Nevada making moves on insurance exchange

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Nevada is making great strides in preparing a statewide **health insurance exchange**. The state's **health care reform** planning group has been holding numerous meetings to discuss efforts toward the future exchange, and the state has completed an initial overview of health insurance exchange coverage and conducted background research on the commercial insurance market, publicly-subsidized medical assistance programs, and uninsured individuals.

Early this year, the state received $4.04 million in federal funding from the **Level I Establishment Grant**, and has been using the funds to develop a **rules-based eligibility engine** that will serve as the single, streamlined eligibility process for all medical assistance programs, including Medicaid, Nevada Check Up, and the exchange. Moreover, Nevada has also been using funding to prepare business and IT systems requirements for non-eligibility related functions of the exchange.

Nevada is using key IT staff from the **Department of Welfare and Supportive Services** and consultants to prepare a feasibility study and request for proposals (RFP) to hire a vendor to implement the **eligibility engine** for the insurance exchange. The state also created a steering committee to monitor the progress of the project and coordinate with Medicaid and the Children's Health Insurance Plan (CHIP) to ensure processes are seamlessly integrated between the insurance exchange and the publicly-subsidized programs. An Implementation Advanced Planning Document (IAPD) was submitted to the **Centers for Medicare and Medicaid** (CMS) for review and approval. Also, Public Consulting Group is working with the state to conduct an initial assessment of the proposed approach to a single eligibility engine, in addition to preparing a high-level cost estimate.

On October 3, 2011, **Nevada's Division of Health Care Financing and Policy** (DHCFP) distributed a vendor demonstration and business model request seeking information on third-party administrative and IT resources, systems, and services that may be used to support the operations of the exchange. Vendors responding to the **request for information** (RFI) include Ceridian, ACS, CGI, HMS, Consumers Checkbook, Visionary Integrated Professionals, Deloitte, Oracle, eHealth, Aon-Hewitt, Maximus, Getinsured.com and Insuremokey.

As far as budgeting is concerned, Nevada is in the "formative stages" of developing draft budgets for state fiscal years 2012 through 2015. The cost estimates developed for the insurance exchange components will reflect start-up costs and ongoing operations. Other areas expected to be developed include general administrative services; consultants and professional support; facility/maintenance costs; staff salaries/benefits; IT communication; marketing and outreach; and premium billing services. The state plans to complete a business plan encompassing expense and revenue estimates, organizational charts, and policy and procedures for the insurance exchange. Moreover, Nevada confirmed it may submit another Level I grant by December 31, 2011, and Level II grant by March 31, 2012, to acquire additional funding to support business operations for the exchange, such as website design, call center operations, eligibility engine services, and other exchange-related systems.

Analyst's Take:

Vendors should keep a close watch on states like Nevada that are considerably more transparent with plans for their insurance exchange. The primary signs of states further along in the process are establishing legislation to create the systems and continuously seeking out federal funding. These will be the states soliciting for many aspects of the exchange other than system implementation, such as project management, website design, call centers, program integrity services, actuarial consulting, and insurance rate reviews.

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