



Good morning, Chairman Keiser and Members of the Health Care Reform Committee, I am Jessica Stimpson, Health Care Reform Advisor at Blue Cross Blue Shield of North Dakota. I appreciate the opportunity to discuss with you the Essential Health Benefits benchmark selection for 2017.

Blue Cross Blue Shield of North Dakota has analyzed the potential impacts of the 2017 benchmark selection process and we would like to address some points for consideration during the Committee's review process.

Beginning in 2016, groups from 50 to 100 will be transitioning to metallic plans as a result of the ACA's small group definition for rating rules. The change of moving from a non-grandfathered health plan to the metallic plans we administer today will result in a loss of certain benefits. Infertility services would be an example of services no longer covered. A change to a benchmark plan more similar to the benefits they carry today would limit the disruption for these groups.

On the other side, a change to the benchmark plan to a NDPERS plan would have a rate impact to the metallic plans we sell today. Our initial estimate for modifying existing metallic plans to NDPERS as the benchmark plan suggests a 1% premium increase.

There is also a secondary impact to grandfathered individual and group plans as well as large group non-grandfathered plans. BCBSND currently has lifetime dollar limits applied to covered infertility services. Under the Affordable Care Act annual and lifetime dollar limits are prohibited on essential health benefits. This rule applies to all grandfathered and non-grandfathered health plans sold that cover essential benefits. The policies for these segments will need to be modified to meet the new essential benefits requirements. There may be a small impact to premiums.

Finally, as with any substantial changes to existing health plans, a modification of the EHB benchmark requires a significant investment of administrative resources. These administrative impacts affect all carriers.

This concludes my written testimony and I am available for questions.