

TESTIMONY

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

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

Date: September 7, 2016

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

I was asked to present an update on the Affordable Care Act (ACA) and updated enrollment numbers on the Federally Facilitated Marketplace (FFM)

Insureds in North Dakota

The attached chart indicates enrollment on the Marketplace as of September 6, 2016. The effectuated number of covered lives, as reported by the companies directly to the Department, is 17,829. The federal count, which only counts the selection of a plan, not necessarily payment for that plan, is 21,604.

Last year (September 2015) at this time the FFM had 16,666 covered lives in North Dakota.

2017 Plans and Rates

For the plan year beginning January 1, 2017, the Department reviewed 37 major medical health insurance filings and 13 stand-alone dental filings. These filings equate to 138 major medical plans and 11 dental plans that will be available on and off the FFM. The different benefit plans within products contain different cost sharing structures and actuarial values (metal levels).

The premium rates for these plans are not yet public. They will be made public by the FFM sometime before open enrollment starts.

2017 Open Enrollment

The open enrollment for plans starting January 1, 2017, begins November 1, 2016, and ends January 31, 2017. Outside of those dates, people can only enroll in plans if they qualify for a special enrollment.

Employer-based plans may have different open enrollment periods and of course Medicaid and the Children's Health Insurance Program (CHIP) allow enrollment throughout the year.

2018 FFM

The Centers for Medicare and Medicaid Services (CMS) released a proposed rule on the Notice of Benefit and Payment Parameters the last week of August. It makes several adjustments to a variety of different definitions, plan design factors, transitions between plans and the risk programs. It also proposes the cost-sharing amounts for 2018 at \$7,350 for self-only coverage and \$14,700 for other than self-only coverage. This is a 2.8 percent increase above the 2017 amounts of \$7,150 for self-only and \$14,300 for other than self-only. Comments are due on the proposed rule in early October.

Also in this proposed rule is information regarding the handling of surprise billing. As many of you know, there is continued discussion throughout the country on surprise bills, including situations such as receiving an out-of-network service within an in-network facility and out-of-network air ambulance charges. CMS is proposing ways in which to cut down on the impact of out-of-network charges in in-network facilities as it relates to Essential Health Benefits by using cost-sharing and carrier notices prior to receiving benefits.

House v. Burwell

The U.S. House of Representatives sued the Obama administration in 2014 over the cost-sharing provisions, among other items, of the ACA and in May a federal district court judge found the funding of the cost-sharing reductions was without an explicit appropriation of the constitutional authority of Congress.

Cost-sharing reductions are kin to the advanced premium tax credits (APTC) (available for those from 100 to 400 percent of the federal poverty level) and are available to individuals and families with incomes below 250 percent of poverty. They reduce the out-of-pocket maximums paid, and for those between 200 and 250 percent of poverty, increase the actuarial value of silver plans from 70 percent to 73 percent. At the end of 2015, 56 percent of all Marketplace enrollees used the cost-sharing reductions.

Should the federal judge's decision stand the insurers would still have to reduce the cost sharing with no way of getting reimbursement. So these costs would likely get passed on to other paying policyholders through premium increases and if premiums increase, the APTC funding must increase as well.

The judge stayed the effect of her decision pending the appeal in the DC Circuit Court.

That concludes my testimony. I would be happy to answer any questions.

2016 ND Federally Facilitated Marketplace Enrollment

(as of 9/6/16)

	BCBS ND
Effectuated contracts (enrolled and first month paid)	5,336
Covered lives under effectuated contracts	10,038
	Medica
Effectuated contracts (enrolled and first month paid)	2,157
Covered lives under effectuated contracts	3,142
	Sanford
Effectuated contracts (enrolled and first month paid)	2,625
Covered lives under effectuated contracts	4,649
	Total All Carriers
Effectuated contracts (enrolled and first month paid)	10,118
Covered lives under effectuated contracts	17,829
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*Federal number as of 3/11/2016	21,604

*The federal number represents a total number of individuals with 2016 plan selections but are not effectuated contracts.

