

## Overview

In 2021, the Nevada Legislature passed Senate Bill 420, becoming the second state to approve a Public Option. Starting on January 1, 2026, Nevadans can purchase one of the new Public Option plans through the Silver State Health Insurance Exchange or directly from participating health carriers.

## How it Works

The Nevada Public Option works by leveraging the State's purchasing power with health carriers to negotiate a better deal for Nevadans. This purchasing power comes from the State's Medicaid managed care contracts with health carriers, which are worth more than \$2 billion. The new state law requires health carriers that want to continue to participate as a Medicaid managed care organization in Nevada to also submit a good faith bid to offer a new, low-cost Public Option plan through the Silver State Health Insurance Exchange.

Although the State's purchasing of the new Public Option plans will be tied to the State's future procurements for Medicaid managed care organizations, the new Public Option plans will not look like Medicaid products. Instead, the new Public Option plans must meet all state and federal private health insurance standards for individual market plans offered through the Silver State Health Insurance Exchange. The real difference between the new Public Option plans and other private plans offered through the Silver State Health Insurance Exchange will be the additional state statutory and contractual requirements that will apply to the new Public Option plans.

Through these new state contracts, the State can drive reforms and improve statewide access and affordability for consumers. For example, the state law requires state officials to enter contracts with health carriers that will:

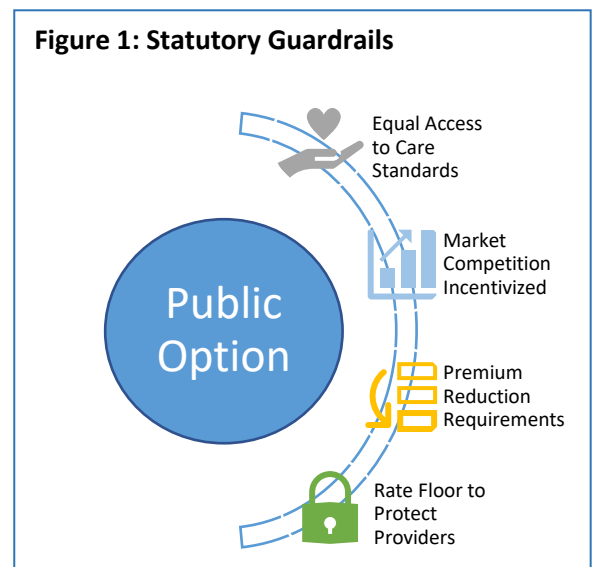
- Promote new value-based provider payments to help drive down costs and improve quality of care.
- Utilize new strategies to reduce health disparities and increase access to culturally competent care.
- Strengthen Nevada's health care workforce.
- Increase access to safety-net providers by improving alignment of provider networks between Medicaid and the private insurance market.

## Guardrails & Targeted Efforts to Reduce Costs

The new state law creates guardrails for the Nevada Public Option to lower premiums, ensure access to care, prevent large provider rate cuts, and increase market competition.

- **Guarantees Lower Premiums** – Health carriers offering new Public Option plans must meet certain premium reduction targets. State officials may revise these targets as long as premiums are reduced by 15 percent in the first four years.
- **Ensures Equitable Access to Care** – Providers participating in Medicaid and the State's public employee benefit plan must participate in at least one provider network in the Public Option. They must also apply the same practices for accepting new patients enrolled in Public Option plans as they apply to new patients enrolled in other private health plans.
- **Prevents Large Provider Rate Cuts**– Health carriers offering new Public Option plans must agree to pay providers in their networks at rates that are no lower than Medicare. Health carriers can pay providers rates that are higher

**Figure 1: Statutory Guardrails**



than Medicare. Medicare is intended to serve as a floor to protect providers when negotiating with health carriers for rates in the Public Option.

- **Increases Market Competition** – Health carriers seeking to participate in Nevada’s Medicaid managed care program must also bid on a contract for the Public Option. This new requirement is designed to leverage the State’s purchasing authority with health carriers and increase competition in both markets.

## Implementation and Projected Gains

State law requires Nevada Medicaid to submit a 1332 State Innovation Waiver application to the federal government. As part of that application, the State hired an actuarial consulting firm to conduct the required analysis for the waiver and describe the impact on Nevada providers. Results of the analysis can be found on the Public Option website. Preliminary findings indicate that the Public Option will result in the following gains:

### Significant Health Care Savings



The Nevada Public Option is anticipated to generate \$341 to \$464 million in health care savings for taxpayers over the first five years, most of which can be reinvested in Nevada’s health care system.

### New Critical Federal Funds for Nevada



Nevada is expected to receive hundreds of millions in new federal dollars in 2026 because of the savings produced by the Public Option. The new funds can be used to lower health care costs for Nevadans and help address other barriers faced by the remaining uninsured, including new investments in navigators.

### Minimal Impact on Provider Revenue



Minimal changes in provider revenue are expected due to the small size of Nevada’s individual health insurance market. Reductions in reimbursement to providers are expected to be offset by more Nevadans being able to access affordable health care and less unpaid bad medical debt.

### Thousands with More Affordable Coverage



About 50,000 Nevadans are expected to enroll in Public Option plans in 2026. This number is expected to nearly double by 2030.

## The State’s Projected Timeline

2021	2022	2023	2024	2025	2026
<ul style="list-style-type: none"> <li>•SB 420 signed into law (June) and public design sessions (Nov-Dec)</li> </ul>	<ul style="list-style-type: none"> <li>•Develop 1332 waiver and conduct actuarial analysis/provider impact study</li> <li>•Share early findings (Sept.) and host weekly public Q&amp;A sessions (Oct.)</li> <li>•Post for public comment period (Nov.)</li> </ul>	<ul style="list-style-type: none"> <li>•Submit waiver to federal government (March)</li> <li>•Negotiations with federal government</li> <li>•Issue Request for Information (RFI) to collect feedback on procurement (Summer)</li> </ul>	<ul style="list-style-type: none"> <li>•Develop Request For Proposals (RFP)</li> <li>•Issue Public Option RFP in conjunction with Managed Care RFP (Nov/Dec)</li> </ul>	<ul style="list-style-type: none"> <li>•Procurement period and plan awards for Public Option</li> <li>•Public Option carriers submit for qualified health plan certification with exchange and submit rates for approval by Nevada Department of Insurance</li> </ul>	<ul style="list-style-type: none"> <li>•Public Option plans available on exchange for open enrollment</li> <li>•DHCFP provides oversight of new Public Option contracts to ensure terms are met</li> </ul>

## Additional Resources

<https://DHHS.nv.gov/PublicOption>