

## TESTIMONY

**Presented by:** Rebecca Ternes  
Deputy Commissioner  
North Dakota Insurance Department

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

**Date:** January 15, 2013

Good afternoon Chairman Keiser and members of the Health Care Reform Review Committee. I am Deputy Insurance Commissioner Rebecca Ternes. The Department was asked to appear this afternoon to present the updated enrollment numbers for the federally-facilitated Marketplace (FFM) and suggest why numbers we have collected directly from the companies might be different than those presented by the FFM itself.

It was also suggested we might speak to the technology issues of the FFM and the potential that some people may believe they have insurance coverage when due to a technology glitch, they may not. The result could be the person finds out they have no health insurance when they seek medical treatment and/or they are penalized by the IRS for not having the mandated minimum coverage.

As you know, the North Dakota Insurance Department is not managing the FFM, is not assisting the FFM with consumer assistance, and is not receiving information from the FFM as to all of its technology problems so we are unable to confirm this is happening or suggest how to fix it. What we can do is tell you that most health insurers themselves have told us they are confirming online enrollments through phone calls and written communication and the U.S. Department of Health and Human Services (HHS) has been providing outreach information to encourage purchasers of insurance to contact the carriers themselves to verify enrollment.

The numbers we have received directly from carriers indicate that as of the end of 2013, 1,496 lives are covered by policies sold through three companies (Sanford, Medica and BCBS) on the North Dakota Marketplace. The federal number indicates 2,624, of which 24 percent are 18-34 years of age and 53 percent are female. Of those enrolled, 82 percent will receive financial assistance (tax credit or cost sharing reduction). Forty-four percent chose gold plans.

In past months, the federal count of enrollees has differed from the numbers we have reported. HHS's data represents the number of individuals who have selected a plan (with or without the first premium payment having been made). The Insurance Department's data represents the number of effectuated members, or covered lives. Effectuated members have paid the first premium.

You might recall President Obama made a surprise announcement in November 2013 asking insurance commissioners and insurance carriers to allow a transitional plan for people whose non-grandfathered policies were going to be cancelled because of the new requirements of the ACA for policies renewing after January 1, 2014. After a careful review of the options for these North Dakota policyholders and the impact a decision would have on the insurance carriers, the Commissioner decided to ask the companies to allow renewals of cancelled or would-be cancelled policies.

Sanford agreed to renew all policies. Medica agreed to renew individual but not group policies and BCBS did not allow any renewals. We can report the companies indicate 579 policies have been renewed under this option.

Thank you and I would be happy to answer any questions.