**Nevada Section 1332 Waiver Application Federal Questions and State Responses**

Below are Nevada's responses to questions and requests for additional information from the U.S. Department of Health and Human Services and the Department of the Treasury during the review of the waiver application.

**Questions on the initial application:**

| Questions sent by CMS to the State in March 2024 and State Responses Received in May 2024 | | |
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| **#** | **Question from CMS** | **Nevada Response** |
| 1. | How might the State mitigate the projected net premium increases for 55% of enrollees? | **Nevada Response:** The State is updating the actuarial analysis in its application and anticipates the number of enrollees with potential net premium increases will be less than 55%. The actuarial analysis will be updated as described below.<br><br>Nevada is updating the waiver application's baseline to reflect the historical growth of the SLCSP relative to other products to better capture underlying market dynamics and isolate any impact of the proposed 1332 waiver. From the inception of the ACA, the subsidy structure put in place to facilitate competition in the Marketplaces has been the source of net premium increases in any given year for consumers who do not shop. Normal pricing changes under a competitive environment will lead to changing benchmark plans from one year to the next, and the failure to shop can lead to swings in premium costs for consumers. The introduction of a 1332 waiver involving either a reinsurance program, a public option, or both does not alter this dynamic and therefore should be considered in the context of the normal market fluctuations outlined above.<br><br>Additionally, the with-waiver scenario will be updated to reflect an anticipated increase in the shopping rate for consumers due to SSHIX's new efforts to encourage active plan selection and to facilitate re-enrollment in the most advantageous plans. Using publicly available active enrollment and plan switching data for both federally-facilitated and state-based marketplaces as well as Milliman proprietary research, the State will demonstrate a reasonable assumption and path towards a materially higher shopping and plan switching rate that will result in a smaller cohort of individuals receiving net rate increases. The actuarial analysis will also document the dollar (not just percentage) impact of net premium increases for those enrollees projected to experience these increases.<br><br>To support the assumed shopping rate, the state will undertake several initiatives. The SSHIX will encourage active plan selection by tailoring notices to consumers to show their premium if they passively re-enroll in their current plan, messaging about the importance of shopping through notices and outreach materials, and boosting the frequency of notices and/or outreach. BBSP contracts will also contain marketing requirements for carriers, which will make more people aware of the lower-cost products. The State is also considering more innovative strategies, such as automatically re-enrolling consumers in a more advantageous plan offered by the same carrier at the same metal level (e.g., enrolling into the BBSP offered by the carrier). Together, these proposals will increase consumer shopping rates. Consumers who shop for their own plan and *voluntarily* choose a higher-cost plan, regardless of whether their benchmark premium or PTC is lower, should not be considered to have less affordable coverage, since they have demonstrated their awareness and independent choice of a plan, in the same way a consumer does today. The State intends to use passthrough funding to pay the administrative costs of implementing these strategies to ensure that anyone who has a lower PTC understands their options. The State intends to update its proposal to reflect such investments. |
| 2. | How will the state mitigate the risk of a smaller than projected reinsurance program in year 2 leading to lower than projected | **Nevada Response:** Depending on the amount of federal pass-through funds received each year, the State retains the authority to adjust the attachment point and limits on the reinsurance program to ensure funds are available cover the cost of the program. |

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| | savings in future years? If passthrough funding is lower than projected, what adjustments will be made to the reinsurance program and premium reduction targets, if any? | The Director of Nevada's Department of Health and Human Services also has the authority to adjust the annual premium reduction targets through guidance to carriers and has already done so. See the revised guidance on carrier premium reduction targets for plans, released November 2023. |
| 3. | Please provide a detailed explanation of the assumptions used to estimate the impact of the BBSP on both BSPP rates and non-BBSP premiums.<br>a. For example, please describe the research or ideas underlying the assumption that BBSPs will be responsible for non-BBSP rates being reduced.<br>b. Also, please detail how the BBSPs are projected to impact non-BBSP rates. | **Nevada Response:** As discussed on page 25 of the actuarial analysis, the BBSP offerings starting in 2026 can be considered as a new competitor. Market research provides empirical evidence that increased individual market competition is associated with lower premium rates and lower annual rate increases (see footnotes 25-29 in the actuarial analysis). Thus, in the case where a BBSP does not become the SLCSP, it is reasonable to assume that the Nevada Market Stabilization Program (NMSP) did, in fact, generate downward premium pressure on the plan or plans that become the SLCSP, even though it is not a BBSP. The actuarial analysis did not model the indirect effect of the introduction of market competition from BBSPs. Rather, it assumed the more direct but equivalent impact of a BBSP becoming the SLCSP. |
| 4. | Once premium rates for 2026 and later are finalized, how will the state estimate the impact of the BBSP program. In other words, how will the state estimate what the BBSP plan rates would have been without the waiver once the actual rates have been finalized? What data will the state collect from issuers to support this estimate of the impact of the BBSP program on premium rates? Will the state collect estimates of the impact of the BBSP program and the reinsurance program when issuers submit their rate filings for 2026 and later? What metrics (in addition to information provided by issuers) does the state | **Nevada Response:** The State intends to obtain data from the state's carriers, which will be defined through the procurement and contracting process, and from other states to analyze and estimate market trends absent the waiver and develop a range of potential impacts of the BBSPs and market stabilization program (including reinsurance) on non-BBSP premiums for purposes of determining passthrough funding in these situations. The State will collaborate with other stakeholders and other states with similar experience to develop specific data requests and templates for this purpose.<br><br>The State will estimate the impact of the BBSP program for purposes of determining passthrough funding via a multi-pronged approach. First, the State will conduct a Nevada-specific comparative analysis using historical data (including comparisons to the small group market) where the State will monitor the overall rate increase trend before and after the implementation of the NMSP. The State anticipates this analysis will show lower rate increases, all else equal, starting in 2026. Next, the State will conduct a national comparative analysis where annual rate trends in Nevada are compared against those of the rest of the 49 states, adjusting for various factors. This analysis is anticipated to yield lower-than-nationwide increases in 2026 (by approximately 3%) in Nevada. Next, Nevada will assess the rate filing information submitted by carriers in Nevada's individual marketplace, paying special attention to network factors and expense loads. The network factor for BBSPs will be different than the network factor for non-BBSPs, and BBSPs should have lower expense loads than non-BBSPs. (If there are circumstances where a carrier does not offer non-BBSP plans, or if a carrier that does offer non-BBSPs in the early years does not offer them in the future, no comparison of direct pricing information in the rate filings can be made, and the impact of BBSPs will have to be determined indirectly.) Lastly, the State anticipates collecting industry medical and prescription drug pricing trend information in order to inform the establishment of the reference premium as required by SB420. Collectively, the analyses outlined above will be used by Nevada for estimating what rates would have been absent the waiver to isolate the impact of BBSPs. |

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| | propose to collect in the future to measure this impact? | |
| 5. | Can you confirm that BBSPs will not be establishing any non-standard variants (i.e. gold/bronze plans will only have 01, 02, and 03 variants, and silver plans will have 01, 02, 03, 04, 05, and 06)? | **Nevada Response:** There will be no new variants. |
| 6. | Are the BBSP premium reduction targets spread out over the first four years? Can an issuer satisfy the requirement with plans that have 0% reduction in each of the first three years, and a 15% reduction in the 4th year? | **Nevada Response:** The annual premium cost of a carrier's BBSP (silver plan) in the Silver State Health Insurance Exchange (SSHIX) must be lower than the average reference premium in each county by a percentage that increases each Plan Year through Plan Year 2030, as outlined below, and cannot increase more than the increase in Consumer Price Index for Medical Care plus any adjustments necessary to reflect local changes in utilization and morbidity.<br><br>• For Plan Year 2026, carrier premiums must be at least three percent lower than the benchmark.<br>• For Plan Year 2027 to Plan Year 2029, BBSP carriers must achieve a cumulative premium reduction of at least 15 percent as compared to the benchmark. For Plan Years 2027 and 2028, the premium reduction amounts will be negotiated by the Director as outlined under the BBSP contracts with carriers with the goal of ensuring that the 15 percent overall reduction target is achieved by participating carriers by Plan Year 2029.<br>• For Plan Year 2030, carriers must maintain a 15 percent premium reduction as compared to the benchmark.<br><br>For more detail, please see this guidance letter released November 2023. |
| 7. | Does the state expect BBSPs to have lower provider reimbursement rates than non-BBSPs? If so, what is the expected reduction in provider reimbursement rates relative to non-BBSPs? | **Nevada Response:** Yes. Based on Milliman's proprietary research and Milliman's Consolidated Health Cost Guidelines (HCG) Source Database (CHSD), in the ACA market, we estimate provider reimbursement for non-BBSPs will remain near the current level of approximately 169% of Medicare in aggregate, and provider reimbursement for BBSPs will be approximately 150% of Medicare in aggregate. This is an expected reduction of about 11% across facility and professional services combined.<br><br>As a result, the estimated provider revenue reduction is about $39.5 million in aggregate or approximately 0.12% of total provider revenue. The providers' average payment index expressed as a percentage of Medicare reimbursement is estimated to decline by 0.28%. |
| 8. | Has the state evaluated what percentage of providers are currently receiving rates over the provider rate floors set by the statute? | **Nevada Response:** We have not looked at individual hospitals or providers to ascertain this percentage. Section 14 of the bill states that the reimbursement floor is measured in aggregate, not applicable to any specific provider. Our analysis is based on reimbursements in aggregate for professional, inpatient and outpatient. Under the waiver with reinsurance, provider reimbursement for all three of those categories of service is anticipated to remain above 100% of Medicare.<br><br>**Follow-up from Departments:** Are you able to estimate a ratio of Medicaid or Medicare spending to QHP spending? This would provide a helpful sense of the likelihood of BBSPs achieving a portion of projected savings from lower provider rates and help formulate a response to public comments on this topic. For example, this study found commercial rates in NV to be near Medicare rates, while this CBO report found inpatient hospital rates to be nearly 2x Medicare FFS rates. |

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| | | **Nevada Follow-up:** Based on 2022 Nevada market data, we estimated that the Medicaid, Medicare and employer markets combine for approximately 95% of total market revenue, with the individual market comprising only 3%. The size of the individual market relative to other markets limits the impact of any reimbursement changes specific to the individual market on the total payment index, as noted in our response to Question 7. |
| 9. | Can you share more details about the enforcement mechanisms in place for issuers to meet the premium reduction targets? | **Nevada Response:** The State will implement a robust procurement and contracting process that ties Medicaid procurement to the submission of a good faith bid to offer BBSPs on the SSHIX. The procurement and contracting process will use enforcement mechanisms available to the Medicaid Managed Care program such as financial penalties, corrective action plans, and others. The State is considering provisions that would link future participation in the State's Medicaid program to fulfilling core requirements of the BBSP contract, including meeting the premium reduction targets.<br><br>To ensure the actuarial soundness of rates, the BBSP contracts would also include an actuarial review of underlying assumptions used to develop BBSP plan premiums. This review would include an examination of administrative cost loads built into BBSP and non-BBSP premiums as well as evidence that provider reimbursement rates underlying BBSPs are sufficient to hit the required statutory premium targets while producing actuarially sound rates.<br><br>**Follow-up from Departments**: Will the actuarial review also assess whether or not providers are already accepting rates at the rate floor (100% Medicare)? Are you able to more explicitly describe any proposed or planned mechanisms for enforcement should a BBSP issuer submit rates that do not meet the premium reduction targets? Relatedly, for the state's consideration—during the federal public comment period, one commenter raised questions about the exemption process for issuers. They suggested that issuers seeking exemption from the full premium reduction targets should be required to provide supporting evidence of their claim that they are unable to meet the targets and take steps to lower premiums before the premium reduction target is waived, and the state should facilitate negotiations between insurers and providers. We believe this was the approach implied in prior communications but could be clarified.<br><br>**Nevada Follow-up:** The actuarial analysis will not assess whether or not individual providers are already accepting rates at the rate floor (100% Medicare). We conducted the analysis on an aggregate rate basis, which is consistent with the requirements of SB420. The reimbursement floor in SB420 applies in aggregate. Therefore, it is possible for the minimum provider reimbursement requirements of SB420 to be met even if some individual providers accept rates below 100% of Medicare. |
| 10. | If issuers are unable to meet the premium reduction targets in any given year, would the state adjust the targets for that or future years? What would be the impact of adjusting targets on market stability and compliance overall? | **Nevada Response:** For Plan Year 2026, carrier premiums must be at least three percent lower than the benchmark. During Plan Years 2027 and 2028, carrier premium reduction amounts will be negotiated by the Director as outlined under the BBSP contracts with carriers, with the goal of ensuring that the 15 percent overall reduction target is achieved by participating carriers by Plan Year 2029. The Director of Nevada's Department of Health and Human Services has the authority to adjust the annual premium reduction targets through guidance to carriers, as needed.<br><br>In other words, there will be certain flexibility to adjust the premium reduction targets in the interim years of 2027 and 2028 while ensuring the 15 percent reduction by 2029. However, we expect the adjusted targets to stay fairly close to what's being modeled in the revised actuarial analysis in order to generate sufficient PO savings to fund the reinsurance programs as part of the market stabilization program. |
| 11. | What is the projected premium difference between the lowest-cost bronze and gold QHPs in the baseline and the bronze and gold | **Nevada Response:** We added a table to the actuarial analysis (Table 33 in the revised actuarial report, and shown below) that summarizes the modeled gross premium for a bronze, silver, and gold plan in the baseline scenario in 2026 and in the waiver scenario from 2026 to 2029 for a 43-year-old (non-tobacco) member in Rating Area 1 based on the analysis in the initial waiver application. (Note - Milliman's modeling is done by age band, rather than by |

<table>
<tr><th colspan="3">Questions sent by CMS to the State in March 2024 and State Responses Received in May 2024</th></tr>
<tr><th>#</th><th>Question from CMS</th><th>Nevada Response</th></tr>
<tr><td></td><td>BBSPs in the waiver scenario, for each year of the waiver?</td><td>integral age. The illustration reflects the modeled premiums for anyone in the 40 to 45 age band. This response cites 43 above since it is approximately the mid-point of the age band.)<br><br>
<table>
<tr><th colspan="6">Premium Relativities by Metal based on Revised Actuarial and Economic Analysis</th></tr>
<tr><th></th><th>Baseline</th><th colspan="4">Market Stabilization</th></tr>
<tr><th></th><th>2026</th><th>2026</th><th>2027</th><th>2028</th><th>2029</th></tr>
<tr><td>Average Premiums</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Bronze</td><td>$409.63</td><td>$396.57</td><td>$383.50</td><td>$392.41</td><td>$401.70</td></tr>
<tr><td>Silver</td><td>$495.41</td><td>$479.61</td><td>$463.13</td><td>$473.45</td><td>$484.42</td></tr>
<tr><td>Gold</td><td>$674.89</td><td>$653.37</td><td>$631.83</td><td>$646.52</td><td>$661.82</td></tr>
<tr><td>Ratios</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Bronze : Silver</td><td>0.83</td><td>0.83</td><td>0.83</td><td>0.83</td><td>0.83</td></tr>
<tr><td>Gold : Silver</td><td>1.36</td><td>1.36</td><td>1.36</td><td>1.37</td><td>1.37</td></tr>
<tr><td>Gold : Bronze</td><td>1.65</td><td>1.65</td><td>1.65</td><td>1.65</td><td>1.65</td></tr>
<tr><td>Premium differential between Bronze and Gold</td><td>$265.26</td><td>$256.80</td><td>$248.34</td><td>$254.11</td><td>$260.12</td></tr>
</table>
<br>As shown in the table above, although the premium amounts differ between the Baseline and Waiver scenarios, the ratios between metals are the same in any given year.<br><br>Follow-up From Departments: I believe this answers the question. As with all aspects of the addendum, other members of our workgroup may have follow up questions and we will continue to share those as they arise during the review process.</td></tr>
<tr><td>12.</td><td>Are the premium reductions due to the waiver in rating areas 3 and 4 larger than the premium reductions required by state guidance because of the higher reinsurance co-insurance rates these rating areas</td><td>Nevada Response: Correct. As stated in Table 10 in the revised actuarial report, the current actuarial analysis estimates the reinsurance program will decrease premiums by approximately the following percentage:<br>• Rating Area 1: 5%<br>• Rating Area 2: 9%<br>• Rating Area 3: 15%<br>• Rating Area 4: 28%</td></tr>
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| | would face under the waiver, relative to rating areas 1 and 2? | |
| 13. | Could Nevada provide more information on their approach outlined in Table 17, specifically, how we should think about it in relation to Exhibit 3 (which shows enrollment among those >400% increasing by 330 in 2026, not 450)? | **Nevada Response:** The revised analysis will show consistency across these tables and exhibits.<br><br>**Follow-up From Nevada:** We aligned this table (Table 22 in the revised analysis) and exhibit (Exhibit 6 in the revised analysis) to be consistent. The prior inconsistency was unintentional. |
| 14. | What assumptions were made about how many consumers will change plans or plan levels when their current plan isn't the lowest premium option, regardless of whether or not it's a BBSP, and what experience or data did you rely on for these assumptions? | **Nevada Response:** Consistent with the Baseline (without waiver) Scenario – Waiver Scenario construct, any plan switching in the baseline would be modeled in the waiver scenario and there would be a normalizing effect, as expected. For this reason we do not model detailed plan switching mechanics in the baseline or waiver scenarios. The waiver scenario would include the incremental effect of consumers now choosing a BBSP as it is assumed to be the second lowest cost and lowest in each region. The actuarial analysis refers to this as the "take-up rate." That rate is modeled using public open enrollment files for Nevada and other SBMs and FFMs, as well as actuarial research using publicly available URRT and county-level issuer enrollment data to determine the share of the market normally commanded by the carrier with the SLCSP. This is applicable as the BBSPs can be treated as an additional carrier or plan and can be expected to garner a similar market share, all else equal. However, we also make assumptions for increased take-up beyond this due to incremental initiatives planned by the state to increase awareness, shopping and plan switching in order to reduce net increases.<br><br>The State did not visualize changes in plan levels because the State's review of historical enrollment data in Nevada concluded that the distribution among metal levels remains consistent despite significant variance in premium changes by metal level. This suggests that metal level switching is not material in Nevada even when price relativities change.<br><br>**Follow-up From Nevada:** The report includes commentary to explain the assumption that individuals will remain in the same metal level. Table 11 provides documentation to support that this assumption is reasonable based on the relatively consistent distribution by metal despite historical changes in premiums. |
| 15. | Please provide more clarity on the terms "fully subsidized" and "lightly subsidized" enrollees. Does "fully subsidized" in the application mean enrollees who can purchase zero-dollar bronze plans (as opposed to PTC-eligible enrollees with incomes up to 150% of FPL whose required contribution, under the ARP schedule, is zero for the SLCSP)? | **Nevada Response:** These terms are intended to be generalized descriptions in the narrative and are not used in the underlying analysis. The term "fully subsidized" has been replaced with "heavily subsidized" in the revised actuarial report. Generally speaking, "heavily subsidized" enrollees are those who receive substantial subsidies. Some may be able to purchase zero-dollar bronze plans, but we did not intend for the terminology to be that specific unless specifically noted in the context of the narrative.<br><br>"Lightly subsidized" enrollees are those who receive a small subsidy, but their net premium is more likely to change (and by a greater amount) than net premiums for heavily subsidized enrollees if the SLCSP changes. Lightly subsidized enrollees receive a subsidy in Baseline scenario. Depending on their subsidy and premium levels under the Market Stabilization scenario, enrollees may not be impacted because their bronze plan premium is low enough that a lower subsidy does not increase their share of the premium; share the savings with the federal government driven by the lower SLCSP (i.e., the gross |

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| | | premium decrease is greater than the subsidy decrease); or lose their subsidy status entirely (i.e., the gross premium decreases to less than the maximum enrollee premium) when the SLCSP decreases under the Market Stabilization scenario. |
| 16. | Exhibit 6 shows a decrease in subsidized coverage compared to baseline in 2026 and an increase in subsidized coverage in 2027. Do these changes reflect enrollees switching from subsidized to unsubsidized, and vis versa (e.g., are 220 subsidized enrollees expected to drop coverage in 2026, or does the 760 increase in unsubsidized enrollees include 220 previously subsidized enrollees)? | **Nevada Response:** We do not assume anyone will drop coverage due to the waiver, and Exhibit 6 does reflect enrollees switching between subsidized and unsubsidized. The 760 increase in unsubsidized enrollees does include the 220 previously subsidized enrollees. |
| 17. | Some states have estimated minimal changes in enrollment for subsidized populations from resulting decreases in premiums given net out-of-pocket costs are expected to be mostly insulated from changes in gross premium rates. Did the state consider this assumption and why it is not relevant in Nevada? As an example see the top of page 24 here. | **Nevada Response:** Based on our understanding of your question, we believe we did consider a similar assumption in Nevada BBSP modeling. The following statement is from page 2 of the actuarial report: "We assume minimal change in total individual market enrollment, as PTC-eligible individuals' net premiums will be largely the same as in the Baseline scenarios assuming they are enrolled in the SLCSP BBSP." Exhibit 6 in our report supports our claim that the impact on subsidized enrollment is minimal. The decrease in subsidized enrollment is only 220 people (or about 0.3% of subsidy-eligible enrollees in the Baseline scenario), and that is due to the most lightly subsidized enrollees losing their subsidies due to the decrease in the SLCSP. |
| 18. | How many enrollees have $0 premiums in the baseline scenario and are projected to experience premium costs under the waiver? | **Nevada Response:** This question will be addressed in Nevada's revised actuarial analysis. We estimate approximately 20% of members who have $0 premium in the baseline in 2029 will experience premium costs under the waiver, with a median enrollee premium of less than $15 PMPM.<br><br>As shown in Table 16 in the revised actuarial report, there are approximately 1,000 enrollees with $0 premium in the Baseline scenario (see Table 16 footnote). We project approximately 700 will keep a $0 net premium under waiver scenario. We project approximately 300 enrollees will experience net premium increase under waiver scenario, with an average net premium increase less than $9 per member per month. |

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| 19. | Why were the net premium increases not assumed to result in enrollment decreases? | **Nevada Response:** This question will be addressed once Nevada has submitted the revised actuarial analysis. |
| 20. | On page 79 of the PDF, it's noted that data was analyzed excluding counties with two or fewer issuers—does this mean rural counties were more likely to be excluded?<br>a. CMS data suggests most NV counties have 2 issuers. How did this impact the analysis? | **Nevada Response:** Counties with two or fewer issuers were only excluded for the purpose of estimating BBSP take-up rates in order to produce a more conservative estimate of SLCSP market share. The market share of the SLCSP in a county with two or fewer issuers is likely higher than in a county with more than two issuers. We assume there will be at least two BBSPs in every area of the state (see page 29 of actuarial analysis). Language has been added to the new section III.B in the revised application for additional context. |
| 21. | Please provide projections of enrollment, premium, and PTC for BBSP and non-BBSP plans separately to show the estimated impact of the BBSP and reinsurance programs separately. | **Nevada Response:** Nevada will provide updated tables in the waiver adde**ndum** |
| 22. | Which are the two largest rating areas in the state? NV, please confirm, but from the application, we believe this is rating areas 1 and 2. | **Nevada Response:** Correct. In total, these two areas account for about 90% of the NV population and the individual market enrollees. |
| 23. | Please confirm that the assumptions related to the expiration of enhanced premiums (IRA/ARP enhanced APTC) involve 1) changing the age distribution accordingly (rather than making an across-the-board cut to subsidized enrollment by income level, as suggested by Table 25) and 2) any potential interactions with the PHE enrollment (for example, do the changes to the age and income distributions reflect the entire exchange population, including those who newly enroll due to the PHE unwinding)?) Also, | **Nevada Response:** The assumptions for enrollment decreases due to the expiration of ARP are applied with different rates of disenrollment by income level since we assume decisions to disenroll due to the expiration of ARP will be driven by the reduction in subsidies, which has a different impact by income. We assume the rate of disenrollment declines as income increases up to about 250% FPL, since the lowest-income enrollees are more insulated from the impact of ARP. We assume the rate of disenrollment increases above 250% FPL as income increases, with the highest rate of disenrollment for those above 400% FPL since they will lose all subsidies.<br><br>We expanded Table 31 in the revised actuarial report (Table 25 in the initial submission) to show the rate as well as the absolute number of disenrollments. We did not differentiate the assumption by age, however this assumption results in a change in age mix due to the different age distribution within each income level, shown in Table 32 in the revised actuarial report. We model the impact of enrollment changes due to the expiration of the PHE and ARP cumulatively, so the ARP enrollment decrease assumption is applied to projected post-PHE enrollment. We confirm the morbidity impact of the waiver reflects the health status of those expected to newly enroll in the exchange.<br><br>**Follow-up From Nevada:** See Tables 29 – 32. |

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| | please confirm that the morbidity impact of the waiver reflects the projected health status of those expected to newly enroll in the exchange. | |
| 24. | Is the projected increase in enrollment in catastrophic plans due to subsidized Bronze enrollees enrolling in catastrophic coverage in response to net premium increases under the waiver or is this increase in catastrophic coverage due to new enrollees? | **Nevada Response:** The projected increase in enrollment in catastrophic plans is solely due to the projected population growth of 1.3%. |
| 25. | Footnote 30 in the economic and actuarial analysis suggests that new enrollees selecting the bronze BBSP might impact APTC spending, which seems counter to the assumption that there would be no increase in PTC-eligible enrollees due to the waiver—is Nevada estimating that there will be an increase in PTC-eligible enrollees in the waiver scenario, relative to the baseline? | **Nevada Response:** We project the waiver will result in a net decrease in PTC-eligible enrollment, as shown in Table 24 of the revised actuarial report. However, this is the net result of a decrease due to enrollees who lose PTC-eligibility due to lower gross premiums (i.e., those who are lightly subsidized in the Baseline but the gross premium falls below their maximum enrollee premium in the waiver scenario) and an increase due to new PTC-eligible enrollees who join the individual market. |
| 26. | Do all current Medicaid MCOs offer Bronze plans (state has confirmed verbally)? | **Nevada Response:** All Medicaid MCOs except for Molina Healthcare offer a Bronze plan in the individual marketplace. |
| 27. | How do current QHP networks compare to Medicaid networks? What is the degree of network overlap currently?<br><br>Potential approach: The state takes the Issuers provider network data file, which has both Medicaid managed care and QHP data. Then they dedupe the data using NPI, | **Nevada Response:** Nevada requested current MCOs examine existing QHP-Medicaid provider overlap, calculating a ratio of the participating providers in the issuer's Managed Care network to their QHP network. Below is a sampling of the findings:<br>• **UHC:** Percentage of Medicaid Providers participating in Exchange network: **65%**<br>• **Molina:** Percentage Overlap from Medicaid to Marketplace: **98.74% PCP providers and 98.12% for All Specialties**<br>• **SilverSummit HealthPlan:** For Clark and Washoe, the overlap of Medicaid network to Ambetter network is approx. **85% (at an NPI/Practitioner level).** |

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| **#** | **Question from CMS** | **Nevada Response** |
| | License Number and MEDS ID to ensure that they are only comparing providers a single time. Once they have the universe of providers deduped, they compare the participating providers in an Issuers MC network to their QHP network, and vice versa. As an example, if ABC Health Insurance has 10,000 unique providers participating in MC, and 9,000 unique providers participating in QHP, that would be our starting point. When comparing the two, if 8,500 of the MC providers also participate in QHP, they would calculate the overlap from MC to QHP as 94.44% (8500/9000). | |
| 28. | Please provide additional information about the projected impact of the Practice in Nevada program and how the program will work over the course of the waiver.<br>• Does NV participate in the National Health Service Corps Loan repayment program? If so, how are the two programs related? Will NV use passthrough funds for the federal matching requirement?<br>• Is this program duplicative of other federal programs with the same goal? Is it possible that some providers may be awarded twice? | **Nevada Response:** The State is in the process of confirming the design parameters of this program and is exploring potentially using passthrough funds for the federal matching requirement for the Nevada Health Service Corps (NHSC). The NHSC is a federal/state grant partnership in which $500,000 in federal grant funding to the Nevada State Office of Rural Health have been matched by $500,000 in state matching funds for a total of $1 million in available funds for loan repayment in the current biennium.<br><br>The amount of funding available to finance the Practice In Nevada Incentive Program will depend on available passthrough funding. The State will first prioritize using passthrough funding to finance the state reinsurance program, followed by the Quality Incentive Payment Program. If there is sufficient funding to fully finance these programs, the State will allocate funds for the Practice In Nevada Incentive Program. When making award decisions in a certain year the State will ensure sufficient funds are already on hand to finance that awardee's full scholarship. |

| Questions sent by CMS to the State in March 2024 and State Responses Received in May 2024 | | |
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| **#** | **Question from CMS** | **Nevada Response** |
| 29. | Please share more details about how the quality incentive payment program will work. | **Nevada Response:** Under the Quality Incentive Payment Program, the State intends to reward BBSP carriers for achieving state-defined quality goals. For instance, if a carrier were to meet a defined metric (e.g., meeting a establishing value-based payment programs with network providers) that carrier would receive a bonus payment from the State the following plan year. Financing for this Program will be available only if funds remain after funding the State's reinsurance program.<br><br>The State is currently working to define those priority metrics and will request input from stakeholders on this topic through a forthcoming RFI. A longer-term goal of the State is to align value-based initiatives across payors; this will also be a key consideration for the Division as it defines the parameters for this program. |
| 30. | The waiver application notes that the state intends to align "if feasible and practical, with the value-based initiatives used in the Medicare market." Is there a specific Medicare VBP program or quality metrics the state is considering mirroring? | **Nevada Response:** Nevada DHHS is interested in incentivizing carriers to align value-based initiatives across the Medicaid and individual markets and, if feasible and practical, with the value-based initiatives used in the Medicare market to achieve a best practice, "all-payor model" for these efforts in the State. An all-payor model is consistent with the best practices and models promoted by CMS's Center for Medicare and Medicaid Innovation. See its recently released AHEAD model initiative. With this new initiative, the State can work towards directly influencing and improve how care is delivered and financed, aiming to stabilize Nevada's individual market by improving population health, which in turn reduces costs and risks to carriers.<br><br>Nevada DHHS will work with CMS partners to assess opportunities for alignment where feasible and valuable to provider and markets. |
| 31. | Are the incentives for BBSPs to incorporate VBPs part of the Quality Incentive Payment program or a separate component of the BBSP implementation plan? | **Nevada Response:** The financial incentives for BBSPs to incorporate VBP initiatives are a component of the Quality Incentive Payment Program. Through the Quality Incentive Payment Program for BBSPs, the State intends to require or incentivize carriers to align these value-based initiatives across payors. Nevada will provide additional detail on this program for CMS input in the revised narrative application. |

| Questions Sent to Nevada on November 6, 2024, and Responses Received in November | | |
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| **#** | **Question from CCIIO** | **Nevada Response** |
| 1. | Page 5 notes that each BBSP carrier will be required to offer standard plans "in each geographical region it serves…" The state had previously noted that all BBSP issuers would offer BBSPs statewide. Is that still the case?<br><br>• Similarly, on page 11, the addendum notes that the State will review proposals to determine which BBSPs will be offered in each region. Will contracts require issuers to offer plans statewide or will issuers be able to bid to offer BBSPs only in certain rating areas? | • If selected as a BBSP, existing carriers in the states (i.e., those that offered a qualified health plan (QHP) for purchase on Nevada Health Link during Plan Year 2024) will be required to offer at least one Bronze, Silver and Gold Level BBSP, plus at least one non-BBSP QHP at the Silver Metal Level in each of the State's four Geographical Rating Regions.<br>• However, the State is implementing a phased approach for BBSP issuers that are new to the Nevada Health Link. If the issuer did not offer a QHP on Nevada Health Link during Plan Year 2024, then the issuer must offer the above plans in at least two of the State's four Geographic Rating Regions. The issuer must then expand its BBSP offerings to a third Geographic Rating Region no later than Plan Year 2028 and to a fourth Geographic Rating Region no later than Plan Year 2029. |

| Questions Sent to Nevada on November 6, 2024, and Responses Received in November | | |
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| **#** | **Question from CCIIO** | **Nevada Response** |
| | • Relatedly, on page 12, the addendum notes that at least two issuers will meet the unadjusted premium reduction target each year. If the issuers are not required to offer BBSPs in all regions, will there be at least 2 issuers with unadjusted premium reduction targets in each region? | • More than two issuers with previous experience offering QHPs have submitted bids to offer BBSPs, so the State is confident that there will be at least two BBSP issuers in each region. If there are only two BBSP issuers in a Rating Region, they will both automatically be assigned to Tier 1 and required to meet the unadjusted Premium Reduction Target, setting up a very high likelihood that the BBSPs will be the SLCSP in all rating areas. |
| 2. | Table 4 on PDF page 47 shows decreases in average net premiums under the waiver compared to the baseline. Compared to the initial application, the changes range from 6% to nearly 15% lower than originally projected. The narrative (on this page and elsewhere) notes that the premium relief program has an impact of .2% to .5%. Does the increase in projected take up rate account for the remaining reductions in these projections or are there other factors? | • Yes, the increase in projected BBSP take-up rate accounts for the remaining reductions in projected average net premiums as compared to the initial application.<br>• Section III.D in the Actuarial Analysis details the reasoning for a higher estimated take-up rate of BBSPs. The higher take-up rate of BBSPs causes average net premiums to be lower, all else equal. |
| 3. | Is the correct interpretation of Exhibit 4.4 and Table 24 that the state expects some PTC-eligible residents will newly enroll in coverage in 2026? If so, what is motivating PTC-eligible residents to newly enroll in subsidized coverage (e.g., is it due to awareness of BBSPs)? | • Yes; the analysis assumes that a small number of PTC-eligible consumers new to the Nevada Health Link will enroll in subsidized coverage with the new offering of BBSPs, driven in part by State initiatives promoting the BBSPs. |
| 4. | In Exhibits 7.1 and 7.2, in the baseline scenario, are the enrollees described as “BBSP Enrollees” those that are enrolled in QHPs in the baseline, but that would enroll in BBSPs under the waiver? | • This is correct. |
| 5. | Thank you for the discussion about the impact of a bronze BBSP offering on APTC spending. Are we correct in understanding that a portion of the PTC savings the state estimates is due to subsidized enrollees in bronze plans choosing a bronze BBSP instead of a silver plan (or non-BBSP bronze plan), and therefore using a smaller amount of their PTC to purchase coverage than they would absent the bronze BBSP (i.e., the state is estimating PTC savings outside of the decrease in the SLCSP premium due to the public option)? | • Correct. With the offering of Bronze BBSPs, the analysis assumes a portion of current Bronze enrollees and new enrollees will select the Bronze BBSP, thereby using a smaller amount of subsidies than they would have used under the waiver if a Bronze BBSP were not available. |
| 6. | We understand that the state estimates about 20,000 enrollees would be eligible for the premium relief program in 2026. Could the state provide the estimated number of enrollees, for each year of the waiver, who face an increased net premium under the waiver and will not be eligible for premium relief, under the premium relief program’s current eligibility parameters? | • At this time, the specific parameters of the premium relief program are still being determined. Therefore, we cannot reasonably forecast the number of enrollees who will face an increased net premium under the waiver and will not be eligible for premium relief for each year of the waiver. |

| Questions Sent to Nevada on November 6, 2024, and Responses Received in November | | |
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| **#** | **Question from CCIIO** | **Nevada Response** |
| 7. | We understand the state is still finalizing the premium relief program. Given that, does the state plan on having re-enrollees eligible for premium relief be able to view net premiums that reflect the premium relief amount they are eligible for when shopping for coverage? | • The State is still working to determine the best way to communicate to enrollees the amount of their premium relief.<br>• The State intends to administer the premium relief program at the issuer level by sending issuers a data file of eligible enrollees and the amount of their relief payments. The State may need to administer the program directly to enrollees during Plan Year 1 (2026) due to timing of receipt of passthrough funding. |
| 8. | We appreciated the information on PDF page 27 about how the state plans to estimate the impact of the waiver on premiums and reiterate that this discussion and related questions do not affect the Departments' assessment of the waivers ability to meet the 1332 guardrails.<br><br>Has the state considered the Departments' request to collect counterfactual rates from issuers during rate review? This would be necessary for all issuers for the reinsurance program and BBSP issuers for the BBSP program unless the state projects BBSP impacts on non-BBSP premiums. We look forward to ongoing dialogue to better understand how network factors and trend analysis will be considered in pass-through reporting. | • The State intends to request counterfactual rates from all issuers – not just BBSP issuers – during rate review to estimate impacts of the BBSPs. The State anticipates the network factor and expense loads for with-BBSP rates will be different than the network factor and expense loads for without-BBSP rates.<br>• Those rates are also likely to indicate an additional competitive pressure placed on non-BBSP issuers with the introduction of the BBSPs.<br>• The Nevada Division of Insurance has authority to collect this information from issuers via the annual rate filing process.<br>• In addition to reviewing rate filing information, the State intends to conduct additional analyses to estimate passthrough funding. This includes conducting a Nevada-specific comparative analysis using historical data where the State will monitor the overall market trends before and after the implementation of the BBSPs. The State will also conduct a national comparative analysis where annual premium trends in Nevada will be compared against premium trends in other states, adjusting for various factors as appropriate. |
| 9. | Does the state expect reductions to BBSP rates to impact non-BBSP rates? If so, what impact does the state assume? It is clear in the addendum that the state assumes the BBSP plans will be the Second Lowest Cost Silver Plan in all instances. What is not clear in the addendum is the impact the BBSP program is expected to have on non-BBSP rates, if any. | • For purposes of the waiver modeling, we do not assume the BBSP program has any impact on non-BBSP rates. As stated in Section III.C page 28 of the Milliman report, "The Market Stabilization scenario does not model any changes to standard QHP premiums in response to the BBSPs entering the market."<br>• While we acknowledge the possibility that BBSP rates will impact non-BBSP rates in Section III.C, the impact of these pricing changes are difficult to predict without insight into the drivers of specific carriers' strategic pricing decisions. |
| 10. | Will the state collect estimates of the impact of the BBSP program and the reinsurance program from issuers when they submit their rate filings for 2026 and later? The application and the actuarial analysis do not address this question. | • Yes. The State will require issuers to submit with- and without-BBSP rates to estimate the impact of the BBSP and the reinsurance program. |
| 11. | Milliman has indicated that the MCOs in Nevada on average pay their professional and facility providers an average 150% of Medicare rates, and that non-BBSP plans will continue pay their professional and facility provider an average of 169% of Medicare rates. Given that MCOs are paying providers 11% less than commercial issuers, why is the premium reduction target for BBSPs only 3% in 2026? | • The premium reduction is phased in over four years. Also note that the BBSP premium reduction target is based on a reduction in the total premium, which includes costs other than professional and facility provider costs (e.g., pharmacy). |

| Questions Sent to Nevada on November 8, 2024, and Responses Received on November 26, 2024 | | |
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| **#** | **Question from CCIIO** | **Nevada Response** |
| 1. | Can you please verify that 7 issuers submitted LOIs to bid to offer BBSPs? | Seven issuers submitted a Letter of Intent (LOI) to bid to offer Battle Born State Plans (BBSPs). On November 4th, 2024, the State released a public notice identifying the six issuers that met the good faith bid standard. Following this determination, the State will begin evaluation of interested vendors' technical responses. |
| 2. | Did any issuers who did not bid to serve as Medicaid MCOs bid to offer BBSPs (or submit LOIs)? | The State has received bids to offer BBSPs from issuers that do not currently serve as MCOs. (Please note that the State is currently undergoing re-procurement of its MCOs, with bids due January 3rd, 2025. Therefore, the State cannot speak to issuers currently bidding to serve as MCOs.) |
| 3. | Can you please share activities the state undertook to inform/educate issuers about the BBSP RFP process?<br>a. Was there an extension of the time period for submitting LOIs or proposals? | The State conducted a variety of activities to inform and educate issuers about the Request for Proposal (RFP) process for the BBSPs.<br>• On August 14th, 2024, the State hosted a mandatory informational call for issuers interested in bidding on the BBSPs. During this call, the State provided an overview of the BBSPs and additional details regarding the good faith bid submission process. The State then released written Q&As addressing questions raised during the webinar and submitted in writing following the webinar. The presentation slides and responses are posted on the Nevada procurement website.<br>• Additionally, as part of the BBSP RFP Step 2 process, the State conducted a Q&A period allowing issuers to ask questions on the procurement prior to submitting their bids. The State released written responses to issuer questions in October 2024 on the Nevada procurement website.<br>• The State did not extend the time period for which issuers were required to submit an LOI. Issuers submitted LOIs to the State on August 23, 2024 in order to be eligible to respond to the second step of the BBSP RFP process. The State did extend the time period for issuers to submit their good faith bids and full proposals. The deadline for good faith bid submissions was extended from October 16th, 2024 to October 23rd, 2024. The deadline for full proposals was extended from October 23rd, 2024 to October 31st, 2024. |
| 4. | Please confirm that SSHIX had 8 issuers for both PYs 2024 and 2025 and they have not changed their territories? | Yes, SSHIX has 8 issuers for both PYs 2024 and 2025, and these issuers have not changed territories. |

| Questions Sent to Nevada on January 3, 2024, and Responses Received on January 3/January 6, 2024 | | |
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| **#** | **Question from CCIIO** | **Nevada Response** |
| 1. | Our understanding is that there will now be no premium relief program unless BBSP take up falls below 35%. Is that accurate? | The State's intent is to keep the premium relief from the prior addendum, in addition to agreeing to the trigger language. |
| 2. | In an effort to ensure the numbers we are communicating are aligned, I'm including the Departments' analysis of the change in average net premium in each year of the waiver | As a follow up to our discussion on Friday regarding CCIIO's question on the market-wide average net premium change with waiver compared to without-waiver, please see below for a summary of the net premium change based on our projection. The net premium change included in the 2nd column is based on the scenario included in the Addendum |

<table>
<tr><th colspan="3">Questions Sent to Nevada on January 3, 2024, and Responses Received on January 3/January 6, 2024</th></tr>
<tr><th>#</th><th>Question from CCIIO</th><th>Nevada Response</th></tr>
<tr><td></td><td>below. These are based on the updated tables, which use rounded data. Can you please review for any rounding errors? I’m asking because our calculation for 2026 differs very slightly from what is included in Table A and we would like to confirm the change across years for inclusion in the fact sheet and approval package. Just cross-checking for accuracy; we do not have any concerns about the data itself.<br><br>Change in market-wide average net premium with waiver compared to without-waiver:<br>2026: 0.0%<br>2027: -2.6%<br>2028: -3.5%<br>2029: -5.0%<br>2030: -5.4%</td><td>provided on January 1, 2025, which is about 0.1% difference from what your team calculated due to rounding. The net premium change included in the 3rd column is based on the updated Addendum provided on January 6, 2025 after including the impact of Premium Relief Program 1.<br><br><table><tr><th></th><th></th><th colspan="2">Milliman Projected Net Premium Changes</th></tr><tr><th>Year</th><th>CCIIO Calculated Net Premium Changes</th><th>Based on Addendum provided on Jan. 1, 2025</th><th>Based on Updated Addendum on Jan. 6, 2025</th></tr><tr><td>2026</td><td>0.0%</td><td>-0.1%</td><td>-0.2%</td></tr><tr><td>2027</td><td>-2.6%</td><td>-2.5%</td><td>-3.1%</td></tr><tr><td>2028</td><td>-3.5%</td><td>-3.6%</td><td>-4.1%</td></tr><tr><td>2029</td><td>-5.0%</td><td>-5.1%</td><td>-5.7%</td></tr><tr><td>2030</td><td>-5.4%</td><td>-5.3%</td><td>-5.9%</td></tr></table></td></tr>
<tr><td>3.</td><td>Can you please provide update Table A to reflect the cost of the premium relief program described in the August addendum?</td><td>An updated addendum was posted.</td></tr>
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