



Good Morning Chairman Keiser and members of the interim Health Care Reform Review committee. For the record, I am Kevin Schoenborn, Manager of Marketing Consulting Services for Blue Cross Blue Shield of North Dakota (BCBSND). I work closely with the North Dakota Public Employees Retirement System (NDPERS.)

You asked me to appear before you today to address the question of how long the PERS plan will be allowed to remain grandfathered. Grandfathered status can be retained within the following benefit, premium and cost sharing scenarios:

- Cannot significantly cut or reduce benefits
- The employer contribution to premium is reduced no more than 5% below the contribution rate on 3/23/2010
- If the coinsurance percentage doesn't increase
- Copayments don't increase more than the greater of \$5 or cumulative medical inflation plus 15% from 3/23/2010
- Deductible and Out of Pocket Maximum increase no more than cumulative medical inflation plus 15% measured from 3/23/2010

BCBSND will continue its efforts in controlling cost and helping the state retain their Grandfathered status.

I would be happy to entertain any questions at this time.