

TESTIMONY

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North Dakota Insurance Department

Before: Health Care Reform Review Committee
Representative George Keiser, Chairman

Date: July 23, 2014

Good morning Chairman Keiser and members of the committee. My name is Rebecca Ternes. I am the North Dakota Deputy Insurance Commissioner.

I was asked to present information on the number of enrollees on the Federally-Facilitated Marketplace (FFM), information on the 2015 health insurance filings, the dates of the 2015 enrollment periods and data regarding the number of insured lives in the state. I will also update you on the transitional plan numbers we have received and a federal decision on the Small Business Health Options Program (SHOP) Marketplaces.

Federally-Facilitated Marketplace (FFM) Enrollment

The attached chart indicates Marketplace enrollment as of the beginning of July according to reports sent to us by the three companies selling on the Marketplace (Blue Cross Blue Shield of North Dakota, Medica and Sanford Health Plans). The numbers provided are for “effectuated” policies. In other words, people have not only said they want the policy, but they have paid premiums toward the coverage.

The federal number included on the chart is still as of mid-April and indicates a higher total number of 10,597 because this number is for people who “selected” a plan but may not have paid premium. The total number of lives covered from the figures reported to

us directly from the insurers is 9,953. The figure reported to you at the last committee meeting was 8,374.

Insured Lives in North Dakota

Recently, we asked the four largest insurance carriers for their overall enrollment numbers by covered lives as of July 1, 2009, and July 1, 2014, trying to gauge whether or not the number of insured population had increased since the year before the Affordable Care Act was passed.

We are still trying to reconcile differences in the data and the dates the data was available. However, it appears right now the rough data indicates when you add up the four major carriers, enrollees in the Children's Health Insurance Plan (CHIP) and the Comprehensive Health Association of North Dakota (CHAND), there was an approximate 10.54 percent increase in private insurance coverage in North Dakota. Not included in this figure are Medicaid and Medicare. The U.S. Census estimates that between 2010 and 2013 there was a 7.6 percent increase in population in North Dakota.

2015 Health Insurance Policy Filings

The Department has been working daily with major medical and dental carriers to assist them in making their 2015 filings. As before, the Department will be reviewing all off-Marketplace products and any plans seeking Qualified Health Plan (QHP) status from the FFM will have to work through the FFM itself. The Insurance Department will be receiving an attestation of compliance with federal requirements from those companies.

To date, we have received 44 major medical filings from 6 companies, 3 of which are offering plans on the FFM. We have 21 dental filings from 9 carriers, all of which are offering plans on the FFM.

2015 Enrollment Period

The 2015 enrollment period for health insurance policies will run November 15, 2014, to February 15, 2015. In 2015 the penalties for not having health insurance increase to \$325 or 2 percent of taxable income, whichever is greater (for 2014 the amount is \$95 or 1 percent, whichever is greater).

Under the process recently announced by the federal government, policyholders in the FFM that receive subsidies (85 percent) will receive up to three notices from the Marketplace informing them how to update their information for the next year. The difference in whether a policyholder receives one or three notices will relate to whether or not the policyholder gave the Marketplace access to changes in their income levels and whether or not other factors have changed such as family size.

Policyholders will also receive a notice from their insurance carrier outlining new premium rates, the amount they are eligible to save on their monthly premium through tax credits and cost sharing reductions, and informing them of the ability to switch plans if they choose. These federally drafted notices (six different in total) are not yet finalized.

Because of the potential confusion with all of the many notices, the Insurance Department encourages these policyholders to pay great attention to the notices and also be proactive in contacting the FFM, their carrier or the state's navigators to assist them in enrollment for 2015. Failing to do so, could actually cause their subsidies to be lower than what is allowed or lapse altogether. Proposed regulations also allow carriers to automatically renew policyholders for 2015 if no action is taken by the policyholder by December 15, 2014.

Also, all policyholders of existing plans should be mindful that carriers will be allowed to make certain limited changes to benefits for 2015. Again, this reinforces the suggestion that policyholders need to pay attention and consider their options carefully.

Transitional Policies

Two federal announcements have allowed carriers to keep non-ACA compliant policies in place after January 1, 2014. States were given the option to allow these policies to remain through 2014 and then through 2016. Commissioner Hamm allowed carriers to choose which policies to continue.

At the last Health Care Reform Review Committee meeting, we were asked for the number of policies still in place. Sanford and Medica offered the transitional policies. Sixty-one percent of individual policyholders kept their policies and 92 percent of group policyholders remained on the policies. The total lives covered eligible to remain was 5,536. Of those, 3,919 lives remain on these policies.

SHOP Waiver Option

Also in the latest rule on the market standards, the federal government allowed state-based Marketplaces to not implement the employee choice in the small business Marketplaces or SHOPS for 2015. Employee choice was originally delayed by the FFM through 2014 because of the complexity of aggregating payments from employees at one employer choosing different levels of insurance from different insurers.

The rule also allowed state insurance commissioners to make the decision to opt out of employee choice for another year in FFM states. Commissioner Hamm did not opt out so if the FFM offers employee choice in 2015, that option will be offered to employers on the SHOP. We have not been informed if this will occur.

That concludes my testimony and I would be happy to take any questions at this time. Thank you.

2014 ND Federally Facilitated Marketplace Enrollment

(as of 7/6/14)

BCBS ND	
Effectuated contracts (enrolled and first month paid)	4,509
Covered lives under effectuated contracts	7,962
Medica	
Effectuated contracts (enrolled and first month paid)	1,194
Covered lives under effectuated contracts	1,538
Sanford	
Effectuated contracts (enrolled and first month paid)	278
Covered lives under effectuated contracts	453
Total All Carriers	
Effectuated contracts (enrolled and first month paid)	5,981
Covered lives under effectuated contracts	9,953
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Federal number as of 4/19/2014	10,597

Notes: The federal number represents individuals who have selected a Marketplace plan. This means the total number of individuals determined eligible who have selected a plan (with or without the first premium payment having been received directly by the Marketplace or the issuer). This is also known as pre-effectuated enrollment.

The federal number also includes special enrollment from individuals that had started but not completed enrollment by 3/31/14.

