

TESTIMONY

Presented by: **Melissa Hauer**
 General Counsel
 North Dakota Insurance Department

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

Date: **October 6, 2011**

Good morning, Chairman Keiser and members of the Health Care Reform Review Committee. My name is Melissa Hauer and I am the General Counsel for the North Dakota Insurance Department. I appear before you to provide an update on the implementation of the federal health care reform law, the Patient Protection and Affordable Care Act (PPACA).

1. Update on Federal Regulations

Exchange Regulations. The U.S. Department of Health and Human Services (HHS) has extended the public comment period for two sets of proposed rules involving Health Insurance Exchanges. The rules affected by this change were released by HHS in mid-July, and pertain to Exchange implementation and state standards for reinsurance and risk adjustment. The original comment period that was set to close on September 28, 2011, will now close on October 31, 2011.

Essential Health Benefits Regulations. On Friday, the Institute of Medicine will make recommendations to HHS on how to determine what is an essential health benefit. HHS officials are then expected to issue a rule defining the essential health benefits package by the end of the year and then take comments. A final rule is not expected to be available until May of next year at the very earliest.

Consumer Operated and Oriented Plan (CO-OP) Program. HHS will be holding an educational webinar on October 4, 2011, on the Consumer Operated and Oriented (CO-OP) Program. CO-Ops are non-profit, consumer-governed health plans that will be required to use their profits to lower premiums and improve the quality of health care. The webinar will provide background information on the CO-OP Program as well as the funding opportunity announcement (FOA).

2. Contractor Work Update

Health Benefit Exchange Planning Grant Update

Exchange Consultant

The Department contractor, HTMS, continues its work to research issues regarding Exchange planning in North Dakota. HTMS representatives are here today and will give a presentation regarding the status of their work. A copy of the latest weekly status report from HTMS is provided along with this testimony. We will continue to provide the committee with copies of the weekly status report as we receive them from HTMS.

Other Updates

The Department is using up to \$10,000 of the planning grant to pay the North Dakota Information Technology Department (ITD) to analyze the likely IT costs of an Exchange.

3. Update on States' Implementation of PPACA

As reported at the last committee meeting, a state may choose to have its Exchange federally run through a partnership model in which HHS has indicated its intention to

collaborate with that state on key policy implementation questions. Some additional information regarding this partnership model was provided by HHS to states at a grantee meeting in Washington, D.C., on September 19 and 20, 2011. Despite the partnership option, many states are still undecided, however, as to whether to run their own Exchange or to let the federal government do so either entirely or through the partnership model. An important point brought up by HHS was that a partnership model will be considered a federally-run Exchange. That is so because the only two options allowed by law are either a state-run or a federally-run Exchange.

4. Stakeholder Meetings Summary

As reported at the last meeting, a contractor was hired to facilitate public meetings regarding the Exchange on behalf of the State of North Dakota Insurance Department, the Department of Human Services and the Information Technology Department. The purpose of the stakeholder meetings was to gather input on the development of the Exchange for the State of North Dakota. The final summary report of the contractor is provided along with this testimony. The full report is posted on the Insurance Department's website.

As the contractor noted in the attached summary report, overall the majority of the people felt that the state should run the Exchange. Those who felt it should be run by the federal government seemed to feel that way primarily because of the fear that the initial startup cost could be very high.

The reoccurring themes of biggest concern were:

- Cost - Will plans be affordable?
- Confusion – The plan needs to be simple; people want to be able to easily compare plans on the Exchange.

- Assistance - There should be a person, whether that is an insurance agent or navigator, to answer questions and help those who do not want to or cannot apply online.
- Choice - People want competition among carriers and they want choice, but they are also concerned with being overwhelmed by too much choice.

5. Bill Draft Comments

Bill draft 11.0806.02000

- a. On page 5, line 20, it states that the “board is under the supervision of the director of the office of management and budget” and the Insurance Commissioner is a member of the board. It is unclear how an elected Insurance Commissioner, who is a constitutional officer, can be under the supervision of the director of OMB.
- b. On page 6, line 11 and on page 11, line 25, it states that the board shall implement and operate the exchange to ensure by January 1, 2013, “...or other date specified by the commissioner...” that the Exchange is determined ready to operate. It is unclear when the Insurance Commissioner would need to, or would have the authority to, specify another date. We suggest this language be removed.
- c. On page 6, line 15, it states that the Exchange must be ready to operate by January 1, 2014. The federal regulations governing Exchanges state that an Exchange must be fully operational by October 1, 2013. “Fully operational” means that an Exchange is capable of beginning operations by October 1, 2013, to support the initial open enrollment period. 45 C.F.R. §§ 155.105(a), 155.410. This change should also be made to the date stated on page 11, line 25.

- d. On page 6, line 22, as indicated in the Department's testimony at the last committee meeting and as indicated in the drafting note on page 8, after line 20, there is a concern that if insurance producers are appointed to the board as consumer representatives, it could result in a majority of the board members having an impermissible conflict of interest.

- e. On page 12, beginning at line 4, there is a provision that deals with premium rate filings by health carriers. For all of the reasons discussed in the Insurance Department's testimony at the last committee meeting, we are still opposed to this change to the current rate review process in existing statute. The following alternate language is proposed for consideration so that this section would not conflict with the existing rate review statute contained in N.D.C.C. § 26.1-30-19:
 - 3. The commissioner shall provide the exchange the following related to all premium rate filings by health carriers offering qualified health plans:
 - a. For premium rates filed, the certification by the health carrier's qualified actuary which was provided to the Insurance Department as part of the rate request.
 - b. For premium rates modified or disapproved through the rate review process, the Insurance Department will identify the factors affecting the decision to modify or disapprove the rate.

- f. Starting on page 25, the Insurance Department is listed, along with the Office of Management and Budget, the Information Technology Department, and the Department of Human Services, as one of the

agencies to which an appropriation is given for the purposes of establishing the Exchange. It is unclear why the Insurance Department would be included in the appropriation clauses since it does not appear to have a role in establishing the Exchange as do these other agencies.

Mr. Chairman, members of the committee, this concludes my testimony. I would be happy to try to answer any questions you may have. Thank you.

ND HBE Planning Status Report

Status Date:	9/30/2011
Project owner:	Nancy Wise
Prepared by:	Jonathan Leonard

Recent Accomplishments:

- Compiled research and delivered initial findings to NDID including preliminary:
 - Population and marketplace demographics
 - Feedback from stakeholders
 - Governance and structural decision options
- Received initial survey responses
- Drafted initial frameworks for business, demographic and operational cost models.

Current In-Process/On-Going Activities:

- Continued to compile interviews.
- Scheduling meetings with providers groups and legislators is ongoing.
- Continued research activities, especially benchmarking specific items from other state HBE's.
- Reviewing MLR studies and compiling results.
- Establishing a plan for Small Business/Employers engagement.
- Further definitions of demographic and business models continue.
- Performing Intensive research on demographic and market data requests as identified in the RFP.
- Continued developing operational model framework and modular components to costs including assumptions list.

Issues and Risks

No known issues or risks at this time



Proprietary & Confidential

Schedule	Impact	Risks	Overall

Milestones / Deliverables for this Phase:	Due	Complete
Project Initiation Project Planning Call Project Kick-Off Meeting in Bismarck	09.17.11	100%
Initial Research Findings Materials supplied in advance of the HB1126 bill deadline to introduce legislation – Oct 15	09.30.11	100%
Interim Deliverable Draft materials provided before the special legislative session scheduled to begin 11-7	10.31.11	
Project Packaging and Wrap-Up		
Final Deliverable to Client	12.02.11	

Important Dates:

- September 30 - Preliminary findings due to client for legislative planning
- November 7 – Interim Deliverable for legislative session due.
- December 2 – Final deliverable due to client

North Dakota Health Benefit Exchange Stakeholder Final Report

September 23, 2011

Overview of meeting preparation and facilitation

Odney was notified on Wednesday August 17 we had been awarded the contract to facilitate the public meetings for the North Dakota Health Benefit Exchange on behalf of the State of North Dakota Insurance Department, the Department of Human Services and the Information Technology Department. We met with team members of the state agencies on August 19, and held our first Stakeholder meeting on August 30. The purpose of the Stakeholder meetings was to gather input in the development of the Exchange for the State of North Dakota.

The North Dakota Department of Insurance sent notices and news releases out on the meetings, along with securing facilities for the meetings, submitting the questions and developing and printing of the Fact Sheet. The state agencies also arranged to have state experts present at all but the Fargo Insurer's meeting to respond to questions.

Odney's responsibilities were to assist in the planning, conducting, facilitation, management and reporting of 11 collaborative meetings in four cities - Bismarck, Fargo, Grand Forks and Minot. Odney was responsible for developing and providing sign-in sheets, collecting the information and providing reports on each meeting as well as a meeting summary report to the Insurance Department.

Odney completed a management plan for the meetings that outlined how the meetings would be managed (*Addendum 1*), along with the agenda for the meetings (*Addendum 2*), the sign-in sheets (*Addendum 6*) and signs for each location.

It was also Odney's responsibility to secure all equipment for the meetings, along with recording each meeting. The recording of each meeting was fulfilled with written notes, plus an audio and video recording for back up. Odney also took photos of the meetings, when possible.

Odney had two staff present to facilitate and record each meeting:

- Beth Simon served as facilitator for all meetings
- Marnie Piehl recorded all Bismarck and Minot meetings
- Alex Finken documented the Grand Forks and Fargo Producers and Consumers meetings
- Kelly Heyer took minutes at the Fargo Insurers and Providers meetings

The state experts were:

- Maggie Anderson, Bismarck Providers and Consumers
- Melissa Hauer, Bismarck Producers
- Mike Fix, Bismarck Providers, and the Fargo Producers, Consumers and Providers
- Dave Zimmerman, Grand Forks Providers and Consumers
- Rebecca Ternes, Minot Providers and Consumers

Prior to the start of each meeting, Beth provided an overview of the meeting which included sharing the goals, reviewing the agenda and reading of the Fact Sheet (the Fact Sheet was not read at the first meeting, members were asked to review it). It was emphasized that any questions people had could be written down and shared with the Odney team who would get them to the state for response, or they could email those questions to insurance@nd.gov.

After the introduction, the questions were then presented. Each meeting had 4-6 questions, depending on the focus group. The first two questions were the same for all groups, and the remainder tailored for the area of expertise of that group. Copies of the questions can be found in *Addendum 3*. Odney also visited with the state expert after all but the Bismarck Providers meeting to gain insight into their view of the meeting, and if any changes needed to be made for future meetings.

After the first meeting, Odney's team and team members of the state agencies met to review how the meeting went, and changes that needed to be made. Changes identified were the need to read the Fact Sheet, repeat the questions after completing the first time, and share that we would be focusing on the questions outlined, and that not all questions could/would be answered during the meeting.

Overview of meetings

The majority of the people contributed to the discussion and were very appreciative of being given the opportunity to attend the meeting and share their opinions. There were some who did not share, and they may have been there just to learn more. Grand Forks had only one person in the two meetings who did not share. Minot also had full participation from their Provider group.

People were respectful of others and there were only a couple times when the facilitator needed to "move them on". Each time it was verified with the state expert that it was time to do so. The Grand Forks Consumers got into a conversation on cost and the Minot Consumers on whether insurance is a right or a responsibility. The example was car insurance - if you own a car you are required by law to carry insurance. The challenge to that was that driving a car is a responsibility, not a right.

After the first few meetings, we changed a few things.

- The first meeting we did not read the Fact Sheet, but it was identified it needed to be read at all future meetings to ensure that all in attendance had reviewed it. Discussion was held on whether a few minutes should be set aside for people to read it themselves, but it was noted that some may not be able to read it, which would put them at an unfair advantage.
- When explaining that not all questions would be answered, we realized we needed to give more detail by explaining we just didn't have some answers yet, as the information was being gathered from the ground up. It is just not possible to have answers to some questions at this time as the base must be developed first. Our concern on not being more detailed was that some could perceive that as withholding information and not share, which was not the case.
- We began repeating the questions a second time, which was beneficial. If someone came late, they had the opportunity to answer any they had missed. There were also a few times when subsequent conversations had brought other thoughts to the surface, or maybe persuaded some people to be open to a different view. A specific example was at the Minot Consumer meeting. There were three individuals who answered question #1 on who should run it as neither the state or federal governments as neither had the right to be involved in insurance/healthcare issues. When asked the second time, they changed it to the state.
- Having the expert available to try and answer general questions at the end was very beneficial to the group not only in having their questions heard (as we were not always able to provide answers), but also giving the public the opportunity to have their voices heard.

Overall summary comments

Summaries from all meetings are located below, but overall the majority of the people felt that the state should run the Exchange. Those who felt it should be run by the federal government seemed to feel that way primarily because of the concern that the initial startup cost could be very high. When people shared their rationale for that, it sparked good conversation.

The biggest concerns seemed to be:

- Cost - Who will pay for the plan? Will the plans be affordable?
- Confusion - This plan needs to be simple
- Need a person involved, whether that is an insurance agent or navigator, to answer questions and help those who don't want or can't apply online
- Want a choice outside of the Exchange, but they are concerned with cherry picking

The services brought up most often were basic primary and preventative care. People want the Exchange to function well and be able to share information so that providers don't have to continually ask the same basic questions and submit the same paperwork. The IT piece needs to be ready and provide accuracy, continuity, communication and safety.

All seem to want online and assistance from a person as options for signing up. Some don't care if the person is a navigator or agent. If a navigator is an option, they want them to be trained and certified (this was mostly stated by agents). Agents feel that training and certification need to be the same that is required of them. Agents also want to be compensated by the Exchange if they are used.

People want to be able to easily compare plans on the Exchange, and they want it to be simple and clean. There were concerns voiced on sharing family income on the Exchange, as many are of the understanding that they will need to give that to their employer, and are not open to sharing that information with them. There was also some concern that some households will be misrepresented in eligibility in the cases where those contributing to the income may not be married, so their combined income is not trackable.

Questions/Responses Summaries

Below are the combined summaries from all the meetings. The summaries below are broken up into two reports - the first has the summaries from all 11 meetings for questions 1 and 2 as those were asked at all meetings. Meeting reports can be found in *Addendum 5*.

The second report has the summaries for each question broken down by group (Providers, Producers, Consumers/Government/Employers and Insurers).

The state agencies were sent documents from the Pharmaceutical Research and Manufacturers of America with comments on the development of the North Dakota Health Benefits Exchange. That document can be found in *Addendum 4*.

Questions 1 & 2 - all group answers

1. **Who should run the ND Health Benefit Exchange, the federal government or the state government?**
 - All want state to run (*from Bismarck Providers*)
 - Don't trust feds
 - North Dakota's current financial situation proves we are better set to run
 - State run it
 - Respond better to local needs
 - Worried about state resources - maybe ND, MN and SD can work together
 - Too complex if federal government does it
 - Reimbursement timing from feds is concern
 - (5) want state to run it (*from Grand Forks Providers*)
 - They regulate insurance now
 - Closer to the people
 - Once it leaves state, hard to get back
 - Feds just continue to grow
 - (3) want feds to run it (*from Grand Forks Providers*)
 - Feds are the ones who put it in place
 - ND does not do a great job of running Medicaid
 - (8) state should run (*from Grand Forks Providers*)
 - We have very well run Insurance Department
 - Insurance regulated by state - makes sense they run it
 - Feds may ignore special peculiarities of our state
 - Struggle with confidence in federal government
 - Concern feds will dip into slush fund of Exchange
 - Advocate for physicians to be active in running

- (1) no official position (*from Grand Forks Providers*)
- North Dakota has different demographic than the federal government - we understand & will focus on North Dakota
- Don't trust the federal government
- Don't like 800 numbers and being on hold
- I think it will be confusing and difficult with the federal government
- State run
- Mistrust federal government - issues with current federal programs
- Constitutionality concern
- Local control
- State Insurance Department good to work with
- We understand rural areas
- (2) in favor of federal government - due to mobility (take with them to another state) and do a good job with Medicare (*from Grand Forks Providers*)
- Rest who spoke want state - don't trust the federal government
- (4) state should run (*from Fargo Consumers*)
 - Understand our people
 - Don't trust feds
 - State manages money better despite upfront costs
- (1) federal (*from Fargo Consumers*)
 - Very troublesome to start new program - why should cost be laid on ND taxpayers?
- (4) state (*from Grand Forks Consumers*)
 - Uninsured in North Dakota very low
 - Prefer state-run program and decisions
 - Know our people
- (2) both (*from Grand Forks Consumers*)
 - Feds tax or print money to fund it, so state will pay anyway
 - Feds will focus on urban area and may not apply to us
 - North Dakota much more frugal
 - States can join other rural states
- (1) unsure (*from Grand Forks Consumers*)
 - Fed benefit
 - cost
 - if it fails - on feds' back
- (1) no position (*from Grand Forks Consumers*)
 - Problem now - healthcare costs
 - Control by standardizing what is available - fed advantage
- If fed get it can we get it back?
- (12) state (*from Minot Consumers*)
 - Run more efficiently
 - Tailored better for our needs
 - Fall through if feds run it
 - Better ability to make it efficient
- (3) neither state or fed (*from Minot Consumers*)
 - Should leave citizens to make own choices
- Healthcare should not be regulated by government
- State should run
- Take advantage of federal money to set up
- Concern in trying to retro-fit for state after set up through feds - plus will have reduced federal money for this

**2. What concerns you most about the Exchange? OR
What do you NOT want to see done with the Exchange?**

- Healthcare is expensive
- Utilization huge in controlling cost
- Selection & expense

- Will only dominant players be a part?
- Will providers get a choice in patients (want them to be compliant)?
- Cost - what if only sick participate and don't have healthy to offset?
- Want agents to work with Exchange
- Lots of paperwork
- Confusing as people learn
- Needs to be easy to use and process claims
- Utilization may increase due to greater access
- Will providers be compensated?
- Cost - need to educate consumer on responsible usage
- Want agents involved - too complex for average person
- Don't want it to affect/hurt small businesses
- Patient-centered care - preventative
- Concern some will access only when very sick rather than paying all along
- Don't want to eliminate or not pay agents - they are trained and understand
- Navigators need to be trained and licensed
- Consumers need choice in and outside of Exchange
- Computer program - will it be ready and working by 2013?
- Navigator
- Clients need agents
- Agents need to be compensated
- Need to have ducks in a row - including IT
- Bureaucracy concerns
- Include preventative service
- Friendly to small businesses
- Concern will be financially self-sustaining by 2015
- Concern with having income/defining household
- Affordable premium
- More than one insurer
- Sharing of financial information
- Will fracture employer/employee relationships
- Where will funds for subsidies come from?
- Make sure providers don't cherry-pick healthiest people
- People need to see what's available - like car insurance
- It will be confusing and complex
- Cost could rise
- How do we get uninsured insured? This isn't about issues - this is about getting best package for North Dakota
- Concern - take on - spend lots of money and won't be around (like Social Security)
- Intrusiveness concerns me
- If congress compels us to buy insurance, can compel us to buy other things
- Exchange is too cookie-cutter - same thing won't work for all
- Rural providers stay open
- Don't want to wait for my healthcare
- Can we afford it?
- Is it right to make employers buy insurance for their employees?
- NDID be regulator
- Enhance current market
- Compliment how purchase now
- Preserve ability to sell outside of Exchange
- If federal program, lose flexibility
- Compare apples to apples
- Funding is concern

By Group
Providers

1. **Who should run the ND Health Benefit Exchange, the federal government or the state government?**
 - Bismarck
 - All want state to run
 - Don't trust feds
 - North Dakota's current financial situation proves we are better set to run
 - Fargo
 - state run it
 - Respond better to local needs
 - Worried about state resources - maybe ND, MN and SD can work together
 - Too complex if federal government does it
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 - (5) want state to run it
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 - Feds are the ones who put it in place
 - ND does not do a great job of running Medicaid
 - Minot
 - (8) State
 - We have very well run Insurance Department
 - Insurance regulated by state - makes sense they run it
 - Feds may ignore special peculiarities of our state
 - Struggle with confidence in federal government
 - Concern feds will dip into slush fund of Exchange
 - Advocate for physicians to be active in running
 - (1) no official position
2. **What concerns you most about the Exchange? OR What do you NOT want to see done with the Exchange?**
 - Bismarck
 - Healthcare is expensive
 - Utilization huge in controlling cost
 - Fargo
 - Selection & expense
 - What will only dominant players be a part?
 - Will providers get a choice in patients (want them to be compliant)
 - Cost - what if only sick participate and don't have healthy to offset?
 - Grand Forks
 - Want agents to work with Exchange
 - Lots of paperwork
 - Confusing as people learn
 - Needs to be easy to use and process claims
 - Utilization may increase due to greater access
 - Will providers be compensated?
 - Cost - need to educate consumer on responsible usage
 - Minot
 - Want agents involved - too complex for average person
 - Don't want it to affect/hurt small businesses
 - Patient-centered care - preventative
 - Concern some will access only when very sick rather than paying all along

3. What types of services might you expect from the Exchange?

- Bismarck
 - Preventative services - early intervention
 - Adequate reimbursement in reasonable time
- Fargo
 - Hope meets needs of younger generation
 - Want agent as options
 - Structure similar to state or civil service employee health options with number of insurers and products to choose from
 - Concern state will set up then federal government come in and restructure
 - Software needs to be state-of-the-art
 - Don't repeat mistakes
 - Nice if all North Dakotans have benefits - needs to be cost efficient
- Grand Forks
 - Basic primary care in broadest definition, preventative to some extent, and rehab
 - Data sharing so businesses can audit what is happening through Exchange
 - Functions well - offers help and advice, inform what qualify for?
 - Educate on usage to control costs
 - Fiscally sound
- Minot
 - (3) agreed need to be someone to help
 - Attracted to decide each year (which level of participation)
 - Standardize quality reporting

4. Do you see any links between the Health Info Exchange and the American Health Benefit Exchange?

- Bismarck
 - Yes there are links, but doctor will still re-order test
 - Complicated to access - so not always cost effective
 - Consumers need to have vested interest
 - Expensive
- Fargo
 - Needs to be linked so payer and medical information can be accessed anywhere
 - Will insurance companies be expected to operate under new rules and regulations?
 - Will it be run like Medicaid or Medicare?
- Grand Forks
 - Electronic records have benefits - help prevent misdiagnosis, duplications and errors
 - Needs to offer accuracy, continuity, communication and safety
 - Needs to be a link and communication can occur for best outcomes for patients
- Minot
 - Claims side - would be wonderful if connected
 - Hopefully common language where all can be shared - like ATM - anywhere you use it, money comes out of your account; have lots of work to do
 - Don't see a connection

Producers/Agents

1. **Who should run the North Dakota Health Benefit Exchange, the federal government or the state government? And why do you think that?**
 - Bismarck
 - All want state to run
 - North Dakota has different demographic than the federal government - we understand & will focus on North Dakota
 - Don't trust the federal government
 - Don't like 800 numbers and being on hold
 - I think it will be confusing and difficult with the federal government
 - Fargo
 - State run
 - Mistrust federal government - issues with current federal programs
 - Constitutionality concern
 - Local control
 - State Insurance Department good to work with
 - We understand rural areas

2. **What concerns you most about the Exchange? OR What do you NOT want to see done with the Exchange?**
 - Bismarck
 - Don't want to eliminate or not pay agents - they are trained and understand
 - Navigators need to be trained and licensed
 - Consumers need choice in and outside of Exchange
 - Computer program - will it be ready and working by 2013?
 - Fargo
 - Navigator
 - Clients need agents
 - Agents need to be compensated
 - Need to have ducks in a row - including IT
 - Bureaucracy concerns

3. **How do you see yourself working with the Exchange to assist purchasers of health insurance?**
 - Bismarck
 - Want competition and not just 1 company
 - Want plan to fit people
 - Like Utah plan - it compensates navigator/agent - state pays
 - Fargo
 - Will work with Exchange
 - Utah Exchange - good - agents involved and compensated

4. **Are you interested in working with the Exchange to assist purchasers of health insurance? Why?**
 - Bismarck
 - Insurance agents/navigators - want to continue to help clients
 - Want to be compensated
 - Concern navigators won't know insurance or be licensed, if not agents
 - Fargo
 - Agents best navigators - need to be compensated
 - May facilitate those "on the border"

5. **In working with businesses, what are the key factors to consider for a successful exchange?**
 - Bismarck
 - Important to start small - individuals and companies with 50 or fewer employees - need to crawl before we run
 - Increase availability of insurance

- Keep current market option
 - Help people understand Exchange
- Fargo
 - Start small
 - Agents involved

6. Do you have any specific thoughts about Navigators?

- Bismarck
 - Insurance agents/navigators - need to know & understand
- Fargo
 - Need competition between market and products
 - Client involved in making change
 - Use agents in place

Consumers/Government/Employers

1. Who should run the North Dakota Health Benefit Exchange, the federal government or the state government? And why do you think that?

- Bismarck
 - (2) in favor of federal government - due to mobility (take with them to another state) and do a good job with Medicare
 - Rest who spoke want state - don't trust the federal government
- Fargo
 - (4) state should run
 - Understand our people
 - Don't trust feds
 - State manages money better despite upfront costs
 - (1) federal should run
 - Very troublesome to start new program - why should cost be laid on ND taxpayers?
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 - Feds tax or print money to fund it, so state will pay anyway
 - Feds will focus on urban area and may not apply to us
 - North Dakota much more frugal
 - States can join other rural states
 - (1) unsure
 - Fed benefit
 - cost
 - if it fails - on feds' back
 - (1) no position
 - Problem now - healthcare costs
 - Control by standardizing what is available - fed advantage
 - If feds get it, can we get it back?
- Minot
 - (12) state
 - Run more efficiently
 - Tailored better for our needs
 - Fall through if feds run it
 - Better ability to make it efficient
 - (3) neither state or fed
 - Should leave citizens to make own choices
 - Healthcare should not be regulated by government

2. What concerns you most about the Exchange?

OR

What do you NOT want to see done with the Exchange?

- Bismarck
 - Include preventative service
 - Friendly to small businesses
 - Concern will be financially self-sustaining by 2015
 - Concern with sharing income/defining household
- Fargo
 - Affordable premium
 - More than one insurer
 - Sharing of financial information

- Grand Forks
 - Will fracture employer/employee relationships
 - Where will funds for subsidies come from?
 - Make sure providers don't cherry-pick healthiest people
 - People need to see what's available - like car insurance
 - It will be confusing and complex
 - Cost could rise
 - How do we get uninsured insured? This isn't about issues - this is about getting best package for North Dakota
 - Minot
 - Concern - take on - spend lots of money and won't be around (like Social Security)
 - Intrusiveness concerns me
 - If congress compels us to buy insurance, can compel us to buy other things
 - Exchange is too cookie-cutter - same thing won't work for all
 - Rural providers stay open
 - Don't want to wait for my healthcare
 - Can we afford it?
 - Is it right to make employers buy insurance for their employees?
- 3. If the Exchange is an online shopping-like system, do you think you might still want to talk to an insurance agent?**
- Bismarck
 - Online
 - Still talk to agent
 - Both
 - Fargo
 - Yes - not everyone is comfortable with online
 - Many lack education about coverage terminology
 - Online is necessary, live person is a must
 - Grand Forks
 - Majority agreed need someone to talk to in addition to online
 - Need to answer questions
 - Need choices to be fairly simple and clear - three or four
 - Minot
 - Yes want insurance agent (several)
 - Confusing without agent
- 4. Would you like the choice of purchasing health insurance inside the Exchange and outside (like it is now through insurance carriers) of the Exchange?**
- Bismarck
 - Both (in and out of Exchange)
 - If want pool big enough (in Exchange), need to direct more inside Exchange
 - Fargo
 - More choices - the better
 - Options are good
 - Grand Forks
 - Want a choice
 - Want someone to check with
 - If insurance companies have inside and outside Exchange - will they combine risk pools?
 - Minot
 - Yes - want both options
 - Good for checks and balances
 - If healthcare is too expensive - small businesses can't compete

5. What feature - such as potential for subsidies, tax credits, online comparisons, etc. - is most likely to encourage you to use the Exchange?

- Bismarck
 - Price
 - Compare online
 - Subsidiary or tax credit
 - Provide type of healthcare needed
 - Coverage for young adult/college age
- Fargo
 - Tax credits
 - Depends on who you are
- Grand Forks
 - Want to compare prices and features
 - Options - but not so many it's confusing
 - Have people available to answer questions
 - Comparison needs to be clear
 - Use a system people are familiar with - FAFSA
- Minot
 - Has to be easy, what quality for and what I need
 - Can't change from year to year
 - Limit employee choices
 - Issues - cost and type of benefits offered
 - Discouragement to provide employer with my household income

6. As a business, does the development of an Exchange make it more likely you will offer or continue to offer health insurance as a benefit of employment?

- Bismarck
 - Healthcare cost increasing
 - Will this be very expensive for small businesses - if can't save money, won't pay for it
- Fargo
 - Need to see coverage and how it operates
 - Hopefully it will allow for more affordable insurance
- Grand Forks
 - Employers need to first know more about Exchange
 - Cost
 - Penalty be worth it?
 - Confidentiality a concern (sharing financial information)
 - After two years when subsidy's gone - will give up on program
 - Many of uninsured are young people, and once people understand the benefits of having health insurance - will stay on (specifically young people). These are good people for risk pool
 - Tax credits in place this year - has not made a difference yet. Some asking - expecting 1 in 15 to go into it
- Minot
 - Not about having Exchange - about whether some employers can afford it
 - Businesses will exit out of healthcare plans and not offer to employees anymore

Insurers

1. **Who should run the ND Health Benefit Exchange, the federal government or the state government?**
 - Fargo
 - State should run
 - Take advantage of federal money to set up
 - Concern in trying to retro-fit for state after set up through feds - plus will have reduced federal money for this

2. **What concerns you most about the Exchange? OR What do you NOT want to see done with the Exchange?**
 - Fargo
 - NDID be regulator
 - Enhance current market
 - Compliment how purchase now
 - Preserve ability to sell outside of Exchange
 - If federal program, lose flexibility
 - Compare apples to apples
 - Funding is concern

3. **What kind of services might you expect from the exchange?**
 - Fargo
 - Risk adjustment board - consist of variety of experts
 - Collaborative up front
 - Vendor collaboration from IT standpoint

4. **How should the exchange pay for itself?**
 - Fargo
 - Full discloser of expensed
 - Traditional markets allowed to compete

5. **Should there be an external market for insurance outside of the exchange?**
 - Fargo
 - Yes - external market outside of Exchange
 - Limit insurance products - will limit consumer choice
 - Want flexibility and choice

6. **Key steps the exchange can take to ensure that plans are sold fairly?**
 - Fargo
 - Don't want external markets to cherry-pick in our market
 - Need advisory group - especially IT

Meeting attendance and breakdowns

Communities & meeting dates

- Bismarck (August 30 & 31) 3 meetings Providers, Producers/Agents, and Consumers/Government/Employers

- Fargo (September 6 & 7) 4 meetings Insurers, Producers/Agents, Consumers/Government/Employers and Providers

- Grand Forks (September 7) 2 meetings Providers and Consumers

- Minot (September 8) 2 meetings Providers and Consumers

Focus Groups

- Providers 4 meetings Bismarck, Fargo, Grand Forks and Minot
- Producers/Agents 2 meetings Bismarck and Fargo
- Consumer/Gov./Employer 4 meetings Bismarck, Fargo, Grand Forks and Minot
- Insurers 1 meeting Fargo

Breakdown by Community

Community	Group	Signed up	Attended	Length
Bismarck	Providers	16	13	1.00 hour
	Producers/Agents	28	27	1.50 hours
	<u>Consumers/Gov./Employers</u>	<u>33</u>	<u>43</u>	.75 hour
	Bismarck Total	77	83	
Fargo	Insurers	10	11	1.00 hour
	Producers/Agents	23	29-30	1.50 hours
	Consumers/Gov./Employers	13	23	1.25 hours
	<u>Providers</u>	<u>12</u>	<u>10</u>	1.25 hours
	Fargo Total	58	73-74	
Grand Forks	Providers	6	8	1.00 hour
	<u>Consumers/Gov./Employers</u>	<u>7</u>	<u>13</u>	1.50 hours
	Grand Forks Total	13	21	
Minot	Providers	6	8-9	1.00 hour
	<u>Consumers/Gov./Employers</u>	<u>7</u>	<u>14</u>	1.50 hours
	Minot Total	13	22-23	
Total		161	199-201	

Breakdown by Groups

Group	Community	Signed up	Attended	Length
Providers	Bismarck	16	13	1.00 hour
	Fargo	12	10	1.25 hours
	Grand Forks	6	8	1.00 hour
	Minot	<u>6</u>	<u>8-9</u>	1.00 hour
	Provider Total	40	39-40	
Producers/Agents	Bismarck	28	27	1.50 hours
	Fargo	<u>23</u>	<u>29-30</u>	1.50 hours
	Producer/Agent Total	51	56-57	
Consumer/Gov./Emp	Bismarck	33	43	.75 hour
	Fargo	13	23	1.25 hours
	Grand Forks	7	13	1.50 hours
	Minot	<u>7</u>	<u>14</u>	1.50 hours
	Consumer Total	60	93	
Insurers	Fargo	<u>10</u>	<u>11</u>	1.00 hour
	Insurer Total	10	11	
Total		161	199-201	

Addendums:

- Addendum 1* Management Plan
- Addendum 2* Agenda
- Addendum 3* Questions
- Addendum 4* Pharmaceutical Research and Manufacturers of America
- Addendum 5* Meeting Reports (11)
- Addendum 6* Sign-in sheets

Electronic copies:

- Audio recordings
- Video recordings
- Photos
- Full report