

Joe Lombardo
Governor



Richard Whitley
Director

Nevada Battle Born State Plans

Division of Health Care Financing and Policy

Information Update for Silver State Health Insurance Exchange

February 18, 2025



Department of Health and Human Services

Helping people. It's who we are and what we do.



Agenda

- 1. Introduction**
- 2. Background on Nevada Battle Born State Plans (BBSPs)**
- 3. Key BBSP Policies**
- 4. Next Steps and Timing for the BBSPs**



Background on Nevada BBSPs



Nevada Revised Statute (NRS) 695K

- Senate Bill 420 (2021) created enabling legislation for the creation of public option health plans.
- NRS 695K requires the Director of Nevada DHHS to **contract with health insurance carriers to offer public option plans** (referred to as Battle Born State Plans or BBSPs) as qualified health plans (QHPs) on the Nevada Health Link beginning Plan Year 2026. See NRS 695K.
- The law requires, among other things:
 - Carrier submission of a “good faith bid” to offer BBSPs if they seek to participate in Medicaid Managed Care.
 - Establishment of a “reference premium” and a premium reduction target that is at least 15 percent lower than the reference premium over four years.

Statutory Goals for the Program

- *Reducing individual market health insurance premiums and consumer out-of-pocket costs.*
- *Improving access to high quality, affordable health care.*
- *Reducing disparities in health care access and outcomes.*
- *Improving the availability of coverage for residents in rural areas.*



1332 Waiver Application and Market Stabilization Program (1/2)

- Nevada has been awarded a **State Innovation Waiver** under Section 1332 of the Affordable Care Act (ACA), as required by state law.
- The state intends to implement the following initiatives – together referred to as the Market Stabilization Program – as part of the Section 1332 waiver:
 - **A State-Based Reinsurance Program** aimed at alleviating any unexpected financial risk to participating carriers and their provider networks with the introduction of the BBSPs;
 - **A Quality Incentive Payment Program** to reward high-performing BBSP insurers; and
 - **A “Practice in Nevada” Program** to provide financial incentives to providers coming to the state to increase the state’s health care workforce capacity and address the significant imbalance between provider supply and demand in Nevada’s market.
- Additionally, the state plans to implement a **targeted premium relief** program for enrollees whose premiums increase due to the BBSP program’s premium reduction requirements.



1332 Waiver Application and Market Stabilization Program (2/2)

New Federal Waiver Funds

Premium Relief Program

- Provides premium relief for qualifying individuals whose net premiums are higher under the waiver program
- Promotes affordability

Market Stabilization Program

Reinsurance

- Applies to all individual market plans
- Subsidizes high-cost claims
- Fosters healthy competition
- Reduces risk of cost-shifting

Quality Incentive Payments

- Applies to Nevada BBSP carriers
- Annual bonus payment
- Drives use of value-based payments
- Rewards carriers for high performance

Practice in Nevada Program

- Applies to qualifying providers who live/work in Nevada
- Invests in health care workforce via a loan repayment program



Encouraging Signs / Colorado



Colorado Option (Public Option Plans)

- Target premium reduction 15 percent by 2025
- Increased enrollment on the *Connect for Health Colorado* / Colorado Exchange into Option Plans
 - 2023 – First year of program, enrollment = 14%
 - 2024 – Enrollment = 34%
 - 2025 – Enrollment = 47% of the 282,483 total that enrolled through Colorado Exchange



Key BBSP Policies



Key BBSP Policies (1/2)

DHCFP has designed requirements for insurance carriers offering BBSPs that are focused on promoting health care affordability and quality. The following is a selection of those new policies:



Compliance with QHP Requirements

BBSPs must comply with all **state and federal laws and regulations that apply to QHPs** offered for sale on the Nevada Health Link and health insurance policies offered through the individual health insurance market.



Metal Level Offerings

Carriers will be required to **offer at least one Bronze, Silver, and Gold Level BBSP**, plus at **least one non-BBSP QHP at the Silver Level** in each applicable geographic rating region.



Premium Reduction Requirements

Silver Metal Level BBSPs must **meet annual premium reduction targets**, which will be calculated by the state each year. Silver Metal Level BBSPs must meet the total premium reduction target of 15% by 2029 (3% target in 2026).



Key BBSP Policies (2/2)

DHCFP has designed requirements for insurance carriers offering BBSPs that are focused on promoting health care affordability and quality. The following is a selection of those new policies:



Network Adequacy

Carriers offering BBSPs must **prioritize contracting with Essential Community Providers**. BBSP carriers will be required to create, implement, and report on a **comprehensive plan to improve access** to quality, culturally competent, and value-based service providers for BBSP enrollees.



Provider Reimbursement

Except as otherwise provided in statute, **BBSP network provider reimbursement rates must be, in the aggregate, comparable to or better than reimbursement rates available under Medicare**, inclusive of add-on payments or other subsidies under Medicare and exclusive of Medicare payments for a patient encounter or cost-based payment rates under Medicare.



Marketing and Outreach

BBSP carriers will be required to **promote marketing and consumer outreach** for the BBSPs. Carriers will develop consumer outreach campaign proposals that will be subject to review and approval by the state.



Next Steps and Timing for the BBSPs



Key Dates and Deadlines

Key Steps	Date
BBSP Contracts are reviewed and approved by the Board of Examiners.	March 13, 2025
BBSP Contract Start Date	March 31, 2025
Carrier rate submittal instructions are provided to BBSP carriers and individual market carriers	April - May 2025
Carriers submit rates for Individual Market to the Nevada Division of Insurance (DOI)	By June 1, 2025
DOI reviews and approved rates	June – August 2025
Approved rates are exposed and transmitted to the Exchange	September 2025
Nevada consumers can begin shopping for 2026 plans	October 1, 2025
Effective Date for BBSPs.	January 1, 2026



Next Steps

- BBSP Carriers will need to submit rates that are approximately 7% below the referenced premium. The final reference premiums will be released later this spring
 - Three percent reduction based upon efficiencies and carrier profit
 - Four percent reduction based upon the new reinsurance program
 - BBSP Carriers will be required to submit three sets of rates
 1. Rates without Waiver
 2. Rates with Reinsurance
 3. Rates with full waiver (BBSP and Reinsurance)
- Non-BBSPs will need to submit rates that should incorporate the reinsurance program
- We are hoping for at least a **35% take up rate of the BBSPs**. This will adequately fund the Market Stabilization Program, including reinsurance and potentially eliminate the need for a **premium relief program**.
- This bold new program design could and should:
 - Lower health care costs across the individual market
 - Create quality incentives
 - Create incentives for provider recruitment
 - Save money for the federal government



Keys for Success

- Education
- Broker acceptance
- Clear communication
- Effective collaboration between the DHCFP/Nevada Health Authority, the Nevada Exchange and the Nevada Division of Insurance
- Strong marketing efforts



Questions?



Thank You!
