

December 22, 2021

Ms. Suzanne Bierman, Administrator
Division of Health Care Financing & Policy
Nevada Department of Health and Human Services
1210 S. Valley View Blvd.
Ste. 104
Las Vegas, NV 89102

RE: Public Option Product Design and Priorities

Dear Ms. Bierman,

Thank you for the opportunity to submit comments regarding Nevada's proposed Public Option program. We believe that holding a product design and priorities discussion at this early stage is premature. To adequately design a program for Nevada, the actuary's work needs to be completed. The actuary will identify areas of strength and weakness based on Nevada's market, provider shortages, and target populations. When that work is completed, we will be able to offer appropriate product design ideas and identify priorities for the program.

Despite our concerns, we offer the following preliminary product design ideas and priorities for the program from our perspective as the first point of care for many Nevadans.

1. Eligibility – The plan should maintain a robust system for identifying and determining eligibility. “Membership cards” should either be electronic or otherwise offer a quick and accurate way to identify a patient's eligibility to receive benefits under the program. Expediting this process will help move eligible Nevadans to primary care rather than the Emergency Department.
2. Prescription Medications – The program should offer a wide range of prescription medication benefits with low deductibles. Low-income patients like those who often present at hospital Emergency Departments cannot afford their prescribed medications, and this impedes their recovery from illness or maintenance of chronic conditions.
3. Cost shifting – Medicare and Medicaid's low reimbursement rates shift the cost to Nevadans with private health insurance. The Public Option Program must pay providers adequately. Additional burdens on private health insurance will perpetuate this cost shift and ultimately force more Nevadans to forgo private, employer-based insurance. Under a true Public Option Program, the financial burden of the program should be borne by all citizens of the state, not the few who have private health insurance.
4. Low administrative costs – The Public Option will likely insure some high-risk individuals. SB420 is clear – the Director of the Department of Health and Human Services shall design, establish, *and operate* the Public Option ¹, while the Director shall utilize a Third-Party Administrator to administer the Public Option ², to preserve the fiscal integrity of the program.

Every effort should be made by the Director to operate the program in a cost-effective manner. High administrative costs would likely reduce funding to other important State programs.

5. Financial safeguards – The Director should establish “financial guardrails” for operation of the plan. If the financial experience of the program deviates from the financial projections (e.g., hits a guardrail), the plan should have an automatic formula for correction. The state cannot afford to allow this program to lose money or significantly deviate from projections for any amount of time. Such action places other important State programs in jeopardy.
6. Utilization – The plan should be designed to prevent overutilization by enrollees. With a likely small pool of insureds, overutilization could quickly place the plan finances in peril.
7. Health care providers – The number of health care providers in Nevada is woefully inadequate. The plan must be designed to attract healthcare providers to the state, and not be an impediment to recruitment and retention. Specifically, the plan should not require physicians and other health care providers to accept Public Option enrollees if they participate in Medicaid, worker’s compensation, or the Public Employees Benefit System, unless reimbursement rates are significantly better than those programs. Reimbursement rates, comparable to these programs, will result in diminished access to care for vulnerable Nevadans. Access to care remains Nevada’s biggest challenge and is likely the primary reason CMS never approved the August 2020 Medicaid Reimbursement cuts.
8. Fraud Control – Nevada has limited resources. The plan must be designed with anti-fraud protections that quickly identify abuses and prevent abuses from occurring.

Thank you for the opportunity to comment, and we hope that additional opportunities will be available after the actuary study is completed.

Very truly yours,



Patrick D. Kelly
CEO

¹ Senate Bill 420, Section 10(1).

² SB 420, Section 12(1).