

**TESTIMONY**

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

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

**Date:** November 10, 2015

Good afternoon. My name is Rebecca Ternes and I am the Deputy Insurance Commissioner at the North Dakota Insurance Department.

I was asked to provide the committee with an overview of rate changes for health insurance plans starting in 2016, enrollment in Affordable Care Act (ACA) plans by metal level and the latest figures on enrollment in the Federally Facilitated Marketplace (FFM).

**2016 Plan Rate Changes**

For plans that meet all of the ACA provisions, which are nongrandfathered plans, the average rate increase as recently reported by the U.S. Department of Health and Human Services is 8.9 percent.

Diving deeper into the numbers, I can tell you for groups there will be a range of increases starting at zero and going as high as 4.3 percent. For individual plans, the range is from zero to 20.6 percent. Companies requested higher increases, but these are the final approved rates from the Commissioner.

For all ACA plans, the rate changes are the same whether or not they are sold on or off the FFM.

The Department has not received all of the filings for 2016 grandfathered health insurance plans, so those numbers are not available. I can tell you that between 2014 and 2015, the group grandfathered plans saw an average .2 percent increase and individual plans an average 12.4 percent increase.

Again, averages are just that. Recall that for all ACA plans, rates can vary by plan design, metallic level, age, geography and whether someone smokes. For grandfathered plans, rates can vary by additional factors such as experience. Also, for approximately 85 percent of all individuals purchasing plans on the FFM, subsidies are covering a significant portion of premiums.

### **ACA Plan Metal Levels**

The first attached chart details the enrollment in ACA plans by metal level as of October 1. The metal levels are based on how costs of medical coverage are split between the policyholder and the health insurer. Bronze plans have the lowest premiums but the highest deductibles and other out-of-pocket spending. Platinum plans tend to have higher premiums but lower deductibles and out-of-pocket spending.

Catastrophic plans have low premiums and very high deductibles. Only people under 30 years of age with a hardship exemption may purchase this type of plan.

As you can see on the chart, most North Dakotans covered by employer plans have chosen plans in the platinum and gold levels and most individuals have chosen gold or silver level plans. In both group and individual plans most people have purchased plans with deductibles in the \$1,000 - \$3,000 level. Also noteworthy is that 24 percent of individual plans have a \$5,000 - \$8,000 deductible.

This data is for plans that exist now. Some of these plans have been cancelled for January 1, 2016.

## **FFM Enrollment**

The attached chart indicates the enrollment on the marketplace as of November 9. The effectuated number of covered lives in contracts is 16,251. The federal count, which only counts the selection of a plan, not necessarily payment for that plan, is 16,651. This same time period last year, the number provided from the companies was 11,384 covered lives with effectuated contracts. The federal number with selected plans was 10,597.

As I mentioned at the last committee meeting, open enrollment for the FFM runs from November 1 to January 31. To have plans begin on January 1, 2016, enrollment must occur before December 15.

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

## North Dakota Health ACA Health Insurance Plans by Metal Level

Small Group			Deductible Levels (\$)						
Metal Level (% of costs paid)	Contracts	Covered Lives	Covered lives in deductible ranges for each metal level						
			0-250	250-500	500-1,000	1,000-3,000	3,000-5,000	5,000-8,000	TOTALS
Platinum (90%)	951	11,120	5,814	5,306					11,120
Gold (80%)	1,252	13,185		1,889	4,183	7,113			13,185
Silver (70%)	378	3,026				3,026			3,026
Bronze (60%)	169	1,165					896	269	1,165
Catastrophic									0
<b>TOTAL</b>			<b>5,814</b>	<b>7,195</b>	<b>4,183</b>	<b>10,139</b>	<b>896</b>	<b>269</b>	<b>28,496</b>

Individual			Deductible Levels (\$)						
Metal Level (% of costs paid)	Contracts	Covered Lives	Covered lives in deductible ranges for each metal level						
			0-250	250-500	500-1,000	1,000-3,000	3,000-5,000	5,000-8,000	TOTALS
Platinum (90%)	0	0	0						0
Gold (80%)	8,677	17,183	1	5,947	105	11,130			17,183
Silver (70%)	6,648	10,826	1,418	515	76	8,610	207		10,826
Bronze (60%)	5,309	8,718	13				1,206	7,499	8,718
Catastrophic	1,368	1,537						1,537	1,537
<b>TOTAL</b>			<b>1,432</b>	<b>6,462</b>	<b>181</b>	<b>19,740</b>	<b>1,413</b>	<b>9,036</b>	<b>38,264</b>

(Data as of 10.1.15)

## 2015 ND Federally Facilitated Marketplace Enrollment

(as of 11/09/15)

	<b>BCBS ND</b>
Effectuated contracts (enrolled and first month paid)	5,923
Covered lives under effectuated contracts	11,037
	<b>Medica</b>
Effectuated contracts (enrolled and first month paid)	2,236
Covered lives under effectuated contracts	3,225
	<b>Sanford</b>
Effectuated contracts (enrolled and first month paid)	1,206
Covered lives under effectuated contracts	1,989
	<b>Total All Carriers</b>
Effectuated contracts (enrolled and first month paid)	9,365
Covered lives under effectuated contracts	16,251
<hr/>	
<b>*Federal number as of 6/30/2015</b>	<b>16,651</b>

\*Total Effectuated Enrollment as of June 30, 2015 reported by CMS on September 8, 2015. Individuals that paid premium and had an active policy at the end of June.

