

**MINUTES OF THE MEETING OF THE
SENATE COMMITTEE ON FINANCE
AND
ASSEMBLY COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEES ON GENERAL GOVERNMENT**

**Eightieth Session
March 21, 2019**

The joint meeting of the Subcommittees on General Government of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Yvanna D. Cancela at 8:04 a.m. on Thursday, March 21, 2019, in Room 3137 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Yvanna D. Cancela, Chair
Senator David R. Parks
Senator Pete Goicoechea

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Heidi Swank, Chair
Assemblywoman Daniele Monroe-Moreno, Vice Chair
Assemblywoman Sandra Jauregui
Assemblyman Al Kramer
Assemblyman Jim Wheeler

COMMITTEE MEMBERS ABSENT:

Assemblywoman Teresa Benitez-Thompson (Excused)

STAFF MEMBERS PRESENT:

Alex Haartz, Principal Deputy Fiscal Analyst
Cindy Jones, Assembly Fiscal Analyst
Stephanie Day, Program Analyst

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Leandra Copeland, Program Analyst
Linda Gentry, Committee Manager
Vicki Kemp, Committee Secretary

OTHERS PRESENT:

Paul C. Deyhle, Esq., General Counsel and Executive Director, Nevada
Commission on Judicial Discipline
Yvonne M. Nevarez-Goodson, Esq., Executive Director, Nevada Commission on
Ethics
Kim R. Wallin, Commissioner, Nevada Commission on Ethics
Heather Korbolic, Executive Director, Nevada Silver State Health Insurance
Exchange

CHAIR CANCELA:

We will begin with the Commission on Judicial Discipline budget account
(B/A) 101-1497.

LEGISLATIVE/JUDICIAL

JUDICIAL BRANCH

Judicial Discipline — Budget Page JUDICIAL-72 (Volume I)
Budget Account 101-1497

PAUL C. DEYHLE, ESQ. (General Counsel and Executive Director, Nevada
Commission on Judicial Discipline):

The Commission on Judicial Discipline is a small Agency. The Judicial
Commission's mission is to protect the public from judicial misconduct. The
nature and workload of the Judicial Commission is unpredictable. The chart on
page 5 of our budget presentation ([Exhibit C](#)), illustrates the amount of money
returned to the General Fund and the rate of increase in complaints. There were
153 complaints filed in fiscal year (FY) 2016 with few appeals, writ petitions or
emergency actions requiring removal of judges from the bench.

We returned \$168,858 to the General Fund in FY 2016. In FY 2017 the number
of complaints increased to 163; \$116,469 was returned to the General Fund. In

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FY 2018 complaints increased to 242; \$56,389 was returned to the General Fund. In two years, complaints have increased by 59 percent. A shortfall is predicted for FY 2019. We submitted an emergency request for a supplemental appropriation.

There was an action requiring the Judicial Commission to remove a judge for the protection of the public and the administration of justice. We have another case where the Judicial Commission had to act quickly. It is difficult to determine these types of occurrences. We do not have a reserve account or a contingency fund. Going to the Board of Examiners (BOE) or the Interim Finance Committee (IFC) creates a delay and backlog. Under these emergency situations, critical staff are diverted from their regular judicial discipline duties.

CHAIR CANCELA:

We have questions regarding the base budget contract, enhancements for travel, training and cell phone expenditures discussed on pages 2 through 4 of [Exhibit C](#).

E-227 Efficient and Responsive State Government — Page JUDICIAL-74

E-228 Efficient and Responsive State Government — Page JUDICIAL-74

The Judicial Commission's workload is not projected to increase from the FY 2018 workload. Please explain, in more detail, the Judicial Commission's request for General Fund appropriations of \$44,126 to fund increased expenditures.

MR. DEYHLE:

Are you referring to the request for a supplemental appropriation?

CHAIR CANCELA:

Yes.

MR. DEYHLE:

The majority of the expenses are for prosecuting officers and investigative costs. Writ petitions and appeals require prosecuting officers to be appointed and there are legal fee costs. In emergency situations, the Judicial Commission must act quickly and expedite investigations. Without the funds, cases will be

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delayed until the next fiscal year. It is rare to remove a judge from the bench on an emergency basis. In past years, we have not had the multitude of appeals and writ petitions as we have experienced over the last year.

CHAIR CANCELA:

The Judicial Commission requests General Fund appropriations of \$15,547 in each year of the 2019-2021 biennium for additional in-State travel to conduct Judicial Commission hearings and meetings.

ASSEMBLYWOMAN SWANK:

Please explain the impact on the Judicial Commission if the additional travel funds are not approved as requested or if they are reduced.

MR. DEYHLE:

The Judicial Commission has four quarterly meetings; two are in-person. It is important to meet in-person to discuss cases. The other two meetings are conducted telephonically. Emergency hearings and trials are in-person. Travel is required as judicial commissioners reside throughout the State. Trials vary in length from one day to over a week. The travel costs include per diem, airfare and lodging. Travel costs are directly related to the number of hearings and trials.

ASSEMBLYWOMAN SWANK:

On average, how many emergency meetings are held during the year? Can the emergency meetings not be in-person? Emergency meetings could require purchasing flights at the last minute, and there will be higher travel costs than planned meetings.

MR. DEYHLE:

Not every emergency meeting is in-person. We prefer in-person meetings. Videoconferencing is done when there are time constraints and travel arrangement difficulties. There has been a recent increase in these occurrences. Without funding there would not be meetings or trials. All trials are in-person. In FY 2016 and FY 2017 there was not a great need for trials. Due to the unpredictable nature of our work, increased complaints and trials there are more frequent and increased costs. Unused funding is returned to the General Fund.

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ASSEMBLYWOMAN SWANK:

The Judicial Commission has access to the IFC to request fund reimbursement. The Nevada Division of State Forestry goes through the IFC process when there are wildfires.

ASSEMBLYWOMAN JAUREGUI:

Please explain why each Judicial Commission staff member requires a cell phone, including the three management analysts.

MR. DEYHLE:

As a small Agency, there is overlap in our activities. There are after-hours and weekend work. We access the Judicial Commission's website to process complaints received through email. Management analysts contact the courts, Judicial Commissioners, various State agencies and Judicial Commission staff. The request is due to a Supreme Court decision issued in 2018 reversing a decision by a Washoe County District Court judge who denied a records request. The request was for communications made by public officials on official business on their own private devices, even if the device is not provided or owned by the government Agency.

A personal cell phone is subject to discovery; information would be extracted from the phones. This is concerning due to the sensitive nature of the Judicial Commission's work. The complaints and information received are confidential for the judge's protection. We are a court of judicial performance in the Judicial Branch; other courts have been issued cell phones for similar reasons.

ASSEMBLYWOMAN SWANK:

What is the impact if the total training funds are not approved as requested? Is there a priority list of necessary and beneficial items for staff?

MR. DEYHLE:

The National Judicial College courses were previously approved. The Judicial Commission serves as the judge of judges. The Judicial Commissioners and staff must be knowledgeable in the changes in laws and judicial trends. There has not always been time to attend courses. If we receive funding, we will attend the courses. The National Center for State Courts Biennial Conference is

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directed at judicial discipline. The courses are helpful, and we have established networking and resources.

The Association of Judicial Disciplinary Council annual conference is for executive directors. The Judicial Commission is comprised of lay members appointed by the Governor, judges appointed by the Supreme Court and attorneys by the State Bar of Nevada. The State Bar of Nevada Annual Conference is an opportunity for myself and associate council to meet with judges and attorneys.

CHAIR CANCELA:

Please go through the changes to the base budget as shown on page 2 of [Exhibit C](#).

MR. DEYHLE:

Operating expenses and court reporting were not budgeted in the current biennium. Due to the increase of public hearings, there is a need for court reporting costs. The \$16,893 increase was an added expense over the biennium. The prosecuting officer costs increase of \$39,380 in FY 2018 is due to the increase in hearings before the Nevada Supreme Court and the increase in trials before the Judicial Commission. Only 33 percent of the authority was expended. Investigation costs are based on the number of complaints, appeals, writs and emergency actions. We would have to go before the BOE and IFC multiple times. We prefer to have the funds available for use without delays.

CHAIR CANCELA:

We will move onto the Ethics Commission B/A 101-1343.

Ethics - Commission on Ethics — Budget Page ETHICS-3 (Volume III)
Budget Account 101-1343

YVONNE M. NEVAREZ-GOODSON, ESQ. (Executive Director, Nevada Commission on Ethics):

I will provide a budget overview and read from my written testimony, ([Exhibit D](#) and [Exhibit E](#)). The split of local government's portion has been based on the number of requests for opinion the Nevada Commission on Ethics receives, whether they are advisory or complaint based. Last Session, the Legislature

approved a change in the methodology. The split is determined by the number of public officers or employees who are State employees of the State branch and public employees and offices of local government. The goal last Session was to obtain consistency from biennium to biennium. The statistics this year reflect the consistency. The current biennium is 28 percent State and 72 percent local government. It appears there will be a similar split in the next biennium.

The government cost-share assessment for FY 2019 is shown on ([Exhibit F](#)). This is provided as a reference for understanding how much of the Ethics Commission's budget is allocated to local governments. The 28 percent of unexpended funds revert back to the General Fund. The 72 percent of unexpended funds are transferred into a reserve account. The funds remain in the reserve account for a FY. Funds not expended from the reserve account are credited back the 72 percent in future assessments. For example, in FY 2018 unexpended funds will revert 28 percent to the General Fund and 72 percent will be put into a reserve account. Funds not utilized in FY 2019 will be credited back to the local governments in FY 2020. The spreadsheet shown in [Exhibit F](#), reflects this process and how the local governments are assessed for their yearly 72 percent.

The Ethics Commission is charged with interpreting and enforcing the provisions of the Nevada Ethics in Government Law set forth in The *Nevada Revised Statutes* (NRS) 281.A. There are approximately 145,000 public officers and public employees governed by the NRS and the Ethics Commission. The mission of the Ethics Commission and the legislative intent is to ensure the public's trust and faith in government. The Ethics Law is aimed at assuring policy and taxpayer dollars are utilized in the interest of the people as opposed to self-interest or self-fulfilling prophecies. We are not the only ethics commission in the Country. Nearly every state and many municipalities have ethics commissions who are charged with essentially the same function; preserve the public integrity in our government.

The Ethics Commission has achieved success at the State and National level. On the National scale, the Ethics Commission won a case before the U.S. Supreme Court in 2011. The case fortified the constitutional premise of conflicts of interest laws under first amendment principals. There were reforms

completed in 2017 by the Nevada State Legislature to ensure the due process principals are relative to current legal standards and streamlining processes.

In 2017, the Legislature enacted Senate Concurrent Resolution (S.C.R.) No. 6 of the 79th Session to conduct an Interim salary study of certain positions in the unclassified and nonclassified service of the State. The Ethics Commission is a Statewide resource for education, outreach and enforcement principals. The Ethics Commission is represented by eight members; four appointed by the Legislative Commission and four appointed by the Governor. The commissioners are part-time volunteers. The commissioners meet as a body once a month. The nature of the caseload requires commissioners to meet weekly to review documents. Many of the commissioners have full-time jobs. The Ethics Commission has six staff members consisting of an executive director, a commission council, an associate council, an investigator, a paralegal and executive assistant.

We are experiencing an increasing caseload and are responding to procedural changes enacted during the 2017 Session. We have maintained performance measures and kept up with the existing caseload. With the staff's institutional knowledge and expertise in this area of the law, losing one staff member would challenge our ability to keep up with the current caseload measures. There was a time when the Ethics Commission suffered a backlog of written opinions. With the 2013 Legislature's appropriation of another council and the legislative reforms to the Nevada Ethics in Government law, we were able to rectify the backlog. Since 2014, we are current on the caseload.

The Ethics Commission is responsible for interpreting and enforcing NRS 281A. The Ethics Law governs conflicts of interest between public duties and private interests of our State and local government's public officers and public employees. These types of conflicts govern decisions being made between public duties and private interests. The private interests include our financial interests and relationship-based conflicts. There are relationships between public officers and employees with certain persons and business entities. The relationships are close and personal in nature.

Public officers and public employees should recognize conflicts in the law. A conflict could lead to a disqualification or recusal. The NRS 281A contains

prohibitions against the conduct of public officers and public employees when they are confronted with conflicts. These include prohibited gifts, prohibited contracts, misuse of one's position to create advantages or preferences for oneself or persons with whom they share legal commitments.

The Ethics Commission is responsible for four functions. Outreach and education is provided to Nevada's officers and public employees. I go out to State and local government agencies to provide a presentation on ethics and government law. The presentation includes the Ethics Commissions responsibilities, what constitutes a conflict and the prohibited conduct. The advisory request function is a process where a public officer or public employee comes to the Ethics Commission for advice about conflicts of interest. The ethics complaint function is an adjudication and investigation of ethics complaints initiated or received by the Ethics Commission. The acknowledgement forms are statutory acknowledgements of public officers. They are subject to the Ethics Law and they agree to keep up on changes to the law.

The Ethics Commission's staff conducts in-person training seminars to State and local government agencies. During FY 2018, I presented approximately 42 training seminars and 20 presentations, as shown in [Exhibit F](#), in the first half of FY 2019. This falls short of reaching the 145,000 Nevada public officers and public employees. There are significant consequences and personal liability issues for violating the Ethics Law. These include monetary sanctions and employment disciplinary actions. Anti-sexual harassment is a required training for public officers and public employees. Training on the Ethics in Government Law is not required. The Ethics Commission provides training within our available resources as staff time allows.

The Ethics Law contains a safe harbor provision for those who rely in good faith upon the advice of their legal counsel. We collaborate with State and local government's attorneys representing our public officers and public employees. The Ethics Commission issues a confidential written advisory opinion at the request of a public officer or public employee. The Ethics Commission may offer advice through written submissions or a hearing may be held with the officer or employees' testimony to address questions. There would be budget issues if

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every individual requested a formal advisory opinion. The Ethics Commission staff works with the individual's counsel.

In FY 2018, the Ethics Commission received 19 formal advisory opinion requests and issued 12 written advisory opinions. An advisory opinion request may be withdrawn for a variety of circumstances. The withdrawal request must occur before the Ethics Commission has taken the request under submission or held a hearing. There is a significant amount of work for advisory opinion request even when they are withdrawn. There were a number of requests withdrawn in FY 2018. Of the 14 requests for advisory opinions in FY 2019, the Ethics Commission has written 7 advisory opinions.

The Ethics Commission or the public initiates an ethics complaint regarding the conduct of a public officer or public employee alleged to be in violation of the Ethics in Government Law. Every complaint filed is processed through the Ethics Commission. The Ethics Commission reviews staff recommendations and supportive materials for a jurisdictional determination if an investigation is warranted. When an investigation is complete, there is a recommendation presented to a review panel. The review panel is comprised of three ethics commissioners who meet and determine if there is sufficient evidence to move forward. The panel can dismiss a case, issue letters of cautionary instruction or refer the matter to the full Ethics Commission for further proceedings.

The Ethics Commission staff prepare for a full adjudicatory hearing. The hearing is an evidentiary trial. Settlements are negotiated in the majority of cases, or they are resolved through legal motions. This process requires staff time and a legal process in regard to discovery, legal motions and settlement negotiations.

In the first half of FY 2019, we have doubled the number of complaints received and investigated than in FY 2018. I will now review the base budget as shown in [Exhibit D](#). Money from the travel budget has been used for investigations, outreach and training. Our in-person meetings have been changed to video teleconferences. The Las Vegas copy machine will be eliminated. We will use a general copier as needed. The advisory and complaint based cases warrant hearings before the Ethics Commission. We retain an outside contractor for information technology (IT) services, and we have an internal server. The enhancement unit E-711 request is to replace the server.

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E-711 Equipment Replacement — Page ETHICS-6

There is an outside contractor for a case management system hosted outside of the Ethics Commission server. Training includes professional and paraprofessional staff attending the Council on Government Ethics Laws (COGEL) conference; COGEL is an international organization who meets yearly for ethics commissions and campaign finance reform entities. Recent trends and fiscal and legislative policies involving Ethics Law principals are reviewed and discussed.

I will conclude my testimony with reading the information on page 3 of [Exhibit D](#). Please see information presented to the Governor outlining the salary enhancement justification, ([Exhibit E](#)). The senior legal research position was not part of the salary study survey. The Division of Human Resource Management instructed us to pursue this with the Legislature.

ASSEMBLYWOMAN SWANK:

Please work with the Legislative staff regarding your IT issues and the request for additional training officers.

SENATOR GOICOECHEA:

I receive complaints from smaller jurisdictions relating to possible ethics violations and individuals indicating the Ethics Commission is not responding to complaints. A county whose population is under 10,000 and a city under 15,000 is not required to pay an assessment for the costs incurred by the Ethics Commission. These jurisdictions are the ones with problems due to an employment pool having more chances for nepotism and entering into contracts within the third degree of consanguinity. As Senate Bill (S.B.) 129 is reviewed, we should discuss the disbursement and include all governmental entities utilizing the services.

SENATE BILL 129: Makes various changes relating to ethics in government
(BDR 23-191)

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SENATOR PARKS:

I was the chair of the S.C.R. No. 6 study committee. The study results indicate disparity between salaries in the Ethics Commission. There will be further review through the Unclassified Salary Bill.

KIM R. WALLIN (Commissioner, Nevada Commission on Ethics):
Placing a greater emphasis on ethics will instill public trust.

CHAIR CANCELA:

We will close the hearing on the Commission on Ethics and move onto the Silver State Health Insurance Exchange B/A 101-1400.

SPECIAL PURPOSE AGENCIES

SILVER STATE HEALTH INSURANCE EXCHANGE

Silver State Health Insurance Exchange Admin — Budget Page HEALTH INS
EXCHANGE-3 (Volume III)
Budget Account 101-1400

HEATHER KORBULIC (Executive Director, Nevada Silver State Health Insurance Exchange):

I will go through the Silver State Health Insurance Exchange (SSHIX) presentation ([Exhibit G](#)). We are in the middle of a transition to a state-based exchange (SBE). We are a team of 13, and our organization is one of the smallest SBEs in the Country. The average number of SBE employees is 85. I will read through the Agency overview as shown on page 4 of [Exhibit G](#). The Agency mission and vision is listed on page 5 of [Exhibit G](#). The blue line on the chart on page 6 of [Exhibit G](#) shows the number of enrollees who selected plans and completed applications. The purple line is a projection of individuals who would effectuate the plans; they paid for a year of the plan. The yellow line for 2017 and 2018 is the actual number of effectuations.

We anticipated a decrease in enrollment this plan year and forecast a flat enrollment for the next several years. The decrease is due to several volatile situations with federal rule changes. There are potentially four areas contributing to this year's decrease: the loss of the individual mandate; the introduction of

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competing plans such as short-term limited duration plans and association health plans; an improving job market and potential impacts from proposed rule changes at the Department of Homeland Security. Proposed rule changes leads to more uncertainty and volatility and could have an impact on the comprehensiveness and affordability of plans.

I will review the Exchange marketplace landscape plan year 2019 as shown on page 7 of [Exhibit G](#). We are in the middle of plan year 2020 certifications. We are working with carriers to connect them to our new technology system and to assist them in developing their plans. The carriers submit their plans in June and contracts are signed in September.

I will read through the major issues for the 2019-2010 biennium as mentioned on page 8 of [Exhibit G](#). We are involved in a transition to an SBE and I will review the items shown on page 9 of [Exhibit G](#).

In 2014, we were set up as an SBE. Due to technology complications, the decision was made to use <<https://www.Healthcare.gov>> for enrollment and eligibility determinations. There was no mechanism for the Centers for Medicare and Medicaid (CMS) to charge a fee until the last several years. The fee increases to 3 percent starting this plan year. The SSHIX collects 3.15 percent. This leaves a small margin for operations. We spent several years researching technology, policies and staffing structures of successful SBEs. We put together a request for information in December of 2017 to determine a solution to transition to an SBE and to find savings and successes. The SBEs on the federal market place and the federal marketplace itself lost enrollment. States with an SBE had increases in enrollment. I will continue reviewing page 9 and continue on to page 10 of [Exhibit G](#).

The benefits of transitioning to an SBE are shown on page 11 of [Exhibit G](#). The SBE will provide certainty and stability in pricing. The total proposed Executive Budget shows a savings of \$18.9 million through FY 2023. I will review the transition project status as shown on pages 12, 13 and 14 of [Exhibit G](#).

The Agency's goals for the 2019-2021 biennium are shown on page 15 of [Exhibit G](#). The expenses for the transition to an SBE are shown on page 17 of

[Exhibit G](#). The contract costs for the transition are shown on page 18 of [Exhibit G](#). In researching other state's SBEs, we asked about staffing and the responsibilities of each position. From analyzing other SBEs and CMS data, we determined the staffing needs. I will review the positions in enhancement units E-275, E-277, E-279, E-280 and E-281 as shown on pages 18 through 22 of [Exhibit G](#). We anticipate a positive experience for the carriers and consumers.

E-275 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-5
E-277 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-6
E-279 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-7
E-280 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-7
E-281 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-8

A critical part of the integration will be working closely with the GetInsured call center. The GetInsured call center handles complex cases up to a tier II. The Consumer Assistance Unit (CAU) will manage requests and complaints above a tier II. Intervention may include assistance with the Nevada Department of Health and Human Services, Division of Welfare and Supportive Services (DWSS) or interaction with a federal delegation. One person will be over all consumer related experiences; one working with insurance carriers to resolve complaints and a person resolving enrollment issues. As we transition to an SBE, there is increased oversight and audit responsibility. Data is constantly being interchanged with carriers and must be reconciled on an ongoing basis. Through the data, the carriers are able to access advanced premium tax credits to subsidize payments. Idaho recommends a reconciliation specialist for each carrier.

I will now review enhancement units E-282, E-283, E-284, E-288, E-291, E-276, E-285, E-286, E-289 and E-290 as shown on pages 23 through 32 of [Exhibit G](#).

E-282 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-8
E-283 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-9
E-284 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-9
E-288 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-10
E-291 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-12
E-276 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-6

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E-285 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-9
E-286 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-10
E-289 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-11
E-290 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-11

When we become an SBE, we will be responsible for additional operational and procedural functions and all communication and correspondence. We received CMS data showing the few complaints received from Nevada rising to the level of adjudication. It will be cost effective to partner and utilize the DWSS hearings unit rather than setting up our own appeals unit. The SSHIX call center is located in the Carson City office. The Nevada Primary Care Association may apply for a navigator grant after their current call center functions expire. We are keeping the rent in the budget to use for new staff.

Over the last two years, we have had Legislative assaults on the Affordable Care Act (ACA) causing confusion for consumers as to whether the ACA continues to exist. Complicated rule changes have created educational needs. We are no longer the only plan marketing and advertising for insurance products. There are short-term limited duration plans being marketed. We are spending time working with a marketing company for educational messages. No tax penalty does not mean someone should put themselves and their family at risk of going without insurance. Individuals are targets through our search engine optimization and digital marketing. Having our own data will allow us to determine who we are serving and help us better spend dollars for recruitment and retention efforts and what communities we should focus on.

The Exchange reserves are shown on page 33 of [Exhibit G](#). The reserve chart is different than the one submitted with the Executive Budget. This chart is based on three months of billing data for plan year 2019.

ASSEMBLYWOMAN MONROE-MORENO:

How confident is the Agency that the implementation of the system would be complete for plan year 2020 open enrollment beginning on November 1, 2019?

Ms. KORBULIC:

We have spent two years carefully understanding what happened and what went wrong in 2014. We built a Request for Proposal to mitigate risks.

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The GetInsured has successfully implemented the off-the-shelf product in six states. The confidence is increasing as we continue to test the systems. We are on track for operations to go live on November 1, 2019. The system is planned to be up and running in October 2019.

ASSEMBLYWOMAN MONROE-MORENO:

Please discuss issues that have been raised by the Project Management Office related to the transition to an SBE.

MS. KORBULIC:

The process is not straightforward due to CMS being involved. The CMS is supportive and helpful. Most of the issues deal with <<https://www.Healthcare.gov>>. It took several months of discussion and work with CMS to receive our consumer data in a usable format. We are in agreement with CMS on the method and formatting of data transfers. We work collaboratively with the Project Management Office, with the vendor and CMS to quickly identify and resolve issues.

ASSEMBLYWOMAN MONROE-MORENO:

How does the SSHIX ensure collaboration between the Agency, Project Management Office, technology vendor and other project stakeholders to mitigate risks?

MS. KORBULIC:

Each vendor has a project lead. We hired a project manager and have staff who has lead responsibilities. Each deliverable has a scope and timeline we are monitoring. We work with the vendor to ensure they are sending deliverables on time and deliverable status. We work with and report to CMS on the project status.

ASSEMBLYWOMAN MONROE-MORENO:

What method do you have in place if the deliverables are not timely?

MS. KORBULIC:

The project manager has a tracking system to monitor the deliverables. We work closely with the vendor. Adjustments to timelines must be mutually agreed

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upon. We utilize change request forms and all activities are documented by the project manager.

ASSEMBLYWOMAN SWANK:

If the transition to the SBE vendor were to fail, how long would it be financially feasible for the SSHIX to remain on < <https://www.Healthcare.gov> > ?

Ms. KORBULIC:

The reserves would sustain us through State FY 2020.

CHAIR CANCELA:

Please discuss the compliance-related work to be performed by the new Policy and Compliance Unit.

Ms. KORBULIC:

The SSHIX is required to be in compliance with all parts of Title 45 Code of Federal Regulations (CFR). We will absorb all functions currently done through < <https://www.Healthcare.gov> > . We plan to hire a policy manager who will be the Agency's subject matter expert. The policy manager will review complex federal rule changes and manage the SSHIX Board of Directors and Legislature relations. The management analyst will answer to the manager, will train and counsel staff on policy implementation and track State and federal policy changes. The appeals coordinator will manage and resolve appeals at the Agency level and when necessary be the adjudication liaison with DWSS.

CHAIR CANCELA:

How was it determined that three positions would be needed to support policy research and analysis?

Ms. KORBULIC:

We determined this through other state's best practices and successes.

CHAIR CANCELA:

What are the anticipated outcomes of the policy research and analysis work proposed for the new policy and compliance unit?

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Ms. KORBULIC:

The unit will be responsible to provide comprehensive policy training to staff, carriers and brokers. They will assist the communication team in determining and reporting the impact to consumers. They will provide comprehensive policy documents for Legislators and testify for the Agency.

ASSEMBLYWOMAN JAUREGUI:

Please discuss the differences between the functions of the call center which would be hosted by the SBE vendor and the functions of the CAU.

Ms. KORBULIC:

The GetInsured call center will be responsible for answering calls coming to the call center. There is high call volume during open enrollment. The GetInsured will be responsible for verifying and validating documents submitted by consumers. We check the federal hub when income verification is submitted. Consumers are required to provide documentation if there is a discrepancy in the information or reported income. Verification and validation is a manual process to be performed by the vendor. They will provide technical assistance to consumers on how to use the platform and connect them to community brokers.

How to reset a password is the number one reason for consumer calls. The tier III calls will come to the CAU. For example, when there is a family with two members eligible for subsidies and the children are Child Health Insurance Program eligible, DWSS will be contacted to resolve the issue. One of the two consumer analysts will be working directly with enrollment professionals. A broker will work with us on complicated cases. Other consumer cases may require carrier interaction to resolve complaints.

ASSEMBLYWOMAN JAUREGUI:

How does the call center currently funnel the tier III calls?

Ms. KORBULIC:

All levels of complaints are handled through < <https://www.Healthcare.gov> > .

ASSEMBLYWOMAN JAUREGUI:

They will not continue to handle the complaints?

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Ms. KORBULIC:

They will discontinue when they are no longer receiving funding for their service.

ASSEMBLYWOMAN JAUREGUI:

After transitioning to the SBE, what metrics would the SSHIX use to measure whether sufficient workload exists to support three positions in the CAU?

Ms. KORBULIC:

The CMS data is not the most transparent or helpful data. We do use the data to determine the staffing needs. Other SBEs have full units dedicated to broker and enrollment professionals and to carriers and consumers on their staff outside of their call centers. We believe the three-person unit is a start towards effective consumer communication and complaint resolutions. We plan to use open enrollment to determine the number of consumer complaints being addressed. The educational interactions and technical support provided should reduce the calls.

ASSEMBLYWOMAN JAUREGUI:

How would the functions of the CAU differ from the Security and Reconciliation Unit in terms of consumer and partner-support services?

Ms. KORBULIC:

There is a distinct difference. The reconciliation and security will be working on the data interchanges occurring constantly between our system and the carrier's system. There are numerous inconsistencies to be addressed and resolved. They will work on the data interchanges. The interchanges create problems, and they will work directly with the carriers to resolve the issues and ensure an accurate data interface. The CAU is person orientated. They will be working with consumers to resolve complaints that are not data interchange related.

ASSEMBLYWOMAN SWANK:

Please discuss the additional audit workload associated with the transition to an SBE.

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Ms. KORBULIC:

In addition to the current comprehensive audits, there will be expanded responsibilities. We are responsible to audit ourselves annually for a Smart Audit. The Smart Audit is a package of audits. When we become an SBE we will be responsible for an additional six Title 45 CFR Subparts. The eight we will be responsible for are Title 45 CFR, Part 155, Subparts B, C, D, E, F, H, K and M. We are responsible for our security and privacy auditing. There is a three-year audit cycle on protecting consumer information and federal tax information. The full-time employee will facilitate all the audits on an annual basis.

CHAIR CANCELA:

How was the amount spent on navigators, in-person assisters, and brokers determined to be appropriate?

Ms. KORBULIC:

States were required to have two navigator and Agency grants. This year the requirement changed to one. There is more emphasis on return on investment (ROI). Our navigators have significant outreach. We have 12 navigator agencies who educate individuals on how to use the insurance they purchased. We are requesting additional funds for our broker grantees because they are instrumental to connecting Nevadans to qualified health plans.

CHAIR CANCELA:

Please discuss the marketplace competition the SSHIX faces. What entities compete with the SSHIX to provide health products to Nevadans?

Ms. KORBULIC:

Prior to this year, we did not have much competition in terms of other available plans. This changed with the loss of the individual mandate and the expansion of the availability of short-term limited duration plans. The short-term limited duration plans offer an affordable price point. The plans do not offer minimum essential coverage. They are able to price according to preexisting conditions, so they can deny coverage or price higher. They typically do not cover mental health services, prescription drug coverage or maternity services.

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The introduction of these plans and the aggressive marketing of the plans during the most recent open-enrollment period diluted Nevada Health Link's voice. We competed to be the first internet link when an individual searched online for open enrollment or Nevada health insurance. There was aggressive robocalls from other plans. We needed to demonstrate to consumers the value of insurance and the value of a comprehensive affordable qualified healthcare plan versus a short-term plan.

We will compete again this year with all the same factors and protect the risk pool for our carriers. Young healthy people must access insurance; therefore, the health plan will maintain a stable rate structure.

CHAIR CANCELA:

Did the SSHIX experience an increase in the young, healthy population during the last open enrollment?

Ms. KORBULIC:

No. There was minimal impact. I will provide the actual numbers. There was minimal loss between the ages of 26 and 40 year olds. These are individuals who do not have chronic health conditions and are more likely to forego insurance.

CHAIR CANCELA:

How do you anticipate the increased funding for marketing and advertising to lead to an increased number of enrollees?

Ms. KORBULIC:

It is important to increase enrollment and demonstrate to Nevadans the differences between options and why some of the options may not be in their best interest. The extra dollars will be used for education and outreach.

CHAIR CANCELA:

Please provide how the SSHIX will measure the ROI on its marketing activities?

Ms. KORBULIC:

I will provide the information.

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ASSEMBLYMAN KRAMER:

The SSHIX is supported by a carrier premium fee charged to insurance providers of 3.15 percent of health insurance premiums sold on the Exchange. If we go to an SBE, the fees needed will be less, and there will be more staff. The fee may go down and insurance rates may decrease. The 3 percent is used to obtain the \$16 million in expenses. The \$500 million worth of insurance is for how many people? What is the amount per family, and how does it compare with private insurance? What percent is covered by subsidies?

MS. KORBULIC:

I will provide the information. The carrier premium fee savings will be passed along to the carriers who will pass along the savings to the consumers.

CHAIR CANCELA:

In light of the 8.3 percent drop in enrollment for plan year 2019 compared to Plan Year 2018, what factors did the SSHIX consider when projecting carrier-premium fee revenue for the upcoming biennium?

MS. KORBULIC:

The 8.3 drop is in the enrollment; it is not equivalent to a drop in premiums. These are two separate factors. We anticipate a 5 percent decrease in revenue as a result of the decrease in enrollment. We are anticipating the 5 percent decrease throughout the biennium.

CHAIR CANCELA:

What modifications would the SSHIX make to its budget if the carrier premium fee revenue is lower than projected?

MS. KORBULIC:

An increase in the reserves will result in a reduced carrier-premium fee. A decrease in the reserves will initiate discussions on where to find savings. For example, federal law requires states to have one navigator. We found it worthwhile to have two navigators. We could find savings in this area.

CHAIR CANCELA:

What actions would the SSHIX take if the reserve levels exceed the 90-day target?

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Ms. KORBULIC:

If the reserves increase, we have the opportunity in the next plan year to lower the carrier-premium fee.

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CHAIR CANCELA:

Having no more business on the agenda, I adjourn the Subcommittees meeting
at 10:01 a.m.

RESPECTFULLY SUBMITTED:

Tom Weber,
Committee Secretary

APPROVED BY:

Senator Yvanna D. Cancela, Chair

DATE: _____

Assemblywoman Heidi Swank, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	3		Attendance Roster
	C	5	Paul Deyhle / Commission on Judicial Discipline	Budget Presentation
	D	3	Yvonne Nevarez-Goodson / Nevada Commission on Ethics	Budget Presentation
	E	45	Yvonne Nevarez-Goodson / Nevada Commission on Ethics	Salary Enhancement Justification
	F	1	Yvonne Nevarez-Goodson / Nevada Commission on Ethics	FY 2019 Governmental Cost Share Assessment
	G	34	Heather Korbolic / Nevada Silver State Health Insurance Exchange	Budget Presentation