



# NDAREC Health Care Reform Update

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# ACA – How did we get here?

- ▶ Health insurance costs – premiums and out of pocket rising
- ▶ Quality of care lacking in parts of U.S.
- ▶ Paying for the uninsured
- ▶ Access to health care concerns
- ▶ Biggest overhaul of insurance system since 1965 – Medicare and Medicaid enacted
- ▶ Debate began in 2008. Law signed on March 23, 2010
- ▶ Supreme Court affirmed mandate on June 28, 2012

# ACA Major Provisions

- ▶ Guaranteed issue
- ▶ Individual mandate
- ▶ Employer penalties
- ▶ Small employer tax credits
- ▶ Taxes on insurers
- ▶ Preventive benefits

# ACA Major Provisions (continued)

- ▶ Essential health benefits (EHB)
- ▶ Limited out of pocket
- ▶ Removal of annual and lifetime limits
- ▶ Medicaid expansion
- ▶ Medicare Part D Donut hole closure
- ▶ Fast food labels

# Department responsibilities

- ▶ Monitor thousands of pages of law, regulation, bulletins, FAQs, memos, letters
- ▶ Report to interim legislative committees
- ▶ Participate on a national level with federal government and other states
- ▶ Work with companies to monitor and regulate implementation of law and regulations
- ▶ Respond to inquiries from public

# HCR timeline continues

- ▶ 2013
  - Marketplace enrollment begins Oct. 1
- ▶ 2014
  - Medicaid expansion
  - Guaranteed issue
  - Market rating rules (smoking, age, geography)
  - Individual mandate
  - Employer penalties
  - Essential Health Benefits

# HCR Timeline Continues

- ▶ 2015–2018
  - Tax on high–cost insurance plans (cadillac plans)
  - Large employers (100+) allowed into SHOP
  - State waiver consideration
  - Changes to EHB definition? Other regulations?

# Marketplace (formerly Exchange)

- ▶ Marketplace in every state by Jan. 1, 2014 (operational by October 1, 2013)
  - State-based Marketplace
  - Partnership
  - Federally-facilitated Marketplace
- ▶ Individuals and small-businesses (SHOP)
- ▶ **Outside market remains intact—grandfathered and nongrandfathered**

# SHOP Marketplace

- ▶ SHOP=Small Business Health Options Program
- ▶ For 2014, employers still choose the plan for all employees.
- ▶ After 2014, employers can contribute a defined amount and let employees choose.

# ND's Marketplace

- ▶ Applied for and received \$1 million Exchange Planning Grant in 2010
- ▶ Completed study in December 2011
- ▶ Bill in 2011 regular session to plan for implementation
- ▶ Bill in 2011 special session for state-based Exchange—failed 64–30
- ▶ ND's Marketplace will be federally-run

# ND's Marketplace

- ▶ Federal government will:
  - Set up Marketplace with federal data hub
  - Provide plan comparisons and ratings (cost and quality)
  - Integrate with ND Medicaid and CHIP
  - Approve individual tax credit payments and mandate exemptions

# ND's Marketplace (continued)

- ▶ Federal government will:
  - Take consumer assistance calls on Marketplace
  - Appoint, fund and train navigators
  - Train and certify agents (licensed by NDID)
  - Manage all risk adjustment programs
  - Certify all Qualified Health Plans (QHPs) (licensed by NDID)

# Policy form and rate filings

- ▶ Companies must file products for in and out of the Marketplace meeting Essential Health Benefits (EHB), medal levels and market rating rules.
  - Medal levels according to cost-sharing—bronze, silver, gold, platinum
  - Rating only on smoking, age and geography
- ▶ Insurance Department must review and approve or deny
- ▶ Filings are more extensive, time-consuming for companies
- ▶ New competitive landscape

# Resources

[www.healthcare.gov](http://www.healthcare.gov)  
[marketplace.cms.gov](http://marketplace.cms.gov)

Insurance agents • Navigators  
Certified application counselors

[www.dol.gov](http://www.dol.gov)

[www.irs.gov](http://www.irs.gov)

[www.healthcare.gov](http://www.healthcare.gov)

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