



2/29/2024

The Honorable Janet Yellen
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Submitted via stateinnovationwaivers@cms.hhs.gov

RE: Nevada Section 1332 State Innovation Waiver Application

Dear Secretary Becerra and Secretary Yellen,

United States of Care (USofCare) is pleased to submit comments to the Center for Medicare & Medicaid Services (CMS) and Department of the Treasury regarding Nevada's Section 1332 State Innovation Waiver application to create the Nevada Coverage and Market Stabilization Program.

[USofCare](#) is a non-partisan, non-profit organization working to ensure everyone has access to quality, affordable health care, regardless of health status, social need, or income. We have seen through our research that the high cost of care is the biggest issue of concern to people, across demographic backgrounds, such as race, ethnicity, and geography. The high price of care impacts every part of people's experience with the health care system, from rising premiums to high deductibles and cost-sharing. Due to this, USofCare has [continued to support](#) efforts to [create](#) and implement the new public health insurance option ("public option"), which now hinges on the 1332 waiver approval.

In Nevada, [that is no different](#), and **the proposed 1332 waiver provides a solution to lower health care costs for hundreds of thousands of Nevadans**. Even with expanded access to public and private health insurance coverage during the pandemic, Nevada suffers the [highest uninsured rate](#) of any state that has expanded Medicaid. More than 340,000 (11%) Nevadans are uninsured, with Hispanic (20%) and American Indian/Alaskan Native (21%) populations being disproportionately impacted. [Nearly half](#) of uninsured Nevadans report the major reason they are uninsured is due to coverage being "too expensive." For those who are able to access health insurance, individual marketplace premiums have continued to [rise](#). Many insured Nevadans [report](#) experiencing health care affordability burdens, while even more worry about affording health care costs both now and in the future. Due to this, [more than half](#) of Nevadans reported delaying or going without health care due to cost in 2022.

USofCare supports the framework proposed by Nevada’s Division of Health Care Financing and Policy (“the Division”) to utilize a federal 1332 waiver as part of the creation and development of the new public option. We believe this proposal is a strong foundation to increase affordable health coverage options for Nevadans while building upon existing state efforts to promote health care affordability. We strongly urge The Departments to approve the waiver. We are excited to see the continued efforts to ensure access to affordable health insurance coverage through the creation of “Battle Born State Plans” and appreciate the opportunity to share our perspective on the design of the state’s federal 1332 waiver.

Increasing Affordability for Nevadans

USofCare supports the State’s innovative approach to strengthen the long term sustainability of the market in Nevada by leveraging the savings created by the Public Option for three new initiatives – a state-based reinsurance program, quality incentive payment program tied to improved outcomes for participating carriers and providers, and the “Practice in Nevada” provider incentive program. **Nevada’s Public Option and Market Stabilization Program are expected to lower the cost of health insurance for more than [100,000](#) Nevadans on the individual market, while bringing up to \$310 million in federal passthrough funding into the state in the first five years.**

One of the overarching goals of the Public Option originally authorized in [Senate Bill 420](#) (2021) was to reduce the cost of health coverage and the number of Nevada residents forced to go without health insurance because they can’t afford it. With the Public Option and reinsurance programs working together, individual marketplace premiums are expected to fall 15% over four years. **For those without access to coverage, this premium reduction will be a lifeline that will save people money and allow them to more easily plan and budget for their family’s needs, which is increasingly important for Nevadans.**

Maintaining Access to Care for People

Reimbursement for providers who participate in one of Nevada’s public option plans are expected to meet or exceed Medicare rates, with special attention paid to critical safety net providers, including critical access hospitals, federally qualified health centers, and rural health clinics, to ensure people continue to have access to these essential providers. Furthermore, the quality incentive payment targets through the Marketplace Stabilization Program’s “waterfall” approach will incentivize better care delivery that prioritizes positive health care outcomes and shifts away from [costly](#) fee-for-service. This move is supported by [our research](#), which found that more than 65% of people do not believe that a fee-for-service approach where doctors and providers are compensated based on the number of patients they see and the number of treatments they prescribe works well in delivering high quality care for people.

Due to Battle Born State Plans being operated through the Medicaid agency, the state will be able to leverage existing tools to improve care delivery, such as requiring public option plans to meet primary care spending targets, incorporate specific payment models, or engage in efforts to improve health equity. By expanding what works within the existing Medicaid Managed Care

infrastructure, Nevada's public option aims to improve quality of care and health outcomes while providing financial certainty, sustainability for providers, and ensuring Nevadans maintain access to robust provider networks and health plan choices.

Addressing the Provider Shortage in Nevada

Nevadan's health coverage issues are exacerbated by the state [not having enough](#) physicians to meet Nevada's growing health needs. Every county in Nevada is experiencing a shortage of medical professionals, and in 2021, Nevada was ranked [48th](#) in the nation with regard to the availability of primary care physicians per 100,000 residents. Many of Nevada's 300 medical school graduates [complete their residency](#) elsewhere, [never](#) returning to practice in Nevada.

The "Practice in Nevada" program and other workforce development provisions proposed in Nevada's waiver application provide unique solutions to support the state's health care infrastructure, while improving access to health care for Nevadans. By dedicating resources to attract and retain providers through a new loan repayment program, Nevada is following the lead of [several](#) other state initiatives to address health care workforce recruitment and retention.

Future Considerations

While we would have liked to see inclusion of direct consumer subsidies and funding benchmarks to ensure sufficient funding for all components of the Marketplace Stabilization Program, this proposed 1332 waiver is a strong path forward for Nevada, which we support. Thank you for the opportunity to provide comments in support of the section 1332 waiver application to create Nevada's Public Option and Market Stabilization Program. If you have any questions or are interested in further discussion of our comments on the proposed 1332 waiver application, please do not hesitate to reach out.

Sincerely,

Kelsey Wulfkuhle
State Advocacy Manager
kwulfkuhle@usofcare.org

Liz Hagan
Director of Policy Solutions
ehagan@usofcare.org