

Silver State Health Insurance Exchange



A State Based Exchange? Here? In Nevada?

Nevada Health Care Forum

October 9, 2012

Agenda

- **What is a HIX?**
- **Why are we implementing?**
- **Governance and Policies**
- **Tax Implications**
 - Individuals
 - Business

What is a HIX?

- **Farmer's market for health insurance**
- **Web portal**
 - Select and enroll in health insurance
 - Aggregate premiums
 - Determine eligibility for individual tax credit
- **Policies to balance:**
 - Needs of consumers/businesses and insurers
 - Consumer protections and cost

Why Are We Implementing?

- **A System Designed by Nevadans for Nevadans**
 - Stakeholder input
 - Local jobs
- **Nevada Business Friendly**
 - Determination of insurance product offerings
 - Agent, Broker and Navigator participation
 - Tailored small business exchange

Why Are We Implementing?

- Funding the Exchange the Nevada Way
- Ensuring Nevada's Voice is Heard
 - State collaboration
 - Input to the Feds

Governance

SSHIX

- Senate Bill 440 (2011); NRS 695I
- 10 member board
 - 7 appointed voting members
 - 3 non-voting ex-officio
- 5 Advisory Committees
- 40 Publicly noticed meetings since 10/2011

Governance

NRS 695I.200

- **Facilitate the purchase and sale of Qualified Health Plans in the individual market in Nevada**
- **Assist qualified small employers in Nevada in facilitating the enrollment and purchase of coverage and the application for subsidies for small businesses**
- **Reduce the number of uninsured persons in Nevada**
- **Provide a transparent marketplace for health insurance and consumer education on matters relating to health insurance**
- **Assist residents of Nevada with access to programs, premium assistance tax credits and cost-sharing reductions.**

Policy

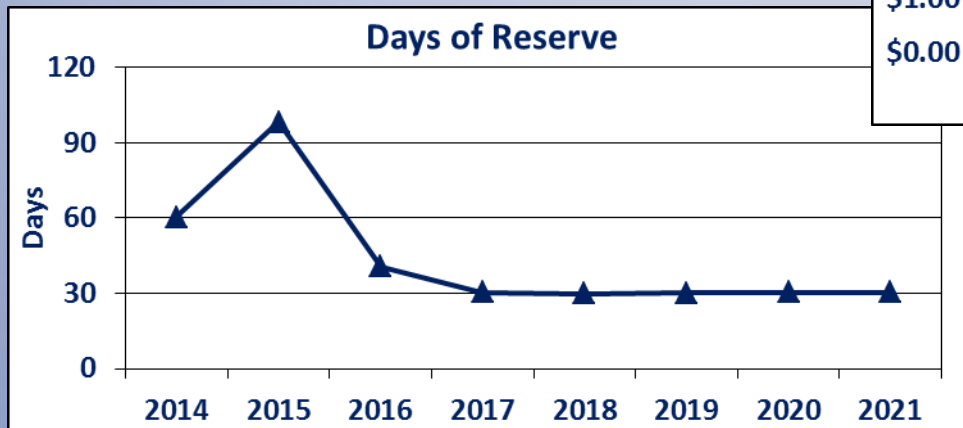
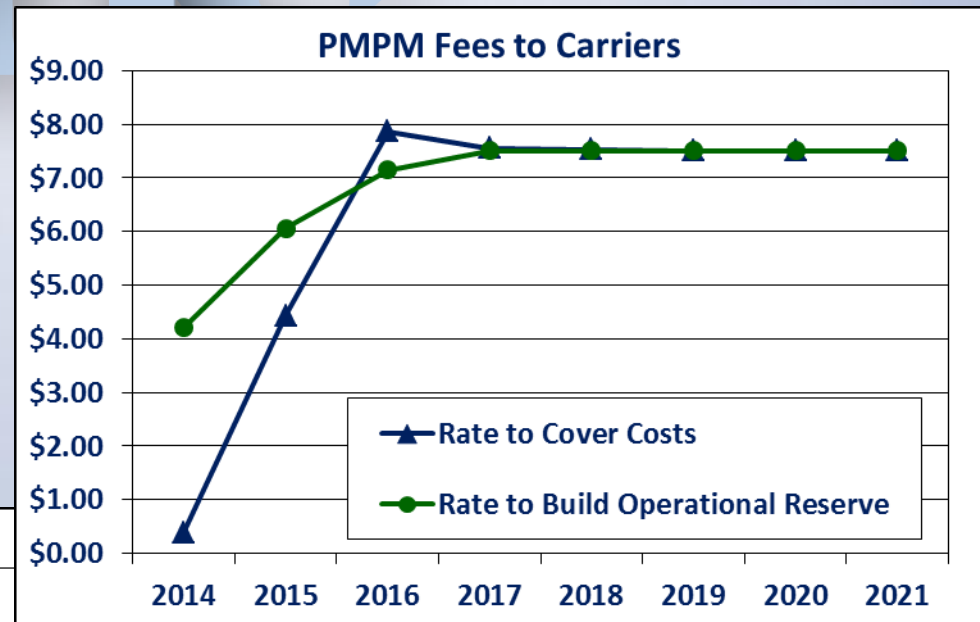
- Strategic Plan
- Key principles (low regulation)
- Advisory Committees
 - Finance and Sustainability
 - Plan Certification and Management
 - Small Business Health Options Program (SHOP) Exchange
 - Consumer Assistance
 - Reinsurance and Risk Adjustment

Board Approved
Recommendations

Policy

Finance and Sustainability

- Fees as a Business
- Supplemental Revenues
- Reserves



[Finance and Sustainability Plan](#)

Policy

Plan Certification & Management

- **Standardization of cost sharing (metal tiers)**
- **Limit on number of plans offered in Exchange**
 - five (5) plans per metal tier
- **Recommendations to Division of Insurance**
 - Rate review and certification procedures
 - Network adequacy
 - Service area of QHPs
 - Essential Health Benefits

Policy SHOP

- **Merging individual, small group and large group markets**
 - Remain unmerged
- **Standardization of product in SHOP and Individual Exchange**
 - Same certification process
- **Employer/employee choice**
- **Minimum contribution (50%)/ participation (75%) requirements**

Policy – SHOP

Employer/Employee Choice

All Carriers/One Plan Level “Open Metal Tier” (Required)				
Carrier	A	B	C	D
Platinum				
Gold				
Silver	X	X	X	X
Bronze				

All Carriers/All Plans “Open SHOP”				
Carrier	A	B	C	D
Platinum	X	X	X	X
Gold	X	X	X	X
Silver	X	X	X	X
Bronze	X	X	X	X

One Carrier/One Package “Package”				
Carrier	A	B	C	D
Platinum		X		
Gold		X		
Silver		X		
Bronze		X		

Carrier Partnership/One Package “Partner Package”				
Carrier	A	B	C	D
Platinum		X	X	
Gold		X	X	
Silver		X	X	
Bronze		X	X	

Policy

Consumer Assistance

- Marketing and Outreach
- Navigators and Producers
- Individual Billing
- Web Brokers
- Appeals and Complaints

Policy

Reinsurance and Risk Adjustment

- **Reinsurance (State Control/Defer to Feds)**
 - Temporary
 - Control of attachment point, coinsurance, max
- **Risk Adjustment (Defer to Feds)**
 - National standardization
 - Availability of Expertise

Tax Implications Individual Subsidy

Annual Income at 100% of the Federal Poverty Level
and Other Levels (Calendar Year 2012)

Family Size	100% FPL	133% FPL	200% FPL	300% FPL	400% FPL
1	\$11,170	\$14,856	\$22,340	\$33,510	\$44,680
2	\$15,130	\$20,123	\$30,260	\$45,390	\$60,520
3	\$19,090	\$25,390	\$38,180	\$57,270	\$76,360
4	\$23,050	\$30,657	\$46,100	\$69,150	\$92,200
5	\$27,010	\$35,923	\$54,020	\$81,030	\$108,040
For each additional person add	\$3,960	\$5,267	\$7,920	\$11,880	\$15,840

Tax Implications Individual Subsidy

Monthly Premiums Under the Second Least Expensive
Silver Level Plan (Calendar Year 2012)

Family Size	100% FPL	133% FPL	200% FPL	300% FPL	400% FPL
Percent of Income	2.0%	3.0%	6.3%	9.5%	9.5%
1	\$18.62	\$37.14	\$117.29	\$265.29	\$353.72
2	\$25.22	\$50.31	\$158.87	\$359.34	\$479.12
3	\$31.82	\$63.47	\$200.45	\$453.39	\$604.52
4	\$38.42	\$76.64	\$242.03	\$547.44	\$729.92
5	\$45.02	\$89.81	\$283.61	\$641.49	\$855.32
For each additional person add	\$6.60	\$13.17	\$41.58	\$94.05	\$125.40

Tax Implications

Individual Penalty

Estimated Calendar Year 2014 Annual Tax Penalty
(1.0%; \$95; based on the FPL for 2012)

Family Size	100% FPL	133% FPL	200% FPL	300% FPL	400% FPL
1 adult	\$111	\$148	\$223	\$335	\$446
1 adult / 1 child	\$151	\$201	\$302	\$453	\$605
2 adults	\$190	\$201	\$302	\$453	\$605
1 adult / 2 children	\$190	\$253	\$381	\$572	\$763
2 adults / 1 child	\$237	\$253	\$381	\$572	\$763
2 adult / 2 children	\$285	\$285	\$381	\$572	\$763
For each additional person add	\$39.60	\$52.67	\$79.20	\$118.80	\$158.40

Tax Implications

Individual Penalty

Estimated Calendar Year 2016 Annual Tax Penalty
 (2.5%; \$695; based on the FPL for 2012)

Family Size	100% FPL	133% FPL	200% FPL	300% FPL	400% FPL
1 adult	\$695	\$695	\$695	\$837	\$1,117
1 adult / 1 child	\$1,042	\$1,042	\$1,042	\$1,134	\$1,513
2 adults	\$1,390	\$1,390	\$1,390	\$1,390	\$1,513
1 adult / 2 children	\$1,390	\$1,390	\$1,390	\$1,431	\$1,909
2 adults / 1 child	\$1,737	\$1,737	\$1,737	\$1,737	\$1,909
2 adult / 2 children	\$2,085	\$2,085	\$2,085	\$2,085	\$2,085
For each additional person add	\$99.00	\$131.68	\$198.00	\$297.00	\$396.00

Impact on Business Tax Credit

- Fewer than 25 full time equivalent employees
- Cover at least 50% of the cost of single coverage (not family)
- Average wages less than \$50,000/year
- Available now, goes up in 2014
- Contact your tax preparer
 - Form 8941
 - Line 44f of Form 990-T (for Exempt Orgs)

Impact on Business

Tax Penalty

- No tax penalty for small business
- For companies with more than 50 full time equivalent employees (FTE) and at least one employee receives an individual tax credit:
 - No coverage offered:
 $\$2,000 \times (\text{FTE} - 30)$ per year
 - Coverage offered but not affordable (9.5% income) or minimum essential coverage (bronze plan), lesser of above or:
 $\$3,000 \times \text{FTEs that receive a premium credit}$



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