

March 14, 2024

Administrator Chiquita Brooks-LaSure
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Submitted to: stateinnovationwaivers@cms.hhs.gov

Re: Nevada Section 1332 State Innovation Waiver, 2024

Dear Administrator Brooks-LaSure,

On behalf of the Medicaid Health Plans of America (MHPA), we thank you for the opportunity to provide input on Nevada's recently submitted Section 1332 State Innovation Waiver.

MHPA is the only national trade association with a sole focus on Medicaid, representing more than 152 MCOs serving more than 51 million Medicaid beneficiaries in 40 states, the District of Columbia and Puerto Rico. MHPA's members include both for-profit and non-profit, national, regional, as well as single-state health plans that compete in the Medicaid market. Nearly three-quarters of all Medicaid beneficiaries receive health care through MCOs, and the Association provides research and advocacy services that support policy solutions to enhance the delivery and coordination of comprehensive, cost-effective, and quality health care for Medicaid beneficiaries.

Waiver Requirements

This Section 1332 waiver application will require Medicaid Managed Care Organizations (MCOs) bidding to participate in Nevada's State Medicaid Program to produce a good faith bid to offer at least a Silver and Gold Public Option health plan (known in the state as a "Battle Born State Plan, or BBSP). Bids for BBSPs will be required to meet a 15% premium reduction target and provide a formal attestation and rate certification attesting that the rates for BBSPs are actuarially sound. Medicaid MCOs that do not submit a qualifying good faith BBSP bid will be ineligible to participate in Nevada's State Medicaid Program. Nevada expects premium reductions for BBSPs to be achieved through provider reimbursement reductions, administrative efficiencies, and reinsurance, under the waiver application.

MHPA Comments

We appreciate efforts by the state of Nevada to make healthcare more accessible for Nevadans. Individuals in Nevada should have access to high quality, affordable coverage regardless of income, health status, or eligibility for Marketplace subsidies. However, we are concerned that the 1332 waiver application submitted by Nevada could negatively impact choice and competition for Nevadans who receive care through the individual market or the State Medicaid Program. Further, expected provider reimbursement reductions are likely to exacerbate the existing workforce shortage in Nevada and do not align with CMS' goal of improving access and addressing provider workforce shortages, including in the Medicaid program. We recommend that CMS reject this waiver application and work with the State of Nevada to develop an alternative 1332 waiver which improves access without negatively impacting provider participation and member choice in the state. Our specific comments in response to this application can be found below:

Medicaid Managed Care RFP Process

We are concerned that tying eligibility to participate in Nevada’s State Medicaid Program to submitting a good faith BBSP bid that includes specific premium reduction requirements will negatively impact competition, and therefore member choice, in Nevada’s health insurance markets. Not all Medicaid MCOs currently participate in the state currently. Given the need to develop infrastructure and a workforce to submit a competitive bid, new MCOs may be discouraged from participating in an RFP for both Medicaid and BBSP in 2025. We recommend that CMS reject the provision that requires MCOs to submit a good faith bid on a BBSP to ensure that Nevada can continue to maintain a competitive and innovative program that serves the needs of more than 887,000 Medicaid and CHIP enrollees ([as of October 2023](#)) in that state.

Provider Reimbursement Reductions

Nevada’s [2022 State Health Assessment](#) notes that the state currently ranks 45th in the nation for active physicians per 100,000 population, 49th for primary care physicians, and 49th for general surgeons. In 2021, an estimated 67.3% of Nevadans resided in a federally designated primary medical care Health Professional Shortage Area (HPSA). The assessment notes that shortages are particularly severe in geographic regions such as North Las Vegas and Washoe County where residents are more likely to be low-income and qualify for Medicaid. Further, the average distance between acute care hospitals in rural Nevada and the next level of care or tertiary care hospital is 109 miles and the average distance to the nearest hospital is 56 miles. With many of these regions experiencing snowfall in the winter, the journey can be particularly dangerous. Access to behavioral health care is a challenge as well, with just 249.8 mental health providers per 100,000 population. A testimonial from a rural Nevadan in the assessment notes:

“...in this being a rural community, it is very difficult to get and maintain health care. Usually if you need to see a specialist you have to go to Reno or Carson City that’s just the given. I know I remember when my husband and I first moved here there was a young doctor he had recently graduated and he had to put it in his five years or whatever it is but as soon as he was done, he was out. We can’t retain and keep people.”

We are concerned that lowering existing reimbursement rates for providers in Nevada will exacerbate the existing workforce shortages in the State. With proposed provider reimbursement reductions, BBSPs will be required to attract providers by leveraging their Medicaid provider networks and requiring providers to be in network for both programs. Given the ongoing workforce shortage, some providers may choose not to participate in either network in favor of higher reimbursement rates from the employer-sponsored market, further curtailing access for low-income Medicaid beneficiaries. With lower reimbursement rates, medical practitioners are also likely to continue leaving Nevada for markets with higher average salaries. Providers that remain are likely to shift the cost burden of sustaining their workforce to other health plans, including employer-sponsored groups and self-funded plans. With these proposed changes, Nevadans are likely to see negative impacts to provider quality and access, which is already challenging in the state.

Closing Remarks

Once again, thank you for the opportunity to provide comments on Nevada’s Section 1332 State Innovation Waiver. Ensuring high quality, affordable health coverage for Nevadans is of paramount importance to MHPA. We appreciate the opportunity to share our perspective and look forward to continuing to work with CMS and the state of Nevada to make a meaningful difference in the lives of Medicaid beneficiaries.

Please feel free to reach out to me directly at sattanasio@mhcpa.org with any questions or should you need any additional information.

Sincerely,

/s/

Shannon Attanasio
Vice President, Government Relations and Advocacy