



Nevada's 1332 Waiver, Explained

On January 10, 2025 the U.S. Department of Health and Human Services [approved](#) Nevada's 1332 waiver to create the [Nevada Coverage and Market Stabilization Program](#). This waiver takes a unique approach to increasing affordability for Nevadans and strengthen the long term sustainability of the market in Nevada by leveraging the savings created by establishing a [public option](#) to support 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.

"This groundbreaking effort will set an example for other states nationwide, bringing future relief to families with more affordable health insurance for Nevadans."

- Gov. Steve Sisolak

Why does this matter for Nevada?

Nevada has [long lagged](#) other states in health system performance and has the [highest uninsured rate](#) of any state that has expanded Medicaid. [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, insurance premiums have continued to [rise](#).

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, ranking [48th](#) in the nation with regard to the availability of primary care physicians per 100,000 residents. Additionally, many of Nevada's medical school graduates [complete their residency](#) elsewhere, [never](#) returning to practice in Nevada.

What does Nevada's 1332 waiver do?

This waiver allows Nevada to capture federal pass-through funding to support the Coverage and Market Stability Program, with the goal of improving affordability, increasing access to quality care, and reducing health disparities, while also supporting providers in Nevada and alleviating workforce shortages. The Public Option and Market Stabilization Program together must meet an annual premium reduction target of 15% over the first four years of waiver implementation. These premium reductions not only provide relief for consumers, but the savings they produce also enable Nevada to receive approximately [\\$310 million](#) in federal pass-through funding to be invested in additional initiatives to address Nevadans health care challenges.

Expanding Coverage

Approval of this waiver allows for Nevada to offer public option plans, known as Battle Born State Plans (BBSPs), available for enrollment on Nevada's state based marketplace beginning in

the 2026 plan year. Approximately [2,100](#) Nevadans are expected to newly enroll in the BBSPs offered on the individual market. BBSPs are required to meet the same standards and provide the same core benefits as insurance plans currently offered on the marketplace. Leveraging the state's \$2 billion Medicaid program, the public option includes key measures to reduce costs for Nevada families and increase their access to affordable and equitable health care choices.

Improving Affordability

The required premium reduction target will also result in lower premium costs for the more than 100,000 Nevadans enrolled on the individual market, saving Nevadans money to reinvest in their health or other essential expenses. Nevada will also create a [premium relief program](#) for Nevadans whose premiums may increase, helping to address disparities for populations that have historically faced barriers to affordable health care, including low-income Nevadans, older adults, and Nevadans living in rural and frontier/remote areas of the state.

Ensuring Market Stability

Nevada will also create several [new initiatives](#) with the aim to protect the State's marketplace and ensure it remains a healthy and stable marketplace for Nevadans.

1. State-Based Reinsurance Program: Under waiver authority, Nevada will create a Reinsurance Program starting January 1, 2027. This program will help to reduce overall premium costs as required by the premium reduction target while also providing stability for health insurers offering coverage to Nevadans in the individual market.
2. Quality Incentive Program for Issuers: This program will reward health insurers and providers for utilizing value-based payment models. These models [prioritize](#) personalized, high-quality, coordinated health care, focusing on the needs of the individual person with the goal of enhancing both the experience and health outcomes for the patient.
3. "Practice in Nevada" Provider Incentive Program: This workforce development provisions allows Nevada to dedicate resources to attract and retain providers through a new loan repayment program.

What can other states learn from Nevada?

In Nevada, and [across the country](#), lowering health care costs remains top of mind for families. Nevada's work to address health care affordability may be unique to the state, but there are plenty of lessons policymakers and advocates nationwide can learn from Nevada's efforts. Its willingness to leverage the [strength of its Medicaid program](#) and other public insurance coverage programs to require insurer and provider participation in a public option will ensure people enrolled have affordable premiums and their choice of providers. The savings from the public option not only proves it to be a fiscally sound investment, but a mechanism to further invest in cost-saving measures. Taken together, the public option represents a win for all Nevadans.