to substitute teaching to pay for my health insurance.

My story is not unique, and it speaks to a larger issue: the sky-high cost of healthcare in our country. It's a problem that calls for immediate reform. Educators like me, who have devoted their lives to shaping young minds, shouldn't have to make such painful choices between health and livelihood.

Nevadans, and all Americans, deserve an affordable and accessible healthcare system. It's time for our leaders to consider a public option that provides lower health costs for all. Let's ensure that educators and countless others can retire without the weight of financial stress, and that healthcare becomes a right, not a privilege.

I support Nevada's creation of a Public Option that meets the same standards and offers the same essential benefits as private plans offered in the individual market. For those without access to coverage, this new affordable coverage option will be a lifeline that will save people money and allow them to more easily plan and budget for their family's needs.

Thank you for the opportunity to provide comments on the section 1332 waiver application in support of Nevada's Public Option.

Sincerely,

Julie McGrath  
(775) 815-9187  
[jmcgrath@washoeschools.net](mailto:jmcgrath@washoeschools.net)



December 8, 2023

Stacie Weeks, JD, MPH, Administrator  
Nevada Division of Health Care Financing and Policy  
1100 E. William Street, Suite 101  
Carson City, NV 89701

Dear Ms. Weeks:

The Nevada Association of Health Plans (NvAHP) appreciates the opportunity to provide comments on the recently released 1332 Waiver Application and Actuarial Analysis of the Nevada Market Stabilization Program (NMSP) that includes the operation of a Public Option (PO) health insurance offering on the Silver State Exchange, as required by statute.

The NvAHP is a statewide trade association representing ten member companies who provide commercial health insurance and government programs to Nevadans. Our mission is to ensure the growth and development of a high-quality and affordable health care delivery system throughout the state.

The NvAHP has collaborated with the State of Nevada (State) throughout the multi-year process since the passage of SB420 in 2021. We have submitted eight letters beginning with the public design phase through stakeholder engagement and waiver design. We appreciate Governor Lombardo's efforts to collaborate with us and we support him in the effort to focus on market stabilization with the waiver application and understand there are limitations because of the language in SB420. However, our coalition continues to have serious concerns and questions about portions of the program structure. We respectfully provide key suggestions for the state's consideration as it moves forward with the 1332 Waiver Application and implementation of the PO that we believe will improve the market stabilization proposal while not risking instability in the Medicaid procurement process.

#### 1332 Waiver Application

#### **Medicaid Managed Care RFP Process**

- Section 12(1) of SB420 outlines that the competitive bidding process for the PO must coincide with the statewide procurement process for the Medicaid managed care program. However, the State's waiver application dictates that it will issue a joint statewide Public Option and Medicaid procurement process, where bidding carriers will be scored based on whether they offer good faith bids for both: (1) a Medicaid Managed Care contract and (2) a Public Option contract.
- We are concerned with tying the scoring process of the MCO Request for Proposal (RFP) submission for Medicaid to the approval of a PO plan. Bidders know the statute requires a good

faith offer of a PO plan by any insurer who may win the contract but beyond that, the statute does not tie the two programs together to the extent proposed in the waiver application. Tying submission of a PO plan to the bidding process for management of Medicaid, in August of 2024 when the RFP is issued, is likely to result in less competition in the bid process since plans may not have the ability to propose a PO plan that will not hit the Exchange market until 2026.

- Since the PO process is new and untested in Nevada, and as we have seen in other states, tying these two elements so closely together creates a serious risk of destabilizing the Medicaid program as a whole if the PO is not successful. If for any myriad of reasons, the PO does not perform as expected and benchmarks are not able to be met, it could put the Medicaid MCO contracts in jeopardy if those benchmarks are part of the RFP.

Our members are concerned with the adverse impact these requirements may have on the Medicaid program and the Nevadans that managed care organizations serve. The concept that Medicaid bid proposals may be rejected based solely on the bid proposals for what is a distinct and entirely separate program that will not serve Medicaid members seems unduly punitive.

We strongly urge the State to reconsider the actuarial certification requirement and the automatic ineligibility for participation in the Medicaid program to ensure that the Medicaid managed care program does not falter - especially as managed care expands statewide for the first time.

#### **Administrative Cost Constraints to Meet Premium Reduction Targets**

We do not believe there is a need to implement an administrative cost constraint that is stricter than the prevailing individual market Qualified Health Plan (QHP) administrative expense load Medical Loss Ratio (MLR). And our members do not see any lever in the PO that would reduce administrative expenses for insurers or address the rise in health care costs.

- The Affordable Care Act (ACA) MLR provision already requires commercial health insurance providers to spend a certain percentage of premiums on medical care and limits the portion of premium dollars that can be spent on administration, marketing, and risk margin. As a result, administrative costs are already capped as a percentage of premium with or without the PO. Any additional constraints would be duplicative of the existing ACA requirements.
- As the individual ACA market matured and stabilized over the past nine years, carriers have aggressively priced their offerings to compete, almost eliminating required MLR rebates. Carriers have streamlined their administrative expenses to lower overall pricing and capture more membership, ensuring a sustainable risk pool.
- The framework presumes that issuers have excessive administrative costs that can be cut. Nevada is a competitive insurance market and the costs to administer and offer a PO plan would be no different than a non-public option plan. It is possible that administrative costs for the PO could increase depending on the requirements associated with the plan offering if there are unique network requirements or unique benefit design requirements that are not provided in non-PO plans.
- We are concerned that the PO has no mechanism to reduce administrative costs and that any reductions in insurer's required risk margins pose a significant threat to issuer competition and consumer choice in the Nevada market.

- Insurer administrative costs are spent on programs that benefit consumers vis-à-vis cost containment and quality improvement. This includes:
  - **Cost Containment:** Prevention of fraud, waste, and abuse by doctors and patients. Answering questions from doctors and hospitals, helping providers with best practices, and ensuring proper credentialing for quality care. Programs to better manage chronic conditions and coordinate care between doctors to ensure that the right treatment is provided to the right patient at the right time.
  - **Quality Improvement:** Preventive care programs to keep consumers healthy, like weight management plans or helping people to quit smoking. Patient education and follow-up calls by health plan staff to members discharged from a hospital and services to improve health in communities, like sponsoring local health fairs and providing free disease screenings and other educational events.
  - **Administrative:** General and administrative costs to run the business, including salaries, outsourced services, equipment, accreditation and certification fees, rent, legal fees and expenses, advertising, postage, utilities, to name a few.
  - **Premium Tax:** Nevada's highest premium tax.

We suggest not setting reduction targets of administrative costs beyond what current Silver State Exchange (Exchange) plans have. The intention of the State to require reductions in administrative costs beyond what has been found appropriate by the Division of Insurance (DOI) for Exchange plans is also not directed by the statute and will create yet another factor which could reduce the ability of insurers to meet the goals of the statute.

### **Premium Reductions**

The NvAHP does not see a path for premium reductions, and we would like more details from the State on where cuts can be made in order to reach the premium reductions. We understand that they are dictated by statute, but a premium is still required to be actuarially sound.

Outside of Nevada's two most populous counties, Critical Access Hospitals ensure that Nevadans can receive medical care when needed. These hospitals are reimbursed at much higher rates than the 100% of Medicare hospitals in Clark and Washoe counties receive. CMS has designated these locations to receive higher reimbursement rates so that they may continue to operate on lower patient counts than their counterparts. The public option premium reductions may cause reimbursement reductions that could negatively impact our rural care sites and the members that utilize them for care.

- Premium reductions through lower physician or hospital rates are unrealistic.
  - Physicians on average are already at least 100 percent of Medicare.
  - Prescription drug affordability is not addressed.

### **Market Stabilization Reinsurance Program**

A successful reinsurance program cannot rely on an unproven public option to generate federal pass-through funding for its portion which places significant risks and unknowns on carriers. If the State wants a reinsurance program, we strongly recommend an alternative financing mechanism for the State portion outside of an unproven and unrealistic public option.

- Presents significant risks and unknowns to the market.
  - “If a carrier cannot meet the target set forth in its contractual agreement with DHHS, the Director may utilize a corrective action plan (if deemed a viable option for the carrier, in order to allow the carrier to make up some of the reduction in future years) and any other penalties set forth in such agreement, including a financial penalty that is worth all or some of the value of the federal pass-through funding that the State would have otherwise received if the carrier had met their agreed-upon premium reduction target(s).” (pg. 18 of waiver application)
  - If federal funding is insufficient for the reinsurance program in any given year, the state will adjust the reinsurance program attachment point and coinsurance. “In turn, this also shifts more of the burden back on carriers in meeting the statutorily required premium reduction target of 15 percent over the first four years of the waiver period. The State’s contracts with carriers for the BBSPs would therefore include two sets of agreed-upon certified rates for achieving the premium reduction target—with and without reinsurance—to ensure the mandatory four-year statutory target can be achieved.” (pg. 14 of waiver application). Are we including this as is or is this meant to be a starting point?
- Transparency is vital in how pass-through funding will be calculated.

The tiered structure of the reinsurance program will make the premium reduction targets in rating area 1 that much harder to meet.

- Per the state’s actuarial report, reinsurance will reduce premiums by 7.2% on average across the entire state.
- Individual market state-based reinsurance program parameters. \$60K attachment point with \$1M cap per member. Coinsurance b/w attachment point and cap varies by rating area. Coinsurance:
  - Rating area 1: 20%
  - Rating area 2: 35%
  - Rating areas 3 & 4: 70%
- By the state’s design, reinsurance will have a much lower impact on premiums than 7.2% in rating areas 1 and 2. Will the state look to the public option to have an even greater impact on premiums than 7.8% in rating areas 1 and 2?
- A recent study indicates providers in rating area 1 are already at 100% of Medicare. Hospitals are very close. There is almost no way to hit the premium reduction target and even less so with the least generous reinsurance parameters in rating area 1.

### Implementation of SB420

As noted in our previous public comment letters, we continue to believe that the PO as outlined in SB420 is problematic and will not result in any meaningful increase in insurance coverage to Nevadans. There is also concern that the PO may not generate the projected savings and is likely to realize negative results including a reduction in provider participation of government-sponsored plans.

We are also concerned with the points below.

- ***Public Option Experiences in other States*** – Plans in other states have not been able to meet the premium reduction goals and/or provider reimbursement reduction goals. These states have

focused on attempting to reduce hospital/facility and provider costs without addressing the overall cost of health care, such as the cost of pharmaceuticals.

- ***Unlimited enrollment eligibility*** – Without eligibility being defined, enrollment could hurt the existing individual and small group market if businesses are discouraged from providing coverage through the small group market. We are concerned that the state may unintentionally destabilize the existing individual and small group health insurance markets in Nevada.

Our coalition members will continue to review the 1332 Waiver Application and may provide additional comments prior to December 20, 2023.

We look forward to working with the State as it continues to move forward with the implementation of the Market Stabilization Program and Public Option.

Thank you.

Helen Foley  
Legislative Advocate  
Nevada Association of Health Plans  
702-234-6500



December 13, 2023

Nevada Department of Health and Human Services  
Division of Health Care Financing and Policy  
1100 East William Street, Suite 101  
Carson City, NV 89701

RE: Nevada Draft Section 1332 State Innovation Waiver Application [Public Notice](#)

Thank you to the Nevada Division of Health Care Financing and Policy for the opportunity to provide comments on Nevada's section 1332 State Innovation Waiver application to create the Nevada Coverage and Market Stabilization Program.

The Committee to Protect Health Care is a mobilization of doctors committed to expanding access to affordable health care. **We support the framework proposed by the Division of Health Care Financing and Policy (“the Division”) to create a public health insurance option in Nevada.** We believe this proposal is a strong foundation to increase health coverage options for Nevadans while building upon existing state efforts to promote health care affordability. We are excited to see the continued efforts to ensure access to affordable health insurance coverage through the creation of Battle Born State Plans and appreciate the opportunity to share our perspective on the design of the state's federal 1332 waiver.

#### *Current Coverage and Affordability Landscape in Nevada*

Even with expanded access to public and private health insurance coverage during the pandemic, Nevada suffers the [highest uninsured rate](#) of any state that has expanded Medicaid. More than 340,000 (11%) Nevadans are uninsured, with Hispanic (20%) and American Indian/Alaskan Native (21%) populations being disproportionately impacted. [Nearly half](#) of uninsured Nevadans report the major reason they are uninsured is due to coverage being “too expensive.” For those who are able to access health insurance, individual marketplace premiums have continued to [rise](#). Many insured Nevadans [report](#) experiencing health care affordability burdens, while even more worry about affording health care costs both now and in the future. Due to this, [more than half](#) of Nevadans reported delaying or going without health care due to cost in 2022.

#### *Increasing Affordability for Nevadans*

We are supportive of the state taking a unique approach to strengthen the long term sustainability of the market in Nevada by leveraging the savings created by the Public Option for three new initiatives – a state-based reinsurance program, quality incentive payment program tied to improved outcomes for participating carriers and providers and the “Practice in Nevada” provider incentive program. Nevada's Coverage and Market Stabilization Program aims to lower the cost of health insurance for more than [100,000](#) Nevadans on the individual market, while bringing up to \$310 million in federal passthrough funding into the state in the first five years.

One of the overarching goals of the Public Option was to reduce the cost of health coverage and the number of Nevada residents forced to go without health insurance because they can't afford it. With the Public Option and reinsurance working together, individual marketplace premiums will fall 15% over four years. For those without access to coverage, this premium reduction will be a lifeline that will save people money and allow them to more easily plan and budget for their family's needs.

**To further lower out-of-pocket costs for Nevada residents, the state should consider leveraging any additional funding available to provide direct subsidies and financial support to people** eligible for premium tax credits to offset premium and out-of-pocket costs, which can be targeted by income, age, geography or other factors the state decides. Several other states have implemented a state-based Marketplace subsidy, with New Jersey and Colorado successfully combining premium subsidies with their reinsurance programs. Direct to consumer subsidies are known to expand coverage, support the market risk pool and reduce premiums for enrollees.

#### *Maintaining Access to Care for People*

Reimbursement for providers who participate in one of Nevada's public option plans are expected to meet or exceed Medicare rates, with special attention paid to critical safety net providers, including critical access hospitals, federally qualified health centers, and rural health clinics, to ensure access to these essential providers. Furthermore, the quality incentive payment targets through the Marketplace Stabilization Program's "waterfall" approach will incentivize better care delivery that prioritizes positive health care outcomes and shifts away from costly fee-for-service. Carriers will have the option to leverage several incentive models, such as offering providers valued-based payment bonuses tied to quality metrics, setting primary care spending targets or engaging in efforts to increase health care workforce capacity. These programs are proven to improve health outcomes for people, all while providing financial certainty for providers and ensuring Nevadans maintain access to robust provider networks and health plan choices.

#### *Addressing the Provider Shortage in Nevada*

Nevadan's health coverage issues are exacerbated by the state not having enough physicians to meet Nevadan's growing health needs. Every county in Nevada is experiencing a shortage of medical professionals, and in 2021, Nevada was ranked 48th in the nation with regard to the availability of primary care physicians per 100,000 residents, leading to long wait times for primary and specialty care. Drawing doctors to complete their graduate medical education in Nevada has become more difficult as the state's population has increased but graduate residency spots have not. Thus, many of Nevada's 300 medical school graduates complete their residency elsewhere, never returning to practice in Nevada.

To ensure that the quality incentive payment and "Practice in Nevada" programs are effective in addressing the state's unique health care challenges, **the state should create funding benchmarks for these programs that define "sufficient funding"**. This can be done by allocating percentages of how much federal pass through funding will be dedicated to the carrier and provider quality incentive programs once reinsurance is "fully funded" to ensure they

receive the necessary funding to be impactful for patients. For example, the affordability programs funded, in part, through the Colorado 1332 waiver, limits funding for reinsurance at 73% of pass through funds or approximately \$90 million, ensuring \$18 million of the leftover passthrough funding is allocated for state subsidies and 10% is allocated for payments to carriers. Applying these funding requirements not only ensures that patients will receive the maximum benefits of this program – instead of carriers themselves – but because of the percentage allocations tied to the dollar amounts (i.e. "73% of remaining funds"), allows the program to ebb and flow as the total waiver funds change from year to year.

*Program Improvement*

In addition to the policy recommendations made above, it is critical that the Division has the tools and data to successfully implement the waiver and oversee Battle Born State Plans as intended. The Division should use regulatory authority where needed to create mechanisms to measure the success of the proposed programs in stabilizing Nevada's market and reducing costs and provide data informed recommendations as needed to improve program effectiveness.

Thank you for the opportunity to provide comments on the section 1332 waiver application in support of Nevada's Coverage and Market Stabilization Program. If you have any questions or are interested in further discussion of our comments on the proposed 1332 waiver application, please do not hesitate to reach out to Jodi Helsel at [jodi@committeetoprotect.org](mailto:jodi@committeetoprotect.org).

Sincerely,

Dr. Rob Davidson

Executive Director

Committee to Protect Health Care

Dr. Harpreet Tsui

Nevada Lead

Committee to Protect Health Care

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**[EXTERNAL] Please do not reply, click links, or open attachments unless you recognize the source of this message and know the content is safe.**

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**From:** Jonkey, Ashley <ashley.jonkey@elevancehealth.com>  
**Sent:** Wednesday, December 13, 2023 10:12 AM  
**To:** Stacie Weeks <sweeks@dhcfp.nv.gov>  
**Subject:** Feedback - Reinsurance

**WARNING** - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Administrator Weeks – Elevance Health (Anthem BCBS) provides the below feedback regarding reinsurance parameters. Additionally, we provided additional comments through our trade association on the 1332 waiver via a letter that was submitted on 12/8/23 to the Division.

Should you have any questions, please let me know.

**Reinsurance Issues/Questions/Comments:**

- The tiered structure of the reinsurance program will make the premium reduction targets in rating area 1 that much harder to meet.
- Per the state's actuarial report, reinsurance will reduce premium by 7.2% on average across the entire state.
- Individual market state-based reinsurance program parameters. \$60K attachment point with \$1M cap per member. Coinsurance b/w attachment point and cap varies by rating area.  
Coinsurance:
  - Rating area 1: 20%
  - Rating area 2: 35%
  - Rating areas 3 & 4: 70%
- By the state's design, reinsurance will have a much lower impact on premiums than 7.2%. in rating areas 1 and 2. Will the state look to the public option to have an even greater impact on premiums than 7.8% in rating areas 1 and 2?

As you know, we do not believe the public option premium reduction requirements are realistic with or

without reinsurance. This is even more acute in ratings area 1 and 2 where the less generous reinsurance parameters will have a lesser impact on premiums and providers are at or generally near the 100% of Medicare aggregate reimbursement levels already, per the floor in the statute.

Thank you! Ashley



**Ashley Jonkey**

Government Affairs Director, Nevada

M: 775.842.2367

[Ashley.Jonkey@elevancehealth.com](mailto:Ashley.Jonkey@elevancehealth.com)

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**From:** [Jodi Helsel](#)  
**To:** [DHCFP 1332waiverprogram](#)  
**Cc:** [Jerry Zebrack](#)  
**Subject:** 1332 Waiver Comments from Jerry Zebrack, MD  
**Date:** Wednesday, December 13, 2023 3:42:35 PM

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**WARNING** - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

The below comments are from Dr. Jerry Zebrack (cc'd):

To the Nevada Division of Health Care Financing and Policy,

As a cardiologist, I'm supportive of the framework the Division has proposed to create a public health insurance option in Nevada. It will build a strong foundation to increase health coverage options for Nevadans while promoting health care affordability.

Doctors hear all the time from our patients how the high cost of health care prevents them from seeking care. Some patients come in after suffering for months, even years, from a problem that could have been treated earlier. Others stop coming because they lose their insurance. Too many patients fall in a gap, not qualifying for federal premium support but also not able to afford coverage.

That's why the public option is so important, and why doctors like me support the design of the federal 1332 waiver. The public option will increase health care affordability and access for patients like mine. With a public option and reinsurance, individual marketplace premiums will decrease 15 percent over four years. Nevada's Coverage and Market Stabilization Program can lower the cost of health insurance for up to, or even more than, 100,000 Nevadans on the individual market.

The state can, and should, help patients even further by leveraging additional available funding to directly subsidize premium tax credits to offset premium and out-of-pocket costs.

When patients are better able to afford and access care, they're better able to live, work, learn, and care for their families. That makes our communities and our whole state healthier and stronger. Thank you for your work to help my patients.

Jerry Zebrack M.D.  
Reno, NV

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Jodi Helsel  
she/her  
Organizing Director | Committee to Protect Health Care  
619-433-9258  
[www.committeetoprotect.org](http://www.committeetoprotect.org)

**From:** [Randi Lampert](#)  
**To:** [DHCFP 1332waiverprogram](#)  
**Subject:** public option comments  
**Date:** Thursday, December 14, 2023 6:06:20 PM

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**WARNING** - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

To the Nevada Division of Health Care Financing and Policy,

Thank you for the opportunity to share comments on Nevada's section 1332 State Innovation Waiver application to create the Nevada Coverage and Market Stabilization Program. As a pediatrician in Las Vegas, I support the framework proposed to create a public health insurance option in Nevada. I believe it will help increase health coverage options for Nevadans, including my patients.

Furthermore, I support the state leveraging the savings created by the public option for the "Practice in Nevada" provider incentive program. This program can help address the dire shortage of health care providers in our state — a shortage being felt by providers like me and our patients every day.

This shortage is especially acute for developmental and behavioral health in our state. My patients have often waited over a year to receive a diagnosis of autism. While they are waiting they are missing out on critical services; these services are most effective when started at as early an age as possible. I saw one patient recently that had been expelled from kindergarten for behavioral issues while waiting to see a child psychiatrist. When he finally saw us 9 months later, he was diagnosed with ADHD which is easily treatable with medication. But in that time period he has fallen over a year behind academically. Stories like these are all too common for pediatricians in our state.

My patients and all Nevadans deserve to be able to access care affordably and when they need it. Your division can help ensure greater access to affordable care across the state. Thank you for your work to do so.

Sincerely,

Dr. Randi Lampert  
Pediatrics  
Las Vegas

**From:** [Amy Brenner](#)  
**To:** [DHCFP 1332waiverprogram](#)  
**Subject:** Sign Up for Market Stabilization ListServ  
**Date:** Saturday, December 16, 2023 9:57:32 PM

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**WARNING** - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hello,

I am not in favor of a state run health insurance program., if it is administrated by The Nevada Department of Insurance (NDI). The NDI's stipulations for auto insurers have caused auto insurance premiums to become some of the highest in the nation. I do not want to see this happened to public health insurance offerings in the state of Nevada.

**Amy K. Hebel-Brenner, M.Ed.**  
**775-357-6734**  
[amykbrenner@gmail.com](mailto:amykbrenner@gmail.com)

**From:** [Jamie Urtiaga](#)  
**To:** [DHCFP 1332waiverprogram](#)  
**Subject:** Practice in Nevada program  
**Date:** Sunday, December 17, 2023 4:57:23 PM

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Practice in Nevada program

I am interested in finding out more about this program for MD loan repayment- who is eligible, when and how to apply, any pertinent details. Please provide a website or brochure with details if available.

Thanks

## **Grassroots NV Public Option Written Comment**

**12/16/23**

Nevada Department of Health and Human Services  
400 West King Street, Suite 300  
Carson City, Nevada 89703

RE: Nevada Draft Section 1332 State Innovation Waiver Application Public Notice

Thank you to the Nevada Department of Health and Human Services (DHHS) and the Nevada Division of Health Care Financing and Policy for the opportunity to provide comments on Nevada's section 1332 State Innovation Waiver application.

Even with expanded access to public and private health insurance coverage during the pandemic, Nevada suffers the highest uninsured rate of any state that has expanded Medicaid. Nearly half of uninsured Nevadans report the major reason they are uninsured is due to coverage being "too expensive". For those who can access health insurance, individual marketplace premiums have continued to rise. As a result, many Nevadans, like myself, go without care or are forced to make difficult choices between necessities like food, rent, and getting the care we need.

My husband found cancer in his liver and had to have a doctor for every organ of his body. He was put on the transplant list and given extensive medication. It cost around 500 to 600 dollars a month. In a short period we almost lost our house; while my family lived in and out of California in hotels. Fortunately a friend of mine had loaned me an RV to make living in California possible during his treatment. Having a public health insurance option would have saved us the time and efforts to find adequate coverage instead of bouncing around health insurances to cover my husband's medical expenses.

I support Nevada's creation of a Public Option that meets the same standards and offers the same essential benefits as private plans offered in the individual market. For those without access to coverage, this new affordable coverage option will be a lifeline that will save people money and allow them to more easily plan and budget for their family's needs.

Thank you for the opportunity to provide comments on the section 1332 waiver application in support of Nevada's Public Option.

Sincerely,  
Ethelinda Fincher  
7024618281

**From:** [Keiara Katz](#)  
**To:** [DHCFP 1332waiverprogram](#)  
**Cc:** [jclark@forourfuturefund.org](mailto:jclark@forourfuturefund.org)  
**Subject:** RE: Nevada Draft Section 1332 State Innovation Waiver Application Public Notice  
**Date:** Tuesday, December 19, 2023 11:08:08 AM

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12/19/2023

Nevada Department of Health and Human Services  
400 West King Street, Suite 300  
Carson City, Nevada 89703

RE: Nevada Draft Section 1332 State Innovation Waiver Application Public Notice

Thank you to the Nevada Department of Health and Human Services (DHHS) and the Nevada Division of Health Care Financing and Policy for the opportunity to provide comments on Nevada's section 1332 State Innovation Waiver application.

Even with expanded access to public and private health insurance coverage during the pandemic, Nevada suffers the highest uninsured rate of any state that has expanded Medicaid. [Nearly half](#) of uninsured Nevadans report the major reason they are uninsured is due to coverage being "too expensive". For those who are able to access health insurance, individual marketplace premiums have continued to [rise](#). As a result, many Nevadans, like myself, go without care or are forced to make difficult choices between necessities like food, rent and getting the care we need.

As a Nevadan diagnosed with Relapsing-Remitting MS in 2017 and serving as a District Activist Leader with the National MS Society, I strongly endorse the passage of the bill to implement the Public Option in our state. Having personally grappled with the challenges of insurance pre-authorizations and witnessed the struggles of countless individuals facing high healthcare costs, I believe the Public Option is a vital step towards addressing the gaps in our current system. The bill's enactment would signify a significant stride towards accessible and affordable healthcare for all Nevadans. By sharing my story and advocating for this crucial change, I hope to contribute to a progressing healthcare system that prioritizes the well-being of individuals over financial barriers. I urge policymakers to consider the transformative impact the Public Option can have on the lives of people like me and to actively support its passage to benefit our community's health and prosperity.

I support Nevada's creation of a Public Option that meets the same standards and offers the same essential benefits as private plans offered in the individual market. For those without access to coverage, this new affordable coverage option will be a lifeline that will save people money and allow them to more easily plan and budget for their family's needs.

Thank you for the opportunity to provide comments on the section 1332 waiver application in support of Nevada's Public Option.

Sincerely,

Keiara Katz  
NV District Activist Leader  
National MS Society

702-528-1734  
[www.linkedin.com/in/keiarakatz](https://www.linkedin.com/in/keiarakatz)  
[nationalmssociety.org](http://nationalmssociety.org)

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"The journey of a thousand miles begins with a single step."

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**From:** [Kevin Clarke](#)  
**To:** [DHCFP 1332waiverprogram](#)  
**Subject:** 1332WaiverProgram@dhcfp.nv.gov  
**Date:** Tuesday, December 19, 2023 2:58:42 PM

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**WARNING** - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Thank you to the Nevada Department of Health and Human Services (DHHS) and the Nevada Division of Health Care Financing and Policy for the opportunity to provide comments on Nevada's section 1332 State Innovation Waiver application.

I have spent the majority of my life being the sole provider of my household of 7. In 2017 I found myself out of the job I held my entire adult life which had given the entirety of my family insurance. Searching in the job market found me relocating myself, my wife, and 5 children to the Las Vegas Valley in pursuit of a more affordable life. The new job didn't have health insurance provided as my previous job did, so for my first 3 years in the Valley we bit the bullet and went without Health Insurance as a family. That meant no check ups or doctor's appointments, my youngest son accrued 6 cavities in this time.

My eldest son passed out due to heat exhaustion in this time period, after his visit to the emergency room we found a medical bill towering over the cost of \$8,000 which we couldn't afford. I wouldn't wish this uncertainty and economic anxiety on any Nevadan. Having a Public Option would mean that families like mine would have never had to look down the barrel of a world without access to Health Care. The well being of myself and my children wouldn't be left at the hands of the job I am employed by and provide a lifeline to those of us who can't afford it. I support Nevada's creation of a Public Option that'll make sure no one will have to go through what I went through.

Thank you for the opportunity to provide comments on the section 1332 waiver application in support of Nevada's Public Option.

Sincerely,

Kevin Clarke Sr  
[nivek177@yahoo.com](mailto:nivek177@yahoo.com)



**Nevada State  
Medical Association**

Advocates for high quality care since 1875

*Sowjanya Reganti, MD, President  
Joseph Adashek, MD, President-Elect  
Andy Eisen, MD, Immediate Past President  
Jeffrey Roth, MD, Secretary  
Jay Morgan, MD, Treasurer  
Steve Lore, MD, Rural Representative  
Florence Jameson, MD, Chief AMA Delegate  
Andy Pasternak, MD, AMA Delegate  
Joseph Adashek, MD, AMA Alternate Delegate  
Peter Fenwick, MD, AMA Alternate Delegate  
Sarah Watkins, Executive Director  
Jacqueline L. Nguyen, JD, Policy Director*

December 18, 2023

Nevada Department of Health  
and Human Services  
Richard Whitley, Director

Via Email: [1332WaiverProgram@dhcfp.nv.gov](mailto:1332WaiverProgram@dhcfp.nv.gov)

Division of Health Care Finance and  
Policy Department of Health and Human Services  
Stacie Weeks, Administrator

**Re: 1332 Waiver Program**

Dear Director Whitley and Administrator Weeks:

On behalf of the Nevada State Medical Association (NSMA), the state's largest and oldest organization representing physicians and physician assistants, we are writing to express concerns regarding Nevada's proposed public option 1332 waiver and its potential implications for patients, physicians, and the healthcare landscape within our state.

NSMA and our physicians are dedicated to providing quality care to our community. We are deeply invested in the welfare of our patients and the viability of healthcare delivery systems. While the intention behind the proposed public option policy is commendable in aiming to increase accessibility and affordability of healthcare, there are several key concerns that need to be addressed to ensure its successful implementation without compromising the quality of care provided.

NSMA is committed to the goal of improving access to, and affordability of, health insurance for all in Nevada. We believe that public options should have the goals of maximizing patient choice of health plans and that there should be health plan marketplace competition. However, this must be done with guardrails in place to protect physicians and their patients. Especially in Nevada, which has a dire physician shortage, any efforts to implement the public option without prioritizing quality access to care and physician workforce expansion will have the ultimate effect of harming patients in our state.

Since the inception of this policy, NSMA has stood with its healthcare allies in thoughtful opposition, but we understand the Administration is required by law to move forward and would ask the Division to consider the following concerns we continue to underscore when submitting the final waiver.

First, the reimbursement rates outlined in the proposed policy are alarming. As a crucial component of sustaining medical practices, fair and sustainable reimbursement rates are essential to support the comprehensive care we offer to patients. In the public option, provider rates are tied to Medicare, which is set to receive a 3.36% cut in 2024, after having just received a 2% cut in 2023. In fact, since 2001, Medicare physician payments have been cut 26% once you calculate in inflation. This is not a feasible benchmark. Additionally, for any services not covered by Medicare, the policy states that reasonable rates will be calculated against the Public Employees Benefits Program rates or Medicaid. Mandating a proposed rate, as they stand, negates any negotiating position for physicians and poses a significant threat to the financial viability of medical practices, potentially leading to reduced access to care and jeopardizing the sustainability of healthcare services across the state. Therefore, while we understand Medicare rates are required by NRS 695k, we would ask that in the waiver, physicians have the ability to negotiate rates NOT covered within Medicare.

Additionally, the administrative burdens associated with the implementation of the public option policy are a cause for concern. Additional bureaucratic complexities and regulatory requirements may impose substantial burdens on physicians and healthcare facilities, diverting valuable resources away from patient care and contributing to physician burnout. Requiring physicians who currently care for Nevadans who need to access their worker's compensation or Public Employee Benefits Program benefits to join a network without the ability to negotiate their own contracts will likely hurt all state programs and drive physicians from the market.

The reality is this- physicians who take Medicaid currently are already doing so to provide a service to our community. In most instances, the Medicaid portion of their practice is a loss for the provider. This loss can only be supported by a carefully considered payor mix. To increase their Medicaid patient population by mandating participation in the public option disrupts their practices' payor mix that allows them to keep their practices open. By mandating any physician that already does a service to the community by taking Medicaid to participate in the public option may have the unintended consequence of driving many providers from the Medicaid system as a whole. We would ask for a waiver, beyond the rural populations, for physicians to opt out of mandated service in the public option.

Finally, the lack of clear mechanisms for addressing these concerns and actively involving healthcare stakeholders, particularly physicians, in the policymaking process is discouraging. Collaborative dialogue and input from frontline healthcare providers are essential to develop policies that effectively address the needs of both patients and healthcare professionals.

We urge the Division to consider these concerns seriously and engage in open dialogue with healthcare stakeholders to collaboratively devise solutions that ensure the success of the public option policy while safeguarding the quality of healthcare delivery. Preserving a sustainable and thriving healthcare environment in Nevada requires thoughtful consideration of these issues and a concerted effort to address them in the policy framework.

Regarding the specific waiver proposals:

**State-Based Reinsurance Program:**

NSMA acknowledges that a reinsurance program may help alleviate any disruptions to the insurance market. However, since the plan is tied to the public option, which mandates the new Battle Born State Plans to meet annual premium reduction targets, NSMA is concerned that there will be cost shifting to the contracted physicians. As stated in our public comments during the hearings for Senate Bill 420, NSMA urges for safeguards for providers that ensure that the premium reduction targets are mandated to be sourced from efficiencies in carrier management.

**Quality Incentive Program (QIP) for Issuers:**

NSMA agrees that a QIP program will work to incentivize carriers to use value-based measures to improve health outcomes. However, these measures cannot be made on the backs of an already stretched provider population. NSMA recommends that any quality incentive payment made to carriers also incorporates the criteria that such carriers demonstrate that they pay providers at a rate comparable to commercial rates. This will then be a dual incentive to carriers to accomplish the goals of improved health outcomes for patients while also recognizing the important goal of maintaining and then increasing the provider workforce.

**“Practice in Nevada” Incentive Program for Health Care Providers:**

NSMA applauds the state’s plan to finance a new “Practice in Nevada” program. In the Waiver Application, the state asserts that “increasing the number of providers is essential to addressing poor health outcomes and health disparities. It is also important for controlling the rise in the cost of health care and ensuring the stability of the State’s insurance market.” NSMA wholeheartedly agrees.

Therefore, we would assert that the creation of the Practice in Nevada program should receive higher priority to receive money from the pass-through funding. Additionally, it would be critical to have the NSMA take a significant stakeholder position in the creation, maintenance, and oversight of the program as our physician members are on the front lines of recruitment of physicians into the state.

We also urge that the Practice in Nevada program be expanded to not only areas that are designated federal Health Professional Shortage Areas but opened to all of Nevada as our provider shortages are statewide.

We understand submission of a waiver is required by law, but we strongly urge thorough consideration and thoughtful revision of the proposed 1332 waiver to safeguard the interests of our residents and preserve the integrity of our healthcare system. It is imperative that any changes made prioritize maintaining and enhancing the accessibility, affordability, and quality of healthcare for all Nevadans. Thank you for your consideration of these critical matters. The Nevada State Medical Association and our physicians are available and eager to contribute to constructive discussions aimed at improving our healthcare system for the benefit of all Nevadans.

Sincerely,

*Jacqueline L. Nguyen*

Jacqueline L. Nguyen, JD  
Policy Director  
Nevada State Medical Association



December 19, 2023

Stacie Weeks, Administrator  
Division of Health Care Financing and Policy (DHCFP, Nevada Medicaid)  
1100 East William Street, Suite 101  
Carson City, NV 89701

Dear Administrator Weeks,

As the largest and broadest-based business organization in Nevada, the Vegas Chamber is focused on helping Nevada businesses succeed and grow. It has been part of the core mission of the Vegas Chamber to support employers, their employees, and the Southern Nevada community since its founding in 1911.

Overwhelmingly, our members identify healthcare as one of their biggest challenges regarding employee retention and recruitment in our community. That is why the Chamber has been a longtime proponent that every Nevadan should have access to affordable healthcare coverage.

However, the Chamber believes that Senate Bill 420, since its introduction and adoption by the State Legislature in 2021, does not support that objective. Instead, it will hinder and impede Nevadans' access to quality, affordable healthcare and have many unintended consequences. The reality is that expanding access to affordable healthcare needs to be a market-driven process with sustainable solutions and should not be reliant on government mandates and directives.

The Chamber maintains that Nevada's Public Option program will not reduce health care costs, but rather, it will shift costs onto other Nevadans, which is not equitable can be devastating to Nevadans. It is a program that will not help Nevada's families but has the potential to harm access to health providers and services. Furthermore, mandating a state insurance plan to offer a rate five percent lower than commercial rates is another cost-shift. As you know, evidence from other states that have implemented similar Public Option programs indicates that insurance costs go up, which is very concerning to employers and employees and their families. Our priority is to support Nevadans and their families, and that is why the Chamber continues to be opposed to the program.

While the State is trying to mitigate many of the above-mentioned concerns with its 1332 Waiver Application, the need for the waiver application highlights the challenges and problems associated with the Public Option program and the negative impact it will have on Nevadans' access to healthcare. Please note that the Chamber does appreciate the efforts by Governor Lombardo and the agency to mitigate the negative effects on SB 420. But unfortunately, this does not go far enough in addressing the fundamental flaws of the legislation and the program.

If we can provide any further assistance or information, please contact us at 702.641.5822 Thank you for your time and consideration on this important policy matter.

Sincerely,

*Mary Beth Sewald*

Mary Beth Sewald  
President & CEO

*Hugh Anderson*

Hugh Anderson  
Government Affairs Committee, Chairman

575 Symphony Park Ave., Ste. 100  
Las Vegas, NV 89106  
702.641.5822 • VegasChamber.com



## PHILIP MALINAS, M.D. & ASSOCIATES

Child, Adolescent and Adult Psychiatry

Dear Nevada Division of Health Care Financing and Policy,

I am a psychiatrist from Reno in support of the framework proposed to create a public health insurance option in Nevada.

Health care in Nevada has become more expensive and difficult to access for too many. Over 30 percent of Nevadans are uninsured, and even insured Nevadans report experiencing health care affordability burdens. At the same time, patients seeking care are experiencing long wait times for both primary and specialty care. In 2021, Nevada was ranked 48th in the United States with regard to primary care physician availability per 100,000 residents. To get an appointment with a psychiatrist can take many months, if you can get in to see one.

Finally, the public option and its proposed initiatives can help alleviate these issues, which are impacting patients like mine on a daily basis. By making health care coverage more affordable and encouraging more physicians to "Practice in Nevada" this framework will make it easier for patients to get care when they need it, not just when they can afford it or months down the line when a doctor is finally available. The public option will also encourage competition, incentivizing better care delivery that prioritizes patient health outcomes.

Look forward to the implementation of this framework and the health benefits it will bring to patients and community. I encourage the Nevada Department of Health and Senior Services to continue looking at ways to bring health care providers into Nevada, make healthcare more affordable, and increase access.

Thank you for the opportunity to provide these comments.

Philip Malinas, MD  
Child, Adolescent and Adult Psychiatrist

639 Isbell Road, Suite 380, Reno, NV 89509  
(775)440-1520 • Fax:(775)451-1870

December 19, 2023

Department of Health and Human Services  
Division of Health Care Financing and Policy (DHCFP)  
1100 East William Street, Suite 101  
Carson City, NV 89701

Submitted electronically to: [1332WaiverProgram@dhcfp.nv.gov](mailto:1332WaiverProgram@dhcfp.nv.gov)

RE: Nevada Coverage and Market Stabilization Program

Dear DHCFP:

The Nevada Hospital Association (NHA) is grateful for the work of Governor Lombardo's Office and DHCFP in developing the new Nevada Market Stabilization Program. This new and innovative program addresses many of the concerns the NHA has raised since the passage of SB420. However, we still have a few concerns stemming from the original legislation.

Working together, we hope to overcome the significant challenges posed by the original legislation in introducing a new health insurance product to the market.

### **1. Premium Reductions**

SB420 required health insurance premium reductions of 15% in the first four years of the Public Option. This is a significant reduction in a short period of time. In trying to meet this requirement, insurance companies will likely lower reimbursement to healthcare providers who currently experience extremely low reimbursement rates from Medicaid and Medicare and have significant costs related to uninsured and underinsured patients.

These lower rates will exacerbate an already severe physician shortage. Nevada needs 1,589 physicians to meet the national average<sup>1</sup>, and ranks 45<sup>th</sup> for active physicians among U.S. states<sup>2</sup>. Nearly 70% of the state's population resides in a Primary Medical Health Professional Shortage Area (HPSA)<sup>3</sup>. Moving patients from commercial rates to lower

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<sup>1</sup> Nevada Health Workforce Research Center, "Physician Workforce in Nevada: A Chartbook," 2022 edition

<sup>2</sup> Nevada Health Workforce Research Center, "Physician Workforce in Nevada: A Chartbook," 2022 edition

<sup>3</sup> UNR School of Medicine, Office of Statewide Initiatives, Nevada Rural and Frontier Health Data Book, 11th Edition

reimbursement rates will incentivize physicians to leave the state, reduce the scope of services they provide, or stop practicing all together. This dramatic premium cut may have the opposite effect of what the program is intended to do, which is to increase access.

Patients will be harmed by this as well. In addition to decreased access to physicians, patients will likely experience coverage denials as insurance companies work to control expenses. A forced reduction in premiums may have unintended consequences.

## 2. Reimbursement Rates

SB420 set a baseline for reimbursement. It required providers to be paid at least Medicare rates. This requirement is often referred to as a “floor” for rates. We are concerned that Medicare rates will also become the “ceiling” for rates paid to providers.

The State recognized that Medicare rates may be the maximum reimbursement that providers will receive under SB420. Medicaid Administrator Bierman wrote in her guidance issued on October 4, 2022, when revising the “reference premium” from a 5% reduction to 4%:

“[...] the 15 percent target in subsection 5 would create a direct conflict with the Director’s duty to meet the express mandate in NRS 695K.240, which is to ensure ***provider reimbursement rates in the Public Option are no lower than Medicare rates*** (i.e., the express provider-reimbursement mandate). This is because the definition of “reference premium” in subsection 6 creates an unintended and unreasonable result with respect to premium reductions in the Public Option, where ***health carriers would be required to lower premiums to levels that risk actuarial soundness and full compliance with the express provider-reimbursement mandate under NRS 695K.240.***” (Emphasis added)<sup>4</sup>

The Public Option of SB420 may not be actuarially sound if providers are actually paid above Medicare rates.

Currently, Medicare does not reimburse healthcare providers for the full cost of care. It only covers approximately 87% of a hospital’s cost<sup>5</sup> to provide services to a Medicare Beneficiary. This contributes to the cost shifting problem plaguing Nevada and many other states. Cost shifting occurs when healthcare costs are shifted from governmental payors and the low and uninsured patient populations to those who have commercial insurance.

The Market Stabilization Program can help alleviate this significant issue through an incentive encouraging insurance providers to offer healthcare providers reimbursement rates that are

<sup>4</sup> General Guidance Letter 22-001

<sup>5</sup> Medicare Information, 2019, Fortune Magazine, Spring 2021

comparable to the self-insured and commercial markets. Those incentives can be optimized by reinsurance metrics that reward their use.

### **3. Limiting Enrollment**

Limiting enrollment in the program is imperative. It is essential to preserve our commercial health insurance markets. The more Nevadans who enroll in the Public Option, the greater the cost shift to Nevadans who maintain commercial health insurance. Eventually, commercial insurance will be unaffordable. People will move to the Public Option because it is cheaper. This will cause commercial insurance to disappear, and providers will leave the state due to poor reimbursement rates for their services. Again, this adversely affects patient access.

The program should focus on providing health insurance to those who are ineligible for other programs or who pay extraordinary premiums and deductibles.

While there are many challenges that lie ahead, we look forward to collaborating with the Administration and legislators to address them while maintaining and enhancing access to healthcare for all Nevada communities.

Very truly yours,



Patrick D. Kelly  
President and CEO  
Nevada Hospital Association



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December 20, 2023

Stacie Weeks, Administrator  
Nevada Department of Health and Human Services  
Division of Health Care Financing and Policy  
1100 East William Street, Suite 101  
Carson City, NV 89701

**Re: Comments on 1332 Waiver Application**

Dear Administrator Weeks:

AHIP and its member plans appreciate the opportunity to provide comments on the Nevada Coverage and Market Stabilization Program Section 1332 waiver application. Every Nevadan deserves affordable coverage and access to high-quality care -regardless of income, health status or preexisting conditions. We agree that hardworking Nevadans who purchase their coverage in the individual market increasingly find health care costs and as a result premium costs out of reach if they do not qualify for premium subsidies. We believe that the foundation of the Section 1332 waiver application – implementation of the public option - will not address these concerns or the underlying factors driving health care costs. Instead, it would eliminate competition and choice and ultimately undermine health care affordability for Nevadans.

As noted during the December 5th public workshop, AHIP appreciates the Administration's efforts towards "reformulating" the public option through a unique market stabilization plan. However, the proposed waiver at its core remains an attempt to implement SB 420's public option, and it therefore continues to suffer from many of the same shortcomings and fundamental flaws that AHIP and other stakeholders previously identified when SB 420 was under debate. We remain very concerned on key problematic items, discussed below, and would request the Division address these concerns prior to submitting the 1332 waiver application.

***Public Option***

AHIP has repeatedly expressed concerns about the implementation of a government-controlled health insurance plan with unrealistic targets for premium reduction. We have historically supported state actions that reduce premiums and out-of-pocket costs, including Section 1332 reinsurance waivers across the country and state programs that reduce cost-sharing. However, as designed, the Nevada public option program would not achieve this goal.

The Public Option program intends to lower premiums by at least 15% through reductions in provider reimbursement, reductions in administrative costs by health insurance providers, and improved cost efficiencies through value-based purchasing. We have significant concerns about the proposed administrative cost constraints and provider reimbursement reductions:

***Administrative Cost Constraints***

Under the administrative cost constraint, health insurance providers would be required to reduce a portion of their administrative expenses for public option plans, referred to as Battle Born State Plans (BBSPs), in a manner that is stricter than prevailing individual market QHP administrative expense loads. However, there are no provisions of the public option that lower administrative costs, in fact, additional requirements for health insurance providers may increase costs. Administrative costs are not just profit. Administrative costs include spending that is important to patient care and include programmatic patient services that help lower the cost of care, increase access, and improve outcomes. Such programs include 24/7 nurse lines, medical interpreters and translation services, fraud/waste/abuse programs, and interactive technology and transparency tools. Health insurance providers are already subject to strict medical-loss

ratio (MLR) requirements under the Affordable Care Act (ACA) and those requirements are successfully working to place guardrails around administrative costs. As a result, the number of MLR rebates issued to Nevadans has substantially decreased over recent years. Reducing administrative costs beyond the current ACA MLR requirements will limit the ability of health insurance providers to design and offer programs that directly benefit patients.

A recent actuarial analysis conducted by Wakely Consulting Group found that a 3% increase in loss ratio could reduce a low-cost health insurance provider's risk margins to 0%. Such a risk margin does not allow for an actuarially appropriate margin of error in estimating claims and risk adjustment expenses. This could have negative implications for competition, deterring new entrants to the market, and potentially causing health insurance providers to exit the market.

#### *Provider Reimbursement Reductions*

Setting reimbursement rates for doctors and hospitals at below-commercial market rates is unsustainable and will result in cost-shifting to other purchasers of health insurance coverage, including employers. Federal price-cap proposals have repeatedly been dismissed because they posed too many risks to the health care delivery system. To recoup the burden of these under-compensated costs, providers will shift to other purchasers of health insurance coverage in the form of higher reimbursement rates. These higher rates will, in turn, put upward pressure on premiums paid by small and large employer groups, self-insured plans, and Taft-Hartley trust plans, such as the state of Nevada Public Employees' Benefits Program (PEBP) and those covered under the Culinary Union and School District self-funded plans.

The impact of provider reimbursement reductions as a significant source of the premium reduction is not adequately explored in the waiver application actuarial analysis conducted by Milliman. It is unclear the amount of the reimbursement reductions, and how they will be distributed among different geographies and specialties. The Wakely analysis notes that physician rates, on average, are likely already at or near 100% of Medicare Fee-for-Service. With the public option floor for average physician reimbursement at 100% Medicare FFS, little to no premium savings can be expected via physician reimbursement cuts. Significant reductions would disincentivize providers from participating in BBSPs, and present real potential for a formation of two tiers of individual insurance products—more expensive individual market plans with greater provider participation and BBSPs with less provider participation and the perception of having “lower quality doctors”. The Milliman analysis enrollment projections assume similar levels of the perceived provider quality and access in the BBSPs and other types of individual market products. If consumers perceive differences in provider quality, breadth, and access, we anticipate some consumers would prefer to remain in individual market plans with better provider access rather than switching to lower-cost BBSPs. Consumers who enroll in BBSPs may experience dissatisfaction with provider quality, breadth, and access. If so, this would affect both the growth projection in the BBSPs and the savings.

Additionally, reducing reimbursements to these providers would exacerbate the state's already significant access issues. The recent Nevada State Health Assessment from the Division of Public and Behavioral Health reported that access to care continues to be a major problem due to physicians shortages in all areas of the state. Nevada ranks 45th in the nation for active physicians per 100,000 population, 49th for primary care physicians, and 49th for general surgeons. The question of how BBSPs will ensure adequate provider networks, especially in rural areas of the state, when there is an existing provider shortage is not answered in the actuarial analysis.

#### *Experience in Other States*

We do not believe the public option will produce the desired results, and we can look to examples from other states that have implemented similar programs, such as Washington and Colorado, where the public option has yet to show it has been successful in driving down costs, increasing competition and choice, making healthcare more affordable. As an example, Colorado only had one small health insurer, Denver Health, that could meet the 5% premium reduction requirements for its public option plans in 2023 in the Denver metro area and those plans were priced at a loss. For 2024, no carrier, including Denver Health, is able to meet the state's public option premium reduction requirements.

Rather than creating a government-controlled health insurance plan, Nevada should continue to focus on strategies to enroll Nevadans in coverage options that are available today, including Medicaid and federally subsidized plans offered on Nevada Health Link. Our members stand ready to work with you and other stakeholders to make coverage more affordable, but we must do it in ways that do not destabilize or jeopardize the state's health insurance market for all Nevadans and provide real, immediate assistance to improve health insurance coverage options for all Nevadans.

#### ***Medicaid Managed Care***

AHIP has concerns with deeply problematic language connecting the state's Medicaid managed care plans with public option plans. The waiver requires health insurance providers bidding to participate in Nevada's Medicaid Managed Care program to also submit bids to offer individual market BBSPs in a concurrent statewide procurement. We are especially concerned that scoring for Medicaid managed care procurement would be based on the issuer's public option bid, which goes above and beyond existing requirements for managed care issuers to offer a silver and gold QHP.

This requirement could potentially deter new entrants into the market and jeopardizes competition and patient choice. The Medicaid market in Nevada is relatively small compared to other states. While some health insurance providers may excel at providing a great Medicaid managed care product, they may not be positioned to do as well on the individual market. Medicaid and individual coverage are distinct products and markets, tailored for specific populations, with their own unique regulatory structures and risk pools. Health insurance providers with experience offering Medicaid managed care products may struggle to meet the required premium targets and benefit designs in the individual market. No other state that has pursued a public option that ties the public option contracts with Medicaid managed care.

The Medicaid market in Nevada is relatively small compared to other states. The currently proposed regulations could disincentivize health insurance providers from participating in Medicaid bidding-- potentially leading to a chilling effect of insurers choosing not to participate in the Medicaid program, which means less competition and choice for Nevadans.

Additionally, health insurance providers that remain in the Medicaid market will have to attract providers in their BBSP network despite the lower reimbursement rate. To do so, they will have to leverage their Medicaid provider network by requiring providers to be in-network for both programs. Medicaid providers may be reluctant to join networks accepting the lower-reimbursed public option patients and drop out of networks, leading to access and appointment wait time issues. Although SB 420 gives the state authority to waive these provisions, this is likely to add undue burden on DHCFP and PEBP. In short, the tying of the participation in the Nevada Medicaid and the BBSP creates a potentially significant impact on Medicaid, and the magnitude and consequences of this impact are not explored in the Milliman report. Doing so could potentially increase provider shortages and destabilize the Nevada Medicaid program.

#### ***Marketplace Stabilization***

AHIP supports state reinsurance programs that lower premiums for individuals and families. Successful state reinsurance programs with broad-based funding mechanisms allow health insurance providers to offer more affordable coverage in the individual market and increase competition and the number of plan options for residents. We want to partner with the Department as they design the reinsurance program to ensure maximum premium relief while also maximizing the state's investment and securing adequate funding.

While we are generally supportive of the proposal to establish a state reinsurance program, we are concerned that the waiver application does not meet federal requirements. Federally-approved reinsurance programs require funds for the first year of operation. As noted in the waiver application, the operation of the reinsurance program would be reliant on the amount of federal pass-through funds available starting in year two. Relying on public option premium reductions is not a viable model for financing the state's portion of reinsurance. If assumed premium reductions do not materialize, funding for

December 20, 2023  
Page 4

the reinsurance program will not be available. Corrections to the reinsurance funding are necessary to demonstrate that the program doesn't lead to unforeseen adverse impacts on affordability or access.

AHIP has concerns with the tiered structure of the reinsurance program and differing coinsurance levels in specified rating areas. As specified in the Milliman analysis, the proposed tiering has significantly lower coinsurance for rating areas 1 and 2, than for rating area 3. This would result in the reinsurance program having a much lower impact on premiums in those rating areas, making it challenging for health insurance providers to meet the 15% premium reduction targets in those locations.

We are also concerned that utilizing a state reinsurance program does not overcome the numerous and fundamental flaws of a public option. While we appreciate the Executive Branch's attempt to mitigate the harmful impacts the public option would have on the state's health care sector, we believe the proposed waiver application cannot avoid the fundamental defects AHIP and other stakeholders previously identified with the public option itself.

Our members are eager to work with the Department to pursue policies that will work. However, we do not believe the public option is a sustainable, long-term solution for Nevada's health care affordability issues. Please do not hesitate to contact me with any questions at [lrich@ahip.org](mailto:lrich@ahip.org).

Sincerely,



Laura Rich  
Regional Director

*AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit [www.ahip.org](http://www.ahip.org) to learn how working together, we are Guiding Greater Health.*

**From:** [Ellen Eversole](#)  
**To:** [DHCFP 1332waiverprogram](#)  
**Subject:** 1332 Waiver Application Public Comment Submission  
**Date:** Wednesday, December 20, 2023 1:41:34 PM

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**WARNING** - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

To the Nevada Department of Health and Human Services,

My name is Ellen Eversole and I have been working as a registered nurse in Clark County since 1985. I now volunteer as an Advance Practice Registered Nurse in Clark County. Additionally, I am an assistant professor of nursing at a university in Henderson.

In the 38 years that I have been delivering healthcare to Nevadans, I have witnessed patient delays in receiving care or patients going without care due to them not being able to afford to pay the bill. Furthermore, these patients were unable to get access to quality insurance or could not find much needed specialty care. How did these patients eventually get treated? The answer is emergency rooms. I cannot state enough how emergency rooms have become the defacto source of primary care for thousands of Nevadans, simply because coverage or affordable care is out of reach.

Instead of having a chance at treating and preventing serious illnesses, Nevadans have been forced to seek medical care at the most dire times of their lives, because without quality insurance, they did not have access to primary care providers and routine wellness checks

I am now speaking up and sharing my voice because these individuals are my neighbors and are a part of my community. They are NEVADANS and need help and support. Finally, we have a policy solution that can assist them with the Nevada Public Option!

I am very supportive of the Public Option and the 1332 Waiver application as it will deliver real results that support the patients. The reduction in premiums of 16% over five years will make healthcare more affordable for Nevadans, who are currently being priced out of the market, and it will keep insurance for them affordable. The end result will be access to affordable healthcare; hence, the prevention of chronic diseases that could cost thousands of dollars to them and to the state.

Additionally, I am excited to see the savings our state will see through Public Option's investment in healthcare workforce development. We have seen Nevadans suffer from a shortage of healthcare professionals including nurses, primary care providers and specialty providers. This we have seen for decades. Now, with the hundreds of millions of dollars that we will see from Public Option, we can invest in workforce development that will result in optimal training and gainful pay for a healthcare industry that has been sorely underfunded. While the largest insurance

corporations in the world extract millions and millions of dollars from Nevadan families, we do not see those dollars being reinvested in the state to improve care, attract healthcare providers or modernize treatment protocols. We can change this with 1332 Waiver. This is something that Nevadan desperately needs. I am absolutely thrilled to see the state work with the federal government to deliver real results that will help Nevadans.

Thank you so much for allowing me to share my voice and for submitting this 1332 Waiver Application to help my patients and families in communities across Nevada. This will enable everyday people get the healthcare they need, save lives and will provide hope that healthcare can get better in this state.

Sincerely,

Ellen Eversole, APRN, FNP-C  
Phone: 702-371-5566  
2680 Parisian Ct.  
Henderson, NV 89044  
[ellen.eversole@yahoo.com](mailto:ellen.eversole@yahoo.com)

**From:** [Nita Schwartz](#)  
**To:** [DHCFP 1332waiverprogram](#); [Jodi Helsel](#); [Nita Schwartz](#)  
**Subject:** Public Option Comments  
**Date:** Wednesday, December 20, 2023 2:07:01 PM

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**WARNING** - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Division of Health Care Financing and Policy,

I'm writing to support the state's section 1332 State Innovation Waiver application to create the Nevada Coverage and Market Stabilization Program. As a doctor in Douglas County, I support the framework proposed to create a public health insurance option in our state.

In my 33 years of practice, I've seen countless patients harmed by Nevada's high health care costs and lack of insurance coverage. I have seen many times where people had to choose between prescription medications and other essentials like food or utilities. I have seen bad outcomes because of delays in diagnostic or therapeutic care. These problems are vastly magnified in sparsely populated and underserved areas.

The public option will prevent Nevadans from having to suffer in these ways. With the state taking this unique approach, it will:

- Make health care coverage more affordable and accessible for tens of thousands of Nevadans
- Reduce premiums and lower out-of-pocket costs for patients
- Increase access to essential providers, including in rural areas Winnemucca, where I have provided emergency department care, rural Douglas county where I live, as well as Lyon and Story counties where I still provide medical services.
- Incentivize better care delivery that shifts away from costly fee-for-service toward better health outcomes
- Encourage more health care providers to practice in Nevada, reducing our shortage and increasing access

All these benefits will mean healthier patients and a state that leads on health care and improving health outcomes. Doctors thank you for your work toward these goals and for the opportunity to comment on the section 1332 waiver application.

Sincerely,

Dr. Nita Schwartz  
Hospice Medical Director  
Carson City



American  
Heart  
Association.



American  
Lung  
Association.



EPILEPSY  
FOUNDATION



LEUKEMIA &  
LYMPHOMA  
SOCIETY<sup>®</sup>



National  
Multiple Sclerosis  
Society



Child  
Neurology  
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Creating a Community of Support



HFA  
Hemophilia Federation of America



CYSTIC FIBROSIS  
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National Patient  
Advocate Foundation



NATIONAL  
BLEEDING DISORDERS  
FOUNDATION  
Formerly NHF

December 20, 2023

Richard Whitley  
Director  
Nevada Department of Health and Human Services  
1100 E William St, Ste 101  
Carson City, NV 89701

**Re: Nevada Section 1332 Waiver Application**

Dear Director Whitley:

Thank you for the opportunity to provide feedback on the Nevada Section 1332 Waiver Application.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions in Nevada. We have a unique perspective on what individuals and families need to prevent disease, cure illness and manage chronic health conditions. The diversity of our organizations and the populations we serve enable us to draw upon a wealth of knowledge and expertise that is an invaluable resource regarding any decisions affecting healthcare programs and the people that they serve. We urge the state to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that Nevada's healthcare programs provide quality and affordable healthcare coverage. We appreciate that this waiver is moving forward and support the state's commitment, as codified by Senate Bill 420, to implement a new coverage program for improving access to affordable coverage. However, we urge the state to use pass-through funds generated by the waiver to support a premium subsidy program for Nevadans with low-incomes. We believe a subsidy program best aligns with the purposes of the state statute and will be far more effective at improving coverage access and affordability than the state's current proposal.

Senate Bill 420 declares that the state's new coverage program is intended to lower premiums and other healthcare costs by leveraging the state's purchasing power, improve access to high-quality and affordable healthcare, reduce disparities in access to health care, and increase competition in the individual health insurance market.<sup>1</sup> To support the program, state law also requires the submission of a Section 1332 waiver. The statute also identifies, as a purpose for such a waiver, securing federal financial support to subsidize health coverage for low-income residents.

Consistent with the statute, Nevada originally planned to use a Section 1332 waiver to fund a state premium subsidy program directed towards low-income enrollees.<sup>2</sup> We support this approach. Nevada ranks in the top ten states with the highest uninsured rate. Among individuals with incomes from 200-399% of the federal poverty level, Nevada's uninsured rate is nearly 15%; for those with incomes from 100-199% FPL, the rate is nearly 19%; for people under 100% FPL, it is about 20%.<sup>3</sup> Research consistently shows that higher cost-sharing, including premiums, is associated with decreased use of preventive services and medical care among low-income populations.<sup>4</sup> Nevadans, particularly those at low incomes, would better be able to afford quality coverage and to access care with the assistance of premium subsidies.

The new waiver draft proposes to use most pass-through funds to support a reinsurance program. Though we agree that reinsurance can play a role in addressing affordability, the benefits of such a program flow primarily to individuals at higher incomes who are not eligible for federal premium tax credits. It does not make coverage cheaper for people — generally at lower incomes — who already qualify for federal subsidies.<sup>5</sup>

As the state's own analyses demonstrate, a premium subsidy program would do far more to increase access and affordability — particularly for low-income residents — than reinsurance would. According to the state, a waiver with a premium subsidy program could be expected to increase individual market enrollment by 5,900 in 2027, rising to 12,200 by 2030. These benefits greatly exceed the predicted effects of the new reinsurance-focused waiver, which may raise enrollment by about 1,800-2,100 annually (with much of these gains concentrated among residents at higher incomes).

Once again, our organizations thank you for releasing this draft application for public comment and moving forward with the waiver process outlined in state law. We encourage you to use pass-through funds to support a premium subsidy that would maximize the number of patients and consumers who gain coverage under the waiver. Thank you for the opportunity to provide comments.

Sincerely,

American Heart Association  
American Lung Association  
Child Neurology Foundation  
Cystic Fibrosis Foundation

Epilepsy Foundation of America  
Hemophilia Federation of America  
National Bleeding Disorders Foundation  
National Multiple Sclerosis Society  
National Patient Advocate Foundation  
The Leukemia & Lymphoma Society

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<sup>1</sup> Nevada State Legislature. Chapter 695K-Public Option. Available at: <https://www.leg.state.nv.us/nrs/NRS-695K.html>

<sup>2</sup> Section 1332 Waiver Application Nevada Public Option. Nevada Department of Health and Human Services. December 27, 2022. Available at:

[https://dhcfp.nv.gov/uploadedFiles/dhcfpnev.gov/content/MarketStabilization/Archive\\_1332\\_Application\\_Consolidated\\_Remediated.pdf](https://dhcfp.nv.gov/uploadedFiles/dhcfpnev.gov/content/MarketStabilization/Archive_1332_Application_Consolidated_Remediated.pdf)

<sup>3</sup> KFF, Uninsured Rates for the Nonelderly by Federal Poverty Level (FPL), 2022. Available at: <https://www.kff.org/uninsured/state-indicator/nonelderly-uninsured-rate-federal-poverty-level-fpl>.

<sup>4</sup> Artiga, Samantha, Ubri, Petry, and Zur, Julia. The Effects of Premiums and Cost-Sharing on Low-Income Populations: Updated Review of Research Findings. KFF. June 1, 2027. Available at: <https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/>

<sup>5</sup> This is because of how ACA premium tax credits are calculated. In practice, from a consumer standpoint, reinsurance functions as a premium subsidy for people who are otherwise unsubsidized: in general, it lowers premiums for those who earn too much to qualify for a federal premium tax credit but does not improve affordability for those who, because they are at lower incomes, receive the premium tax credit.



#### Our Mission

The Health Services Coalition is dedicated to improving the quality, affordability and accessibility of health care in Southern Nevada for its members and the community at large.

Better: [www.lvhsc.org](http://www.lvhsc.org)

December 18, 2023

Mr. Richard Whitley, Director  
Nevada Department of Health and Human Services  
400 West King Street, Suite 300  
Carson City, Nevada 89703

*Via email ([1332WaiverProgram@dhcfp.nv.gov](mailto:1332WaiverProgram@dhcfp.nv.gov))*

**RE: 1332 Waiver Application and Actuarial Analysis (Public Option/Market Stabilization Program)**

We have been tracking the Nevada Public Option since it was created by a group called “New Day,” and then proposed by Senate Majority Leader Nicole Cannizarro as SB420 in 2021. It has now been rebranded and restructured by the Governor Lombardo Administration as the “Nevada Coverage and Market Stabilization Program.” The Health Services Coalition, representing 280,000 lives in Nevada, remained neutral but shared ongoing concerns about the impact of the enacted SB420 on the overall healthcare market and provider shortages. We now oppose this first-in-nation federal waiver request for an additional commercial insurance subsidy program in Nevada.

First and foremost, the proposed Coverage and Market Stabilization Program completely reverses the potential positive impact of creating accountability within the commercial insurance industry for their high prices and profits. Instead, it becomes a costly taxpayer commitment to the already highly profitable commercial insurance industry. The revised proposal overwhelmingly uses the federal pass-through savings generated by the public option to fund a state-based reinsurance program. This basically means the insurance industry will now have the taxpayer pay for their claims, for which they still receive premiums, enriching rather than reforming their profit margins. It also appears to create a new taxpayer paid bonus, all without legislative approval.

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Boyd Gaming Corporation  
Bricklayers  
Caesars Entertainment  
Cement Masons and Plasterers  
Health and Welfare Trust  
City of Henderson  
Clark County Self-funded  
Clark County Firefighters  
Construction Industry and Laborers  
Health and Welfare Trust  
Culinary Health Fund

Employee Painters Trust  
Golden Nugget Hotel and Casino  
IBEW 357 Electricians  
Las Vegas Firefighters  
Las Vegas Metropolitan Police  
Dept Health and Welfare Trust  
MGM Resorts International  
Mirage Hotel  
Nevada HAND  
NV Energy  
N. Las Vegas Firefighters  
Operating Engineers Local 501

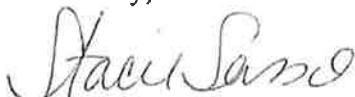
Plumbers and Pipefitters Health and Welfare Fund  
Switch  
Teamsters Local 14 – Security Fund for Southern Nevada  
Teamsters Local 631 – Security Fund for Southern Nevada  
Teamsters Security Fund for So. NV - Hotel & Casino Workers (Formerly Teamsters 995)  
UFCW Local 711 and Retail Food Employers Benefit Fund Plumbers and Pipef

Nevada's individual market exchange insurers include UnitedHealthcare, Centene, Aetna BCBS, and Elevance. These are some of the companies that, per the legislation, must submit a good faith bid to offer a public option plan on the state exchange. The new proposed waiver to create a reinsurance program will now divert the lion's share of the federal savings pass through monies, estimated to range from \$760 to \$844 million over ten years, to pay high-cost claims in the individual insurance market, further padding the insurance company profits, moving risk to the taxpayer rather than the commercial insurers. These insurers are already receiving significant federal taxpayer subsidies on the exchange through the existing structure of the ACA.

This proposed reinsurance model will now significantly reduce (or eliminate) the premium reduction targets built into the enacted Public Option program, while diverting federal savings from other uses to improve access and affordability. The commercial insurers are already heavily subsidized and profitable. UnitedHealthcare generated \$210.5 billion in revenues during the first three quarters of 2023 and \$13.2 billion in earnings from operations with a 6.3% operating margin.<sup>i</sup> The insurer's parent has returned over \$11.5 billion to its shareholders during this period through dividends and share repurchases.<sup>ii</sup> Centene had \$114.5 billion in revenues and \$3.1 billion in operating revenues<sup>iii</sup> and spent \$1.6 billion to repurchase its shares.<sup>iv</sup>

Unfortunately, the waiver application's inclusion of a reinsurance program – as well as a second taxpayer bite at the taxpayer apple through a new payment for quality of some kind, provides for clear favorites in Nevada's healthcare market, and they are the highly profitable insurance industry. Rather than putting the brakes on the profits of these companies in order to help contain rising prices, it steps on the gas. The Health Services Coalition opposes this use of public funding.

Sincerely,



Stacie Sasso  
Executive Director

<sup>i</sup> <https://www.unitedhealthgroup.com/content/dam/UHG/PDF/investors/2023/UNH-Q3-2023-Release.pdf>

<sup>ii</sup> <https://www.unitedhealthgroup.com/content/dam/UHG/PDF/investors/2023/UNH-Q3-2023-Release.pdf>

<sup>iii</sup> [https://filecache.investorroom.com/mr5ir\\_centene/433/CNC%20%28Centene%20Corporation%29%20%20%2810-Q%29%202023-10-24.pdf\\_.pdf](https://filecache.investorroom.com/mr5ir_centene/433/CNC%20%28Centene%20Corporation%29%20%20%2810-Q%29%202023-10-24.pdf_.pdf)

<sup>iv</sup> <https://investors.centene.com/2023-10-24-CENTENE-CORPORATION-REPORTS-THIRD-QUARTER-2023-RESULTS>



December 20, 2023

**VIA ELECTRONIC MAIL**

Stacie Weeks, Administrator  
Nevada Department of Health and Human Services  
Division of Health Care Financing and Policy  
1100 East William Street, Suite 101  
Carson City, NV 89701

Dear Administrator Weeks:

Thank you for the opportunity to offer comments on the implementation of the Nevada Public Option and the state's revised 1332 waiver application. Nevada's Health Care Future (NVHCF) is committed to working together to ensure every Nevadan has access to the affordable, high-quality health coverage and care they need and deserve.

The evidence continues to show that Nevada Senate Bill 420, which established the Nevada Public Option, will harm Nevadans' access to affordable, high-quality health coverage and care. Unfortunately, the state's proposed market stabilization program does nothing to remedy SB 420's fundamental structural flaws, nor will it shield Nevadans from the negative consequences of implementing SB 420.

When it comes to the underlying policy of SB 420, research clearly demonstrates that the consequences of creating the Public Option, an unaffordable new state government-controlled health insurance system, will be harmful to Nevadans.

Before the state's revised 1332 waiver application, NVHCF engaged Wakely Actuarial Consulting to perform an actuarial analysis of SB 420. The analysis finds that the 2021 law risks worsening Nevada's already significant health care provider shortage. Nevada has been suffering from a physician shortage, ranking 48th in the nation in primary care physicians per capita.

Among other key findings, the report warns that the law could also reduce health care competition in Nevada, cause some insurers to exit the market, deter new entrants, put increased financial hardship on hospitals, and ultimately threaten access to care for Nevada patients.

Not only does the state's revised waiver application do nothing to change the underlying flaws of SB 420, but the revisions themselves – including an attempt to mitigate the burden on providers and carriers through reinsurance, and the softening of premium reduction targets – demonstrate the harmful and burdensome consequences that SB 420 will cause.

Further, the revised waiver application relies on many misguided assumptions, the results of which could prove harmful to Nevadans. Key concerns include:

- With many providers and hospitals already at or close to 100% of Medicare fee-for-service (FFS) reimbursement rates, and without any meaningful drivers contained in this policy to lower the cost of care, there is very little chance of carriers meeting the state's premium reduction targets.
- The many new requirements and mandates for payers that SB 420 imposes could increase, rather than decrease, administrative costs, depending on factors such as unique network requirements or unique benefit design requirements. Even worse, any reduction in carriers' required risk margins could pose a significant threat to competition and consumer choice in the state, the complete opposite of the purported objectives of SB 420.
- Particularly in light of the above concerns, the assumption that the creation of Public Option plans will help lower non-public option premiums is deeply misguided.
- The degree to which the waiver ties the procurement process for Medicaid contracts directly to carriers' submission of Public Option plans for Nevada's individual market could destabilize the Medicaid program.
- With its revised application the state proposes putting into place a market stabilization program that implements and relies upon the Public Option. Tying the state's proposed reinsurance program to the creation of the Public Option is a risky strategy, and the facts suggest this is not a viable model for financing the reinsurance program.

Simply put, the revised waiver application does not fix the problems inherent in SB 420's Public Option provisions. And, given its substantial risk to Nevadans' health care access and affordability, it is notable that by the state's own calculations, this proposal would decrease the number of uninsured Nevadans by a mere 2,200 – a result which could be better achieved by private coverage and existing public programs working together.

Since our inception, we have been focused on building on what's working in health care to improve access rather than starting over. We stand ready to support policy proposals that accomplish these goals. Thank you again for this opportunity to express our serious concerns related to these policy proposals.

Sincerely,



Kelley M. Robertson

Executive Director

Partnership for America's Health Care Future Action

Nevada's Health Care Future