

MINUTES
MEETING OF THE BOARD OF EXAMINERS

March 18, 2014

The Board of Examiners met on Tuesday, March 18, 2014, in the Guinn Room on the second floor of the Capitol Building, 101 N. Carson St., Carson City, Nevada, at 2:30 p.m. Present were:

Members:

Governor Brian Sandoval
Attorney General Catherine Cortez Masto
Secretary of State Ross Miller
Jeff Mohlenkamp, Clerk

Others Present:

Shawna DeRousse, Silver State Health Insurance Exchange
Mike Willden, Department of Health and Human Services
Steve Fisher, Silver State Health Insurance Exchange
Kevin Kelly, Deloitte Consulting
Greg Vitiello, Xerox
Judy Felhaber, Xerox
Mary Woods, Department of Health and Human Services

1. PUBLIC COMMENTS

Comments:

Governor: Good afternoon, ladies and gentlemen. I'll call this special Board of Examiners' meeting to order. We have one item on the Agenda, but before we get to that, first I'd like to call for public comment. Is there any member of the public that would like to provide public comment to the Board here in Carson City? Is there anyone present in Las Vegas that would like to provide public comment to the Board?

Attorney General: No, Governor.

Governor: And, Mr. Secretary of State, I understand you're participating telephonically. Can you hear us loud and clear?

Secretary of State: Yes, I can, Governor.

Governor: All right.

*2. FOR POSSIBLE ACTION – CONTRACTS

One independent contract was submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General **Seconded By:** Secretary of State **Vote:** 3-0

Comments:

Governor: Then let's move to Agenda Item No. 2, which is a contract between the Silver State Health Insurance Exchange and Deloitte Consulting. Mr. Mohlenkamp.

Clerk: Thank you, Governor. The one item on the Agenda today is a request from the Silver State Health Exchange to contract with Deloitte Consulting LLP to come in and provide an assessment and an evaluation, it's essentially a two-step process, of the Exchange's difficulties and specifically the IT solution that has been implemented. They're going to come in and essentially do a gap analysis. They're going to come in and identify where the weaknesses are, where things are working well and are functioning either near or at where they need to be, and then give us some solutions going forward.

As you know full well there's been numerous challenges that we've had since we went live with the system. And quite honestly we haven't gained the traction at making improvements that we expected along the way. There's been several opportunities, options that we've looked at. And the Board, the Silver State Health Exchange, the Board approved last week to move forward with this assessment process. And obviously that's subject to this process, the Board of Examiners' approval.

A few things that we looked at to make sure that we could properly legally move forward today were the options of going directly to Deloitte. So I consulted with the purchasing administrator, Greg Smith, and went through that. And we're using a professional services exemption to move forward with this contract with Deloitte.

And the reasons -- there are a few reasons why we believe that this is appropriate and adequate. One is Deloitte has a lot familiarity with the state. They have been involved in setting up the Eligibility Engine, have great familiarity with how that engine corresponds and connects with the Exchange, the BOS system. Deloitte was a bidder in the RFP that was awarded to Xerox initially. And they were the second place bidder by a very close margin. It was 815 to 811, so it was that close as far as the bidding, and so they would've been the second place bidder to begin with.

Third, and importantly, is the time necessary to bring this up to speed. If we were to go out with an RFP, we would be looking at a period of at least three to five months to be able to bring in another vendor. And then lastly, and I think Mr. Fisher will be able to speak to this, Deloitte has a proven track record of success in other states dealing directly with exchanges, and they've been involved in numerous examples of other states where they've been successful at implementation. And so they don't have to start from square one. They have a track record.

And we'll be able to get into further details if there's any questions from the Board on what allows us to move forward with this essential professional services exemption. Just to set the table for you, I believe Mike Willden and Shawna DeRousse are going to come up and provide some background, some history, a bit of a timeline that you have in front of you to explain to the Board how we got to where we are. And then Mr. Fisher is going to follow-up. He's the new executive director of the Silver State Health Exchange. He's going to come up and talk about the Deloitte option, the contract that's before you, and why we believe that that's the best next step for us to take in trying to make sure that we have a functional Exchange that can properly enroll people and do what we need to do. And with that, Governor, I'll leave it to you if you want to move on with the presentation.

Governor: Yeah, I obviously will have several questions, and I've had an opportunity to review the documents that came with this in terms of what you've essentially covered with regard to the expertise and the qualifications of Deloitte. But when Deloitte representative's here, I'll ask those questions. And we also have Xerox representatives here today as well, correct?

Clerk: I believe so, yes.

Governor: Okay. Because I'll definitely want to hear from Xerox as well, in addition to the individuals that you have identified. So why don't we get started. I think it is important for us to put in perspective where we are right now and how we got here. And so why don't we have the first two individuals come forward with regard to the Exchange. Ms. DeRousse, I suppose you should go first. And I know that you've passed out -- and, Madam Attorney General, do you have a copy of this document that's titled Timeline of Events?

Attorney General: Yes, I do, Governor.

Governor: Okay. I don't know. Given that you're participating telephonically, Mr. Secretary, do you have a copy of that document?

Secretary of State: I do not. I only have the packet that was provided in advance.

Governor: All right. So, you know, we could probably be here all day if -- in terms of how we've gotten here, but essentially I'd like you to try to give as brief a presentation as you can, but at the same time, you know, pull no punches. I mean, we're here to get facts. We need to understand why we're in this place that we're in which will help us to better appreciate why this contract with Deloitte is so important. So why don't you give us essentially your presentation with regard to the Exchange and how we got here.

Shawna DeRousse: Okay. Thank you very much. For the record, Shawna DeRousse. I think some of you know more than others regarding the Exchange and what we've been through, so I tried to put together some information that would give a general understanding of what we've done over the last year. As you know in August of 2012 this body approved the Xerox contract to develop the website for the Silver State Health Insurance Exchange. And this was to bring forth a marketplace for health insurance plans to Nevadans through the Affordable Care Act. They should've been able to shop. They should've been able to have their advanced premium tax credit calculated. They should've been able to pay for their shopping. And that information should've then been transferred to the carriers. This was the big picture of what we were trying to do.

In addition, Xerox was to provide a call center and the services associated with that. They were to provide the financial management. All of the aggregated premiums, if a family had Medicaid applicants, if a family had children in a CHIP program, plus they purchased a qualified health plan, they should be able to get one bill. They should be able to pay the Exchange, Nevada Health Link, and then the Xerox process would've then distributed those funds to the appropriate parties. They were supposed to look at documentation that was provided to prove or to document a person's right to be on the Exchange and to receive those premium tax credits.

So we started down that path in August of 2012. And when you have essentially 14 months to do a very, very large IT project, it was hurry up and get as much done in a timeframe as you possibly could. I think that in February of 2013, which is just a couple of months later, that was the first indication that we had some issues. In February we were told that one of the subcontractors, that was Choice Administrators, that worked for Xerox was having some problems. Choice Administrator -- if we look back at the RFP and the response from Xerox, Choice Administrators was the subcontractor who was going to perform 95 percent of the functionality surrounding the documentation, the finance management, the online marketplace functionality. And when that much of the work is put in with one vendor, when that vendor starts to fall behind, it is definitely a serious prospect.

Governor: And let me interrupt you real quick. Did we know at the time we gave the contractor, was it part of Xerox's presentation that they'd be outsourcing that piece of the work to Choice?

Shawna DeRousse: During the RFP approval process, there were several subcontractors that were included in the Xerox process, so, yes, we did know that Choice, KPMG, others were part of the process.

Governor: And just so I'm clear, Xerox advised the Exchange that Choice wasn't getting it done?

Shawna DeRousse: Correct.

Governor: Okay.

Shawna DeRousse: Xerox came to the Exchange and spoke with us and let us know that there were some issues and that they were behind schedule. And when you only again have 14 months, time is crucial. Xerox stated that they had a plan to catch up, they had a plan to take over those services that Choice had fallen behind on, and that they, Xerox, put forth kind of a red or high risk status on some of these items, like the development of the financial management process, indicating that they realized that there was a problem there. So over the February through June timeframe, very generally here, they worked to get that going and to take up the slack, I guess you would say, from Choice.

In July we looked at the Exchange staff, the Xerox staff. We looked at where we were and we looked at had we been able to make up that, you know, where we had slid back, and we were very concerned that we had not been able to gain the ground that we thought we could gain. Xerox staff at that point I think were just not enough. The resources were not there. And we had to sit down and take a look at the whole process and say, "What did we absolutely have to have on 10-1 to go live? And what kind of functionalities that were maybe the nice to have things that we could put off until a little bit later?" At that point the decision was made to put things like web chat or some of those types of things off. We also looked at things that from October 1 through November 15th we didn't necessarily need some of the qualifying life event functionality, and we had a little bit more time between October 1st and November 15th to get those things up and running. So we put together plan to do that, to still go live and still get it done, but possibly put things off a little bit.

Governor: And at the time, did you tell them, "Okay, but this isn't good, this isn't good enough"?

Shawna DeRousse: Absolutely. We asked them to bring in more resources. We asked them to go to their management, to their top levels of Xerox and ask for additional resources, because if Choice wasn't going to do their part, they had to make that up somewhere. They had to bring in new people to do that.

Governor: And were you satisfied that they did that?

Shawna DeRousse: At the time we were told that they were asking for those additional resources. Now it's very easy to see that the additional resources did not come as soon as they should have.

Governor: Okay.

Shawna DeRousse: Also in July a big issue that happened was that our partnership with Welfare and Supportive Services, they were looking at what we were doing, and they expected us to be able to process all Medicaid applications for the State of Nevada. And they were looking at where we were and where we were especially with our testing or lack of testing, and they called out a red flag and said, "We don't believe that you're going to be able to do this." And at that point in time a decision was made really to rally around that process. And a lot of our resources were pooled or diverted to making sure that those applications would be able to be processed on 10-1 and that we could get those Medicaid applications through. So a large portion of our focus for July and August really was on the Welfare and Supportive Services functionality. In August...

Attorney General: Governor, can I -- may I ask a question? This is Catherine Masto. So just to follow-up on some more of what happened there in July. So is it safe to say then that all of the resources then from -- were diverted to the Medicaid process and no longer any work being done on the other functionality pieces that were necessary to get the Exchange up and running?

Shawna DeRousse: I would say that all is an absolute statement, and probably not all, but a large portion of the resources were diverted to making sure that that functionality would be up and running on 10-1. And I would say that the other portions of the Exchange on the individual qualified health plan side probably did not get as much attention then as it should have.

Attorney General: So the additional resources that Xerox said that they were going to put towards the Exchange, did those additional resources also go towards the Medicaid process and not to the qualified Exchange process during this timeframe?

Shawna DeRousse: In July when we went to Xerox and asked for additional resources, the answer at that point in time was we will get additional resources. But there is an onboarding process. You have to bring new people in. You have to bring them up to speed on the project. They have to understand what their job is supposed to be. And so asking in July and getting in July is two different things.

Attorney General: So...

Shawna DeRousse: To bring -- I'm sorry.

Attorney General: Okay. No, go ahead, I'm sorry.

Shawna DeRousse: To ask for those additional resources, we knew we probably wouldn't get them in July. We knew that we would probably get those in August.

Attorney General: So is it safe to say that the diversion of most of the resources towards that Medicaid process, that the state supported the diversion of most of those resources towards the Medicaid process?

Shawna DeRousse: I would say that the Exchange staff absolutely knew that we had to get that process done and that we supported that at the time, yes.

Attorney General: Okay. Thanks.

Shawna DeRousse: So in August then, of course we're getting closer and closer to 10-1, we started having daily status meetings, not only with the Xerox or Exchange staff, but Welfare and Supportive Services staff, Deloitte staff. We worked very, very closely as a team to try to get as much done in as timely a fashion as we could. We actually even had meetings to determine whether 10-1 was a viable date. You know, could we get this done in the manner that Nevada deserved to show that we could serve our people by 10-1? We did make the decision to go live on October 1st.

Governor: And let me interrupt you there. So by this time it was apparent that those new resources, additional resources didn't arrive?

Shawna DeRousse: So my next statement would be in August a new subcontractor, Cognizant, was brought in with development staff to help with the functionality of the system, to bring it up as quickly as possible. So we did get new developers from Xerox in August.

Governor: But that was -- were those developers -- so first we had Choice. Choice didn't work.

Shawna DeRousse: Correct.

Governor: Xerox came in and said, "We'll handle it." And then they decided, "Oh, no, we need to get Cognizant to come in and perform that function."

Shawna DeRousse: I think that Cognizant was brought in -- and we can ask Xerox this, but I think that Cognizant was brought in as a support activity and not as a replacement to Choice. So even though Choice had said, "We can't do as much as we thought we could," maybe they bit off more than they could chew, Choice was not gone 100 percent. We still have some team members from Choice on our team, because we needed their expertise. This was their platform. This was their functionality of their COW Choice system that was part of the presentation that was demonstrated to us that we released. So they are not gone 100 percent.

Governor: But I'm hearing Cognizant for the first time in the fall...

Shawna DeRousse: Yes.

Governor: ...of 2013.

Shawna DeRousse: Correct. August of 2013.

Governor: Okay.

Shawna DeRousse: So September of 2013 was a flurry of activity. It was testing. It was working with Welfare and Supportive Services. It was Cognizant working as fast as they could to get as much done as they could so that we could go live on 10-1, which we did do. And of course we had a lot of people come to our site on 10-1. We had some issues right away of course, and we worked through those issues. October, I wouldn't say it was a successful month, but it wasn't as unsuccessful as November or December were.

Governor: But that was the time when some of the other warts started to show, correct, in terms of staffing at the call center?

Shawna DeRousse: A little bit later.

Governor: Okay.

Shawna DeRousse: Absolutely. A little bit later. I think the point -- we thought we could get to 10-1. We thought we would all breathe of a sigh of relief that we've gone live and now we would have a chance to work on some of those things that we said we would put off until November. But what -- you're right. And what started happening is that we actually started having to fix the bugs. And when you're chasing the bugs, then you don't have a chance to go build the rest of the system that you need to build.

Governor: So in other words we were -- you were -- we were discovering a lot of new issues that weren't on the list before you went live.

Shawna DeRousse: Absolutely.

Governor: Okay.

Shawna DeRousse: Absolutely. In November...

Attorney General: Governor, oh, I have one quick question.

Shawna DeRousse: I'm sorry.

Attorney General: So isn't it normal process to do some -- have a testing phase before you go live? Was there ever a testing phase of any of the functionality parts of the Exchange?

Shawna DeRousse: There was a testing phase. It was...

Attorney General: When did that occur?

Shawna DeRousse: It occurred throughout that summer period, but I would say that it was severely truncated. It was much shorter than it probably could've been. You know, when --

again, when you're trying to put this large of a project into 14 months, everything got squished together and we didn't probably spend as much time on that testing as could've been.

Attorney General: Okay. Thank you.

Shawna DeRousse: In November of 2013, if you recall, healthcare.gov went down. They took down their site. And whether Nevadans thought that healthcare.gov and Nevada Health Link were the same or not, we actually saw a lowering of the number of people who called. The numbers show that fewer people went on our website at the same time. Again, we tried to work on those bugs at that time. But more and more bugs started coming in. And November was one of the worst months I think for the issues that sprang up. And people just could not get through. And when you have fewer people that can't even get through, that of course is a problem.

In December of 2013 healthcare.gov came back up. And whether or not it was, again, directly related to Nevadans thinking it was the same as Nevada Health Link, we were slammed. This is when we started hearing the two hour call times at the call center. People couldn't get through on our website. We were just overwhelmed. It was at this point that Xerox started loading up on call center employees. And we requested additional staff. They started bringing in additional staff. Again, you've got to train somebody to know how to answer the phone, what to say, and that takes time as well. If we go back to December and we look at when actually people started coming in, I think you saw the largest increase of call center staff right after the first of the year. There probably wasn't enough people there in December. That's why...

Governor: So in December, were there approximately 50?

Shawna DeRousse: Correct.

Governor: And then what was the ramp up into January?

Shawna DeRousse: The ramp up, we jumped up to a little over 100 right after the first of the year, with promises of going to 150 and even higher. Recently we've been at about 237 people over the last month and a half, once we got people through the training and with that ability to be able to answer the phone calls.

Governor: But it became pretty obvious that 50 -- that what was conceived in the beginning at 50...

Shawna DeRousse: Just wasn't adequate.

Governor: ...is clearly inadequate.

Shawna DeRousse: You are correct. In January of 2014, now we've gone live with coverage dates. People expected to have their coverage effective on January 1. And in many cases we had a very difficult time doing that. Sometimes it was, you know, you applied and we processed your application very late in December, because we pushed some of those dates back, as did the

federal government, but there are people today who still have applied and paid for their plan and do not have that January 1 start date like they should have.

Governor: Well, it begs the question, why?

Shawna DeRousse: Because the functionality wasn't there.

Governor: And if you're saying they still don't have them.

Shawna DeRousse: So obviously we've got 22,000 -- a little over 22,000 people who have gone through and purchased plans today. So it's -- it is hard to understand how could 22,000 people get through and another 22,000 people not get through.

Governor: I don't want to jump all over because I want to stay...

Shawna DeRousse: Sure.

Governor: ...chronologically balanced. So you have 22,000 people that have paid and have received their card. What is the universe of people that have signed up but have not paid? What's the total there?

Shawna DeRousse: That have not paid?

Governor: Right.

Shawna DeRousse: So how many pending?

Governor: Yes.

Shawna DeRousse: We have a little over 10,000 pending right now, where they've picked a plan, they've put it in their cart, but they haven't actually paid for their plan.

Governor: So the total right now is 32,000 people that signed up?

Shawna DeRousse: Yes. Now, I will say there's many more than that who have gone through the application process and received an eligibility determination, but haven't gone as far as picking a plan and putting it in their shopping cart.

Governor: And how many is that?

Shawna DeRousse: I am sorry. I don't have -- oh, excuse me. We have Medicaid -- excuse me, qualified health plans with APTC, we've gone -- 69,507 people have received that eligibility determination. So just doing the math backwards, if we pull about 33,000 off of that, you've got 36,000 left, people who've received that.

Governor: But in a perfect world, at least as of today, the maximum would be 69,507 people?

Shawna DeRousse: Qualified health plans with APTC. In addition to that we've got about 38,700 people who have been eligible for qualified health plans without APTC.

Governor: Okay.

Shawna DeRousse: So they would pay full price.

Governor: So that gets us over 100,000.

Shawna DeRousse: Correct.

Governor: Okay. And then I'm going to save the Medicaid conversation for Director Willden, but please proceed.

Shawna DeRousse: So with the...

Attorney General: Actually, Governor, can I ask...

Governor: Yes.

Attorney General: ...one more question...

Governor: Sure.

Attorney General: ...on the heels of that? So there are 22,000 people that have purchased plans. Out of those 22,000 people who have purchased a plan, how many do not have insurance, or are covered under insurance?

Shawna DeRousse: The 22,000 people that have paid, those people have been transmitted to the carriers, the medical carriers that are on the Exchange. And either the carriers have provided all of those cards or they are in the process, because the 22,000 even takes up -- takes us up to yesterday, so those people may not have their cards yet, but it is in the process.

Attorney General: So did I hear you say though that there's some people that have purchased that don't have insurance coverage as of January 1, 2014?

Shawna DeRousse: There are some people who purchased a plan all the way back in, say, December and for various issues in the system we have been unable to communicate their enrollment information to the carriers so that the carriers could then provide the health insurance cards to the people.

Attorney General: And how many people fall into that category?

Shawna DeRousse: I currently have less than 1,000 of those people.

Attorney General: And what's happening with those people?

Shawna DeRousse: We are working those cases individually. We are looking at where they are stuck, what the issue is and how we can get those enrollments over to the carriers so that they can be provided with their health insurance cards. And in many cases those enrollment start dates would be retroactive to the date that they were eligible for at the time of their application.

Attorney General: But that doesn't help him if they've gone to a doctor in between and can't pay for the coverage under their insurance.

Shawna DeRousse: If they've gone to a doctor in between, the carriers have all committed that they would help the applicants with -- they can turn in those receipts if they'd had to pay out of pocket and reimburse those Nevadans. So there are ways for them to be made whole for the amount of money that they have out of pocket.

Attorney General: Okay. Thank you.

Governor: And I just want to make sure that I'm crystal clear on these numbers that you just gave. So the 69,507 is what?

Shawna DeRousse: The 69,507 are applications and they are people who have received an eligibility determination. Those people are eligible to purchase a qualified health plan with the help of the Advanced Premium Tax Credit.

Governor: And then there's another 38,000 that are not eligible but have selected a plan and have not paid?

Shawna DeRousse: They are eligible to purchase a qualified health plan without the APTC, but that's as far as they've gotten. They haven't picked a plan.

Governor: Okay.

Mike Willden: So they would be required to pay full price for the carrier's plan, no tax subsidy.

Shawna DeRousse: Correct.

Governor: Okay. All right. Please continue.

Shawna DeRousse: So just a quick wrap up of February and March, we are still in a situation where qualifying life events, if you have a birth of a child or you need to terminate someone from your current plan, those enrollment processes, they are still not available. Right now if -- we are in open enrollment at this point. And if someone were to come in and say, "I had a baby today and I need to add that child to my plan," basically we are starting a brand new application for that person because we don't have the ability to add a child to your current plan, so things like that. That functionality that should've been available in 10-1 is not currently available.

As more and more people came forward, we started hearing these stories. We were inundated with the emails and the phone calls. We started having weekly board meetings. Xerox has been presenting their findings. They have brought in more and more consultants. We have over 600 Xerox staff currently working on this project, whether on the project management side, call center, developers, but more than 600 currently.

Governor: In Nevada?

Shawna DeRousse: No, not in Nevada. Some of them are in Nevada. We also have staff in Texas. We have staff in Florida. We have a development staff overseas working on the core processes. It does include the subcontractors. Absolutely it does.

We are currently at that 22,000. That's about 20 -- excuse me, about 17 percent of where we think we should've been at this point. As you know our goal was about 115,000 individuals by March 31st. So as you heard Jeff say earlier, the Exchange Board determined that it was probably in our best interest to bring in an outside vendor to look at these processes, look at what has been done, what hasn't been done and where we could make some improvements.

Governor: Okay. One other question, because I know that it was on the Agenda for the Board meeting which was the question of whether we should extend the deadline by 30 or 60 days.

Shawna DeRousse: Okay.

Governor: And I guess first what I want to have a better understanding is who would be the individuals that would benefit by that extension for 30 days?

Shawna DeRousse: Okay. First, the extension of open enrollment is not within our ability to do. So what we can do is we could have a new special enrollment period, which is different than open enrollment. Open enrollment, anyone can come in.

Governor: Right.

Shawna DeRousse: And with a special enrollment period, depending on how the Board decides to go forward with that, they can define the population of the people who can come in and finish the process of getting their insurance. So if the Board decided that those individuals, for example, who had gone through and put those -- the plan that they chose in the cart, if those were the people that we wanted to really focus on, those people could have an extra 60 days to come in and finish that process. The Board needs to define that.

Governor: Okay. And then with your recitation of the history of all this, is that -- I know that Xerox has been presenting each week to the Board that the wait times have been reduced to less than two minutes, which is a good thing, there were -- and I'm sure you can correct me, but approximately 170 technical issues that needed to be corrected, and those have been cut by two-thirds or so. Is that right?

Shawna DeRousse: Much more than 170.

Governor: Okay.

Shawna DeRousse: But we have cut them down.

Governor: What's much more?

Shawna DeRousse: So there were -- you could look at the list of everything that had been identified, and it was well over probably 1,700, so we had more than 1,000 at any given time of issues that we needed to have corrected.

Governor: Okay. And where would you ballpark the resolution of those issues today?

Shawna DeRousse: I think you have to divide the resolution of those issues up into different categories. The bugs that we talked about earlier, they've made great strides in fixing those bugs.

Governor: You know, and I hate to -- I'm not trying to be funny, but some bugs are bigger than other bugs. And, you know, some of the smaller ones have been resolved, but it sounds like there's some really big ones that are unresolved.

Shawna DeRousse: And I would say that some of those really big bugs are almost more on the development side. We still need to build the process of adding a child because you have a new member of your family. So if -- it depends on if you consider that a bug I guess. That core process of what we should be able to do right now, the 1,700 includes all of those issues.

Governor: Okay. And then there were over 30,000 unresolved issues in terms of people that sent in emails or made phone calls.

Shawna DeRousse: At one time we had over 35,000 pieces of mail that needed to be dealt with. We are down to less than 3,000 right now. They've made great strides in responding to the mail and the documentation that they've received in San Antonio.

Governor: So that's a good thing. And we'll get to Deloitte here. We haven't even gotten to that, but part of my, you know, asking these questions is this, is if the Silver State Exchange Board chooses to extend that time beyond March 31, and there was essentially a representation that a lot of these things would be resolved by March 31, and it doesn't sound like that's going to happen, and that there are still some major issues out there. Is it going to be beneficial to individuals to extend this time, or are we just going to have more of the same?

Shawna DeRousse: The alternative is that the Exchange Board can make the decision to have that special enrollment period starting May 1st. It doesn't have to -- it doesn't have to start April 1.

Governor: Okay.

Shawna DeRousse: So we could take the time, take a month, get some of these items fixed, work with Deloitte and their assessment and see how they can go forward, and then have that special enrollment period a little bit later in the summer.

Governor: Yeah, and that does bring us to Deloitte, because that's part of the thing is how are you going to assess this thing...

Shawna DeRousse: Exactly.

Governor: ...while it's still going. And how can you identify what -- first diagnose the problem and what the cure is. And so I guess I'll ask those questions of Deloitte, but I was just trying to get a little bit more background before we have Deloitte come up here.

Shawna DeRousse: Thank you.

Governor: So does that complete your presentation?

Shawna DeRousse: It does.

Governor: So before I go to Director Willden, Madam Attorney General or Mr. Secretary of State, so you have any further questions?

Attorney General: No, Governor.

Secretary of State: No, Governor.

Governor: All right. Now, Director Willden, there is somewhat of a silver lining here and -- or at least some good news to talk about in terms of, you know, this is the qualified health plan piece that we've talked about and there is the discussion on how the marshaling of resources to make at least the Medicaid side of this work better. And so if you would take us through that part of this, because that's just as important as the qualified health plan.

Mike Willden: Thank you, Governor. So I do have a packet of charts and graphs here. I apologize to the Secretary of State. We can get one to him electronically. And I believe the Attorney General was faxed or emailed or something a copy of the packet. Did she get a copy of it? I think so.

Shawna DeRousse: No.

Mike Willden: No?

Attorney General: No, I do not have a copy of it.

Mike Willden: Okay. Well, we'll get you one too. So as you've said, Health and Human Services and the Exchange have been partners in the Affordable Care rollout. Ms. DeRousse talked about several of the hiccups and problems we have had, and we certainly did have a lot of

pressure of October 1 that we were able to take Medicaid applications online through Nevada Health Link. That's how the pony was being built, and that we needed to be able to get electronic applications and we needed to get them timely and to make correct eligibility decisions and that we were building the federal hub interface, those types of things. So we have been a partner all along.

In my charts, I don't -- I'm not going to go through every chart, but I just want to again highlight at least where we thought we needed to go and where we have ended up, and there is some success there. On Page 1 of my packet, I think it's always important because I think we sometimes separate things into silos and miss the bigger -- we need extra copies.

Shawna DeRousse: I have more.

Mike Willden: We miss the bigger picture of what we are trying to accomplish through this process. And it really started with when we analyzed why we were doing the Silver State Health Insurance Exchange and the Medicaid expansion. It was because there were over 600,000 Nevadans that were uninsured, and our goal was either through purchasing qualified health plans or enrolling individuals who were eligible in Medicaid or Nevada Check Up. And we set some goals out there that we were going to grow Medicaid enrollment. I don't know if goals is the right word, but we did estimations, forecasts based on data we had available from the census as to who would be eligible and who might enroll. As Ms. DeRousse said, 115,000 in the qualified health plans, the individuals, and about 5,000 in the small business side. And then on Medicaid we're expecting to grow from 320,000 Medicaid recipients to about 500,000 Medicaid recipients. So that was the plan is to shrink Nevada's uninsured population from 22, 23 percent to down around 10 or 11 percent.

One of the things on Page 2 I think was important to also note is we did a lot of metrics and analysis about who was in this uninsured population, who would be going where. And so there has been some criticism. Maybe we got the estimates wrong of how many we could enroll, whatever. But if you look at this pie chart and you look at who in Nevada's uninsured, then you have about 173,000 people in the blue quadrant that are below poverty. They always should've been on Medicaid. They weren't, haven't been. The red piece, 36 percent, fall into the 100 percent to 200 percent. Again, most of them could've been on Medicaid, particularly if they were children. They could've been on Medicaid and they weren't. And so those two together, there's 400,000 Nevadans very low income without health insurance.

And then the green piece and the purple piece of the pie are really those that are eligible to buy QHPs. They're the ones above 200 percent of poverty into 400. Even some in the red piece would be eligible for buying QHP. So that's how we made our estimates.

Page 3 I just a chart on, you know, where people are going to go, obviously to Medicaid and the Exchange. Page 5 is the one that I want to take some time about. As Ms. DeRousse indicated, we were very concerned about getting Medicaid applications. You can see on Page 5, this is how many electronic applications come over every night from the BOS to the Eligibility Engine. You can see in October we started out fairly slow. The bars are pretty small. Then you can see

starting about December 10th everything starts breaking loose and we pretty much were getting thousands every day.

Governor: Why don't you -- I know there's a page for this, but will you quantify that because the Attorney General nor...

Mike Willden: Yeah, so let me quantify it on Page 7. So Page 7 actually instead of looking at the daily stuff, let me quantify it. In October we were getting 121 what we call E4 transactions where Xerox was sending us a file each night. We were getting about 121 a day. And that was about 40 percent the Medicaid applications. We were getting about 40 percent electronically, the other 60 we were getting in the old paper process. In November we were getting about 252 a night. And that was about 60 percent of our applications in November. Then you can see December, as we've testified, things kick in for a number of reasons. We had a lot of -- you heard about stuck applications, you heard about people not selecting their managed care plans, data problems. Right around December 10th the floodgates open and you can see December we receive 925 electronic applications per night, sometimes it was 3,000, sometimes it was 500 or 600.

Governor: And these are all applications coming through the Exchange?

Mike Willden: They're coming through. People went onto Nevada Health Link, did their thing, were determined eligible for Medicaid, and an application was sent through the process to Nevada Medicaid. So December we averaged 925 a day. January we averaged 973 a day. February 1,288 a day. And March to date we're just under 1,100 a day. So since mid-December the pipeline is wide open and we are getting thousands of Medicaid applications each and every day.

On Page 8, I know I've talked to you about this before, Governor. So far over 120,000 applications have been sent through the BOS Eligibility Engine Exchange. And that's applications; that's not people. We spend a lot of time talking about bellybuttons versus applications, and so sometimes there's more than one person per application.

Governor: So this could represent 150,000 people?

Mike Willden: Correct. And so that's been fairly robust since then. On Page 10 you've heard a lot about where we're at with pending applications. And so we have had the floodgate wide open since mid-December. And then this is an analysis on Page 10 of where we're at with pending applications. And so if you look on the bottom right-hand corner, we're just under 60,000 pending applications. We've processed thousands. And I'll get to that in a minute. We still have 60,000 applications in the queue. Now, not all of those come through Nevada Health Link. Some of them are what we call nursing home cases, aged, blind and disabled cases, but we have 60,000 backlog to deal with.

Page 11 kind of shows what our pending applications backlog has looked like and what we have today. The next one that I would want to focus your attention on is Page 13. This is how much application processing we have been able to do in Medicaid. As you know through your budget

and the legislatively approved budget we got over 400 new staff. We've hired around 250 or so of them so far, and are hiring others in additional waves. You can see in July, August and September we would process around 600 applications a day. We are now processing about 1,200 -- 1,100 or 1,200 applications. So we've doubled our processing capacity, but it's just keeping up with the number of applications coming in.

Governor: Well, this is a little foreshadowing and it's a conversation for another day, but do you think it's in our best interest, because the way the legislature approved the budget, we were only approved for so many positions through a certain time, and it probably would behoove us to accelerate the hiring of those additional folks, but we'll need legislative approval to do that.

Mike Willden: yeah, we are looking at that. The next wave for hires isn't until summer and fall, and so they were approved to hire in next fiscal year's budget, so we are trying to look at how we could balance dollars between the years to accelerate some hires. We are working all the overtime we can afford to work now. We've brought in several temps. Taking everybody out of -- if you will, out of a back office situation and put them on the frontline. And so we're trying to, like you say, double capacity, triple capacity. We've doubled capacity. We really need to triple capacity.

Governor: And you're even working Saturdays I understand.

Mike Willden: Yes, we are working Saturdays. Every time we have what we call a -- every time the computer system will let us work, we work. The next page that I would just point your attention to, and I don't want to spend a whole lot of time, go to Page 18 in the charts. So this is, again, the good news. The applications pipeline is open. This chart shows the number of Medicaid enrollees. Again, I said we started out when we left the legislature about 320,000 Medicaid recipients. Our projections would grow to somewhere around 500,000.

If you look at Page 18, we were projected to be -- the legislative approved budget, we were projected to be at a little over 387,000 Medicaid enrollees. We are at just under 402,000 for the month of February, and that is growing by bunches every day.

Governor: And do you include in that number the 50,000 that are in the queue?

Mike Willden: No, this is not -- this is approved and have a Medicaid card in hand. And so right now we're about 14,000 Medicaid recipients over what we projected, so we're running ahead of schedule in Medicaid QHPs as we've heard, below schedule Medicaid is about 14,000 recipients, over schedule with 60,000 in the queue.

Governor: So, I mean, as soon as you catch up, we're going to be even further...

Mike Willden: Absolutely.

Governor: ...ahead of the legislative approved number.

Mike Willden: I'm confident we will reach our 500,000 mark in early summer, and that'll be significantly earlier than we had projected. The next thing, Governor, I know there's been a lot of attention, if you'd look at Page 21 and 22, a lot of the problems have been about managed care plan selection. That has been a huge issue with us, and so we put timing clocks and things like that into the Xerox system to -- when clients don't pick their managed care plan or things, we have to get those apps those over so we can process them because they -- I don't like the word stuck, people didn't make choices, and so we had to get them over to us. And so one of the goals was to significantly increase the number of people in managed care.

And so if you look at Page 22, you can see what is going on. Of all those Medicaid recipients, we have now grown from just before we implemented the Affordable Care Act, we had 197,000 of our Medicaid recipients in managed care. We have now added about 68,000 people to our managed care plans. So we're at 265 now. And so both of our managed care plans, Amerigroup and HPN, have seen significant numbers of bodies enrolled in the managed care plans. We said we were going to grow from 58, 59 percent of our population to nearly 80 percent of our population, and that enrollment is happening. There's about a two month delay from when you get across the bridge, get your Medicaid eligibility, get enrolled in a Medicaid plan, so these will grow even more.

Just a couple other highlights, Governor. You asked me several times how are we doing on the newly eligibles. Page 24 is newly eligibles. So the Medicaid enrollment is broken into two pieces. Those people that always have been historically eligible for Medicaid, but for whatever reason didn't apply, or weren't eligible because of cooperation issues and things like that, so that's growing. But the new eligibles, January 1 through the Medicaid expansion, we have offered Medicaid to what we call adults without dependent children, childless adults. And so this shows where we're at on track on that. We had projected at the end of -- or in February we'd be at about 35,000 enrollees. We're at 44,000 enrollees on the new eligibles. So we're about 8,500 above schedule on the new eligibles.

Governor: Yeah, and we probably should get moving along, but part of that was a difference in -- a lot more individuals were eligible for Medicaid that we thought were going to be eligible for the...

Mike Willden: Correct.

Governor: ...qualified health plans.

Mike Willden: Correct.

Shawna DeRousse: Yes.

Mike Willden: The last one I would just point out, Governor, and I'll stop is, there was a lot of concern about behavioral health and there still is a lot of concern about behavioral health. So 27 and 28 have some charts about what's happening with the behavioral health world. Many of those new eligibles, childless adults also have behavioral health issues. And as you know when we built the budget, we counted on those people being able to be Medicaid enrolled. That's why

we've put so much pressure on Xerox and the Exchange to assist with the Medicaid enrollment. And it's paying off on the behavioral health side. If you look at Page 28, we've gone from about 4,800 of our mental health patients, which was about 28 percent of our population, to -- we've already grown to about 38 percent of our population enrolled in Medicaid. And I can tell you March's number will come out around 44 percent. I've already looked at that preliminary this morning. So we're well on our way. Our target was to get 56 percent enrollment. And we will hit 56 I'm sure by early summer.

Governor: And then the last -- oh, I'm sorry, go ahead.

Mike Willden: The Medicaid pieces are working pretty well if we can catch up with our backlog.

Governor: And then one last question, Nevada Check Up, I understand that the billing piece on that was not working and so you have taken that back.

Mike Willden: Yes, there have been two levels of frustration from us. One, the stuck applications that I've talked about several times, but we've worked through a solution on that. It's not the best solution, but it is getting applications to us. The second one is that as part of what we call premium aggregation where Xerox would be expected to bill for a premium and collect premium. That was not working at the end of the January. My frustration level got too high. I asked for it just to be sent back to us. So that was sent back. All the checks that they had received and not deposited were mailed back to my office. We reconciled those to our accounts and took over payment and collection ourselves, so we picked that back up starting the first week in February.

Governor: And how's that working?

Mike Willden: Everybody's been billed. We have a Band-Aided together system that we're working on. We need to continue to make some improvements. There was a significant amount of client frustration because we had educated them, but obviously Xerox would be doing that billing and collection, and that didn't happen. And when we sent out letters saying, "No, mail your money to DHHS," there was some level of frustration. We've staffed up our own call center and reconciliation process. We've collected most of the premium. About two-thirds of the premium that should've been paid we've collected. We're in a second round of what I call donning and delinquency notice. And we'll end up somewhere at the end of March with some number of people who didn't pay, and we'll have to take a hard look at what we do from there. And there's a number of options; forgive the premium, ask somebody else to pay the premium or end their Check Up coverage.

Governor: Okay. Thank you, Director Willden. Questions from Secretary of State or the Attorney General?

Secretary of State: None, Governor. Thank you.

Governor: All right. Thank you. And I appreciate your patients, Madam Attorney General and Mr. Secretary of State, but I just think it was important to have this background as we roll into what is actually the issue of the day, which is our review and consideration of the Deloitte contract. Thank you very much. So who do we have up next?

Clerk: Mr. Fisher and then any representatives from either Xerox or Deloitte that you wish.

Governor: Good afternoon, Mr. Fisher. And essentially, you know, I'm not sure what presentation did you want to make. I know a lot has been covered.

Steve Fisher: Yeah, I just -- for the record, Steve Fisher, Interim Director for the Silver State Health Insurance Exchange. And just a little bit of background on myself. I have about 21 years of experience in the IT sector, so that might've been one of the reasons I was asked to come over and see what I could do to help out with the project. As Shawna talked about, the implementation early October, we're six months into the implementation of this project. And we're facing a lot of major technical issues.

Governor: Well, I guess just to get to the heart of the matter, you've been on the job for three weeks.

Steve Fisher: Yeah, three weeks this Thursday.

Governor: Okay. So what are -- what's your -- what are your observations and conclusions?

Steve Fisher: Well, there are lots of technical issues throughout the system, which is causing problems for the constituents who can't get enrolled. But for me we know where those issues are, we know what those issues are. We've identified them. We have bugs for them, 1,700 of them it sounds like. But for me, what's the root cause of those issues? I think we really need to dig deep into the system, into the bowels of the system and really find out what the root cause is of those major issues. And can those root causes be resolved? Can we fix those issues? And if not, what are our options? What sort of options do we have?

And so that's one of the primary reasons I personally feel that an assessment needs to be done, and having a third party come in, someone like Deloitte Consulting, as Jeff, Mr. Mohlenkamp mentioned, who has this type of experience, who has successfully implemented state exchanges in four states; Rhode Island, Connecticut, Washington...

Unidentified Male Speaker: And Kentucky.

Steve Fisher: And Kentucky. Thank you. With that type of experience and bring in those resources that have worked on those projects, to this project, to do the assessment and to provide the state with a roadmap on how to get from where we are today to where we need to be November 15th for the next open enrollment period. That's only eight months away. So we have a real short window of opportunity here to find out, you know, what are the major systemic issues, can they be fixed. If not, what are our options?

Governor: Well, and that's part of my question. I think we can all accept that Deloitte is qualified to do this. I'm not going to get into those questions because of its experience and reputation. But, you know, I guess my question for you is, how long will it take? And can it be done while the system is continuing -- if the system is continuing to operate? In other words, if there's an extension that is on consideration I believe on Thursday's Agenda for the Exchange, does it make sense to do that? Or does Deloitte have to wait? Or is it better for them to see how it's working and operating in order to make the assessment?

Steve Fisher: So to answer your question, it's better to do it while things are in motion. They need to observe what's going on. They need to observe Xerox. They need to observe Xerox's processes to make sure that they have processes and governance in place to address these technical issues. To answer your other question, this is a five week -- really short five week project. It's broken down into two pieces. The first two weeks of the project is discovery. That's where the team will be interviewing stakeholders, interviewing technical folks, interviewing staff over at the Exchange, reading documentation, looking at the history of the projects, so on and so forth, so that's the first two weeks. After the first two weeks of the discovery, there will be a status report. That's one of the deliverables of the project, a status report of that discovery phase.

The second piece of the project is the analysis phase. That will be the final three weeks of the project. During that phase they're actually taking all the data that they've collected through the discovery phase and analyzing it and trying to figure out the root cause of system issues, whether those issues can be resolved or what options are available. And then the final assessment report will be that roadmap that I was talking about. A roadmap with a set of options provided to the state on how do we get from where we are today, where we need to be November 15th.

Governor: Yeah, because we need to know. I mean, we can't risk going through what we've gone through now. And part of this, there's a big assumption here that their -- Xerox, and I'll be asking this question of Xerox, is going to be an open book on this.

Steve Fisher: Xerox has to -- they have to provide the information that is necessary to do the assessment, so absolutely.

Governor: Because if there is not full cooperation, this won't work.

Steve Fisher: That's correct.

Governor: So I know -- who's the representative of Deloitte that's...

Steve Fisher: This is Kevin Kelly.

Governor: All right. Before I -- Kelly, did you say?

Kevin Kelly: Yeah, K-E-L-L-Y.

Governor: All right. Before I go to Mr. Kelly, Madam Attorney General and Mr. Secretary of State, do either of you have any questions for Mr. Fisher?

Secretary of State: No, Governor. Thank you.

Attorney General: Governor -- oh, sorry, it's Catherine. I just have a quick one. And I understand this is a five week process and the intent is a quick turnaround so that whatever recommendations come after this five weeks, we can implement and be ready for the November open enrollment process; is that correct?

Steve Fisher: Yes.

Attorney General: Okay. Thank you.

Governor: Okay. And by the way, Mr. Fisher, I want to thank you because you've probably taken on one of the toughest jobs in state government. And for you to step into this is -- really speaks loudly of your character and your willingness to take on a difficult job. So thank you for that. So, Mr. Kelly, good afternoon. Essentially, you know, I need you to verify what Mr. Fisher is saying in terms of what your objectives are, what your strategy is and what you hope to come out -- have come out of all this, and how necessary it is to have this cooperation that I spoke of and what you'll need to be able to do your job.

Kevin Kelly: So I'll start backwards.

Governor: Okay.

Kevin Kelly: First of all, the cooperation is instrumental in being successful in doing this. And as Steve mentioned, there's two different phases associated with the project. The first one is the discovery which is two weeks in duration, and then that leads to an analysis phase. We are looking across four different aspects associated with the project. The first one is project management and governance. How was the project managed? What are the tools and techniques that are required to effectively look forward so that you can effectively manage between now and November 15th? Technology and infrastructure. What were the standards, the processes? And from an infrastructure, how was code managed? How was the data center managed? How are those things pulled together to effectively support November 15? Because the eye for all four of these is looking forward, not retrospectively, but futuristically.

The next one is the solution and the capabilities of the solution. Across the solution we in the health insurance exchange practice break it down into fundamental components; eligibility, enrollment, planned management, financial management. What you have to look at is each of those capabilities relative to key functional metrics or key functional capabilities, and measure where each of those items are relative to that so that you can evaluate the maturity of that product relative to exceeding in November of 2015.

And then the last one is what we label people and process, which is associated with communication, training and the entire outreach associated with the insurance exchange and how

the information has gotten out to the population and the future strategies and plans associated with continuing that population communication as well as training. So over the course of the first two weeks we will do a deep dive understanding of where each of those items are so that we could put together a series of, I'll call it an understanding of where we believe each of those items are. Then we will begin in the next three weeks putting together a forecast as well as a roadmap that essentially entails defining where the gaps are associated with each of those items, what the strategies are going forward and the remediation path associated with moving forward November of '15.

As Steve mentioned, it is a five week exercise. The first two weeks are that discovery period, trying to understand what's available, getting the information, whether it is status reports, whether it's documentation, whether it is access to code. And the next three weeks is associated with formulating the strategy going forward.

Governor: And we -- you know, and I have to ask this question because I asked this question before of Xerox a long time ago. But will you be dedicating the necessary resources to get this done?

Kevin Kelly: Yes, we already have a team working in our Carson office today preparing for the eventual start date.

Governor: And do you think you can get it done in five weeks?

Kevin Kelly: That is correct. The key issue is the access to information. There's a lot of information associated with a health insurance exchange. There are GATE reviews that we all went through associated with CMS. There's design documents. There's a lot of things to cull your way through. We need access to that information so that we can start formulating that future direction.

Governor: Because I don't want to get five weeks from now and get, "Well, if we'd only had more information, we would've been able to answer these questions." We've got to know going in to this thing that everything -- the table is set to do a full and complete review of what is going on so that we can make informed decisions later.

Kevin Kelly: And that is the goal.

Governor: Okay. Mr. Secretary or Madam Attorney General, do you have any questions for Mr. Kelly?

Attorney General: No, Governor.

Governor: Okay.

Secretary of State: No, Governor.

Governor: All right. Thank you. Okay. We've got the three of you. Now, are you all Xerox?

Unidentified Male Speaker: No, we are Deloitte.

Governor: Oh, you're all Deloitte. Okay.

Judy Felhaber: I'm Xerox.

Governor: Oh, boy.

Greg Vitiello: And, Governor, this is Greg Vitiello.

Governor: Greg, I'm sorry?

Greg Vitiello: Hi, this is Greg Vitiello from Xerox. I'm here in Vegas.

Governor: Okay. Will you spell your last name, please?

Greg Vitiello: Yes, "V," as in "Victor," I "T," as in "Tom," I-E-L-L-O.

Governor: And, ma'am, your name?

Judy Felhaber: Judy Felhaber, and it's F-E-L-H-A-B-E-R.

Governor: Okay. And I appreciate your being here. I think I can speak for a lot of people that are upset, frustrated, disappointed, and those are a few words that come to mind. We should never be here today for this, but we are. And so, you know, I need to have an assurance from Xerox that you're going to cooperate or it is going to cooperate with Deloitte. And I know it's awkward. You're competitors. And there was not that big of a delta between Deloitte and Xerox to get this contract, but we are where we are. And I'm not going to go into what you have done because that's something that's been presented to the Board. We talked a little bit about it today. Yes, there has been some improvement. But it sounds to me that there's a big piece of things that need to be resolved. And here we are, it's March 18th. There are 13 days to go. We only have 22,000 people that have been signed up through the qualified health plan. Yes, we've done -- you know, Director Willden's presentation, we've done even better than we thought we were going to do on the Medicaid piece, but we can't go through this again. We being the State of Nevada cannot go through this again.

So I am really banking on Deloitte to get this done to be able to identify what the issues are and get them corrected and get the strategy so that when November rolls around of this year, that we're not going to wake up every morning seeing stories of Nevadans who can't navigate through the system, that aren't getting this insurance card. The gentleman who had the heart attack who is still sitting in limbo not knowing what his status is. You know, this has cascaded to just absolute worst case scenario. So I guess my first question for you today, as you've heard Mr. Kelly present, and do you have -- if you have any reservations about this, are you going to be in a position where you're going to have to say I can't -- Xerox won't be able to provide the information that Deloitte needs in able to accomplish its task?

Greg Vitiello: Governor, this is Greg Vitiello and I'm here today to say we're fully prepared to cooperate with Deloitte and we look forward to working with them as we move towards securing a better place for the contract.

Governor: Okay. So when you say that's great, but specifically what does that mean? Does that mean when Mr. Kelly or any of the Deloitte employees say, "I need to see code, I need to see files," whatever it may be, you know, I'm not a technical person, so, you know, I don't know what the specific nouns are for what you're going to need. But, as I said, I don't want to have to get a call from Deloitte a week from now saying, "Governor, we can't get this done because Xerox isn't playing ball."

Greg Vitiello: Governor, again, you know, we are fully prepared to cooperate with Deloitte and to cooperate with Director Fisher and assist in providing whatever information's necessary.

Governor: Okay. Because we can't change what's happened, but we can change going forward or we can improve things. And so Mr. Kelly is telling me they've already started. Hopefully you'll get paid for that. I don't know if you will or not. But anyway, you know, and you've said on the record that we're going -- Xerox will fully cooperate with any and all requests made by Deloitte.

Greg Vitiello: That is what I've said.

Governor: Okay. Now...

Kevin Kelly: If you don't mind just one second...

Governor: Yes.

Kevin Kelly: ...I wanted to make sure that I'm clear. We have a longstanding relationship with Nevada. We have a team in Carson that is preparing and getting their head around exactly how to do this, and we want to make sure that on day one we hit the ground running, so that is our commitment to the State of Nevada to get our team prepared so that we are successful. That is not part of the existing contract.

Governor: Okay. No, and I know you built the BOS and done all those things, but, you know, let's -- before I ask some other questions, do either the Attorney General or the Secretary of State have any questions with regard to the interface between Xerox and Deloitte?

Attorney General: No, Governor.

Governor: Okay.

Secretary of State: No, Governor.

Governor: Now, Mr., is it Vitiello? I want to make sure I pronounce that right.

Greg Vitiello: Vitiello.

Governor: Vitiello. Okay. You know, and this wasn't part of the Agenda, but I think it's relevant, is because there may be other people that are similarly situated. Where are we with the gentleman who suffered that catastrophic heart attack? And I know he attended a meeting of the Exchange in December, if my recollection is right. And, you know, I've been tracking this and I've been asking. And every time I ask I get the same answer, "We're working on it." And that's what I read in the paper today. So are we getting -- is he getting close to -- or are we getting close to any type of closure or answer for him? Because I think everybody or you or any representative from Xerox needs to walk in his shoes in a minute -- for a minute. And he's not in the best health condition, and he's looking at \$407,000 in medical bills. So I don't know if you're the right person, but unfortunately you're the one who's here today, so I'm asking you the question.

Greg Vitiello: So, Governor, we are working with the Exchange and working with the health carriers to ensure we get to a final resolution with that individual that you're speaking of. And we're committed to getting it done as quickly as possible. And I believe we're at a point now, and Director Fisher can correct me if I'm wrong, but we're at a point now where I think we're much closer to finalizing that decision.

Governor: So what's much closer mean?

Greg Vitiello: Actually, Governor, I would prefer to get back to you and Mr. Fisher post this meeting.

Governor: Okay. Because that's the same answer that I've gotten for the past three months. All right. So, again, I want to make it really crystal clear here, I don't want to -- for this Board to come back and for Deloitte to have to sit here and report and say, "Governor, members of the Board of Examiners and members of the Exchange and people of the State of Nevada, we can't tell you exactly what's wrong because we haven't gotten all the information that we need," so this really lies on you. And I know I'm being a little bit redundant here, but I am trying to really highlight how important cooperation is in this case, and I don't want to hear, "We're working on it," or, "We'll get back to you." I want to know from day one that we're going to have complete cooperation with Deloitte.

Greg Vitiello: Governor, again, these are two separate issues. I understand them being put together. Again, we are fully committed to working with Deloitte and we'll cooperate from day one.

Governor: Okay. All right. Mr. Fisher, is there anything that I haven't asked that you think should be asked with regard to this contract?

Steve Fisher: Governor, no, I can't think of anything else to ask.

Governor: So we've covered it. I've got Mr. Willden here. Mr. Willden, I mean, you've been in the middle of this as well. I just want to make sure that all the right questions that have been asked -- have been asked and answered today so that we can get the answers that we need when Deloitte finishes its task. You feel good about it, Mr. Willden?

Mike Willden: I'm comfortable with the questions that have been asked. And as long as we all understand that Xerox is fully -- going to be fully cooperative, HHS (inaudible) with both parties to get answers in five weeks.

Governor: Okay. Madam Attorney General, do you have any questions that you'd like to ask?

Attorney General: No, Governor, I do not.

Governor: Okay. Mr. Secretary of State, do you have any questions?

Secretary of State: No, Governor. I think you covered it.

Governor: All right. Mr. Mohlenkamp, is there anything else that we should discuss prior to my taking a motion to approve the contract with Deloitte?

Clerk: So, Governor, we've looked at this clearly. I laid out at the very beginning that we have authority on NAC 333 to go forward with the professional service exemption. As you see laid out, this will be paid for with federal dollars. We've cleared that, that those are funds are available for this purpose, and so I think you're good to go on the action item.

Governor: Okay. And will we receive updates, Mr. Kelly, like after -- when you do your discovery in those first two weeks?

Kevin Kelly: After the first two weeks there's a status report that will produced at that time.

Governor: Okay. And so that will be delivered to Mr. Fisher?

Kevin Kelly: Correct.

Governor: Okay. I'd like to get a copy of that, Mr. Fisher. And then you'll do your analysis. I'd like to get a copy of that. And then the roadmap...

Kevin Kelly: Yeah.

Governor: ...thereafter. Okay. Well, I have no further questions. And if there are no further questions or discussion, the Chair will accept a motion to approve the contract as identified in Agenda Item No. 2, Contract No. 1 between the Silver State Health Insurance Exchange and Deloitte Consulting.

Attorney General: Governor, I'll move for approval.

Secretary of State: Second.

Governor: The Attorney General has moved for approval. The Secretary of State has seconded the motion. Any questions or discussion on the motion? All in favor say aye.

Attorney General: Aye.

Governor: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0. We will move on -- and good luck, Mr. Kelly. Look forward to hearing...

Kevin Kelly: Thank you very much.

Governor: ...from you and Deloitte.

3. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS

Governor: Move to Agenda Item No. 3. Are there any Board member comments? Are there any public comments from Carson City? Any public comment from Las Vegas?

***4. FOR POSSIBLE ACTION – ADJOURNMENT**

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General Seconded By: Secretary of State Vote: 3-0

Comments:

Governor: Chair will accept a motion for adjournment.

Attorney General: Move for adjournment.

Secretary of State: Second.

Governor: Attorney General has moved to adjourn. The Secretary of State has seconded the motion. All in favor say aye. Aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0. This meeting is adjourned. Thank you, ladies and gentlemen.

Respectfully submitted,

JEFF MOHLENKAMP, CLERK

APPROVED:

GOVERNOR BRIAN SANDOVAL, CHAIRMAN

ATTORNEY GENERAL CATHERINE CORTEZ MASTO

SECRETARY OF STATE ROSS MILLER