



North Dakota Insurance Department

Jon Godfread, Commissioner

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Godfread Announces Approved 2021 Health Insurance Rates

BISMARCK, N.D. – Insurance Commissioner Jon Godfread today released the approved health insurance rates for both individual and small group plans for 2021, and encourages consumers to start early, stay informed and shop around.

“2020 has been a year unlike any in recent memory. Amid a global pandemic, the Insurance Department recognizes the importance of affordable, comprehensive and accessible health insurance,” Godfread said. “A vast majority of North Dakotans should see little to no change in the health insurance premiums they are paying from this year to next year. During these uncertain times, we felt it was important to give as much consistency to our consumers as possible, especially when it comes to health insurance.”

The 2021 rates still consider the 20% reduction from last year due to the passage of the state-based reinsurance program. Many of the rate adjustments were made to account for the subsidies that are paid for by the federal government to those individuals who qualify for an income based advanced premium tax credit. Those consumers who do not receive a subsidy should see minimal changes to their premiums.

Three major carriers for the individual market are operating statewide on the exchange (HealthCare.gov) and off-exchange (through a licensed and appointed agent), along with four major carriers for the small group market.

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The 2021 rates are outlined below:

2021 Individual Market						
Company Name	Requested Rate Increase			Approved Rate Increase		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Blue Cross Blue Shield of North Dakota *	4.42%	9.00%	1.90%	0.63%	5.40%	0.00%
Sanford Health Plan **	20.33%	31.32%	-11.87%	14.28%	31.32%	-11.87%
Medica Health Plan ***	13.16%	16.34%	0.00%	0.90%	1.94%	-0.01%

*Approved increase on CSR's (affects on exchange only)

**Approved full silver (on exchange) increase and 7% on ALL gold plans

***Approved increase on CSR's (affects on exchange only)

2021 Small Group Market						
Company Name	Requested Rate Increase			Approved Rate Increase		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Blue Cross Blue Shield of North Dakota	4.20%	5.00%	3.60%	0.00%	0.00%	0.00%
Sanford Health Plan	2.85%	4.24%	1.55%	0.00%	0.00%	0.00%
United Health Care	7.91%	14.31%	4.77%	7.91%	14.31%	4.77%
Medica Insurance Company*	1.45%	7.80%	-5.30%	0.16%	2.27%	-3.18%

*Modest increases due to benefit changes

The state-based reinsurance program developed by the North Dakota Insurance Department for the individual health insurance market was approved by the federal government in July 2019 and was put into place for the 2020 and 2021 health insurance plan year. The program created a reinsurance mechanism known as “invisible” reinsurance. The approach of invisible reinsurance allows enrollees to remain in the individual market with their current plan and carrier while a portion of their claims are reimbursed by the reinsurance pool. Although various carriers process claims differently, the beauty of the reinsurance program is that enrollees are not aware of administrative changes. This program will be up for reauthorization with the Legislature during the 2021 Legislative Session.

According to the Kaiser Family Foundation, in 2018, most North Dakotans accessed health insurance in one of three ways:

- **Employer-sponsored Health Insurance** – 57% participated in a group health insurance plan offered by their employer. This includes employees of large and small private companies, federal, state and local government employees and active military.
- **Public Health Care Programs** – 27% received healthcare benefits through Medicare and Medicaid.

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- **Individually Purchased** – 8% purchased health insurance on their own through the marketplace or an agent.
- **Uninsured** – 8% remained uninsured.

Within each method, there are important developments and information consumers should keep in mind as the Open Enrollment Period begins:

Employer-sponsored Health Insurance

- If already covered by an employer-sponsored plan, consumers should pay close attention to enrollment options this year. Premiums and coverage limits may have changed.
- If an individual has recently changed jobs or plans to change employment, they may be subject to a probationary period, up to 90 days, during which they are ineligible for group coverage.
- If coverage from a previous employer is lost, an individual typically has 60 days to enroll in private individual insurance on an exchange through a Special Enrollment Period.
- Consumers are encouraged to contact their employer with questions about their Health Savings Account or Flexible Spending Account, or if they have questions about enrolling in either.

Public Health Care Programs

- Medicare and Medicaid are government programs that help pay for health care. However, benefits, costs and eligibility requirements differ:
 - Medicare is a federally funded program available to most U.S. citizens and permanent legal residents age 65 or older who have lived continuously in the country for at least five years. People younger than 65 may also be eligible for Medicare if they are disabled, suffer from kidney failure or ALS (Lou Gehrig's disease).
 - In contrast, Medicaid is jointly funded by federal and state governments. Eligibility is means-based, and the program has strict income requirements that vary from state to state.
- Open enrollment for Medicare Advantage and Medicare Prescription Drug coverage (Part D) takes place from Oct. 15 through Dec. 7, 2020. If an individual misses the deadline and did not experience a qualifying event, they can still apply during general enrollment (Jan. 1 through March 31 of each year), though they will have to pay a premium penalty.
- High-income earners (more than \$85,000 single filing tax return or \$170,000 for joint filing tax return) may see increases in 2020 Medicare Part B premiums. Enrollees should contact Medicare for an estimate and plan accordingly.
- Medicaid enrollees should pay attention to possible changes to eligibility and coverage options.

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Individually Purchased Health Insurance

- The 2021 Open Enrollment Period will run Nov. 1 through Dec. 15, 2020. Coverage begins Jan. 1, 2021. Consumers can begin researching their options at any time.
- Those who currently have coverage through the exchange and do not choose a plan for 2021 will be re-enrolled in the same or a similar plan. Consumers should take notice that this re-enrollment could result in higher costs to the consumer.
- There are two ways to purchase individual insurance, either through the federally run health care exchange on HealthCare.gov or via a licensed insurance agent. A licensed insurance agent can help you with both methods, but if you qualify for an individual subsidy, you must purchase your insurance through the federally run health care exchange to receive a subsidy. A qualification calculator is available at healthcare.gov/lower-costs/qualifying-for-lower-costs/.

Most North Dakotans are covered by health insurance plans offered through employers that self-insure, participate in “grandfathered” plans purchased before March 2010 or receive benefits from government plans (such as Medicaid, Medicare, Tricare or federal employee plans). Today’s announcement will not affect the rates for these consumers.

As the 2021 Open Enrollment Period begins on Nov. 1, many North Dakotans must soon make critical decisions about their health insurance amid a barrage of news and opinions regarding health care. To help consumers choose the right coverage for themselves and their families, the Insurance Department recommends consumers:

1. **Start early.** With more information gathered, smarter decisions can be made.
2. **Stay well-informed.** The health insurance landscape is evolving rapidly. What is true today may be outdated tomorrow.
3. **Shop around.** What made sense this year may not be the best solution next year, particularly if an employment situation has changed. Take time to shop around and compare prices and plan benefits amongst different insurance companies.

For more information, visit insurance.nd.gov or contact the Insurance Department at (701) 328-2440.

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It is the mission of the North Dakota Insurance Department to protect the public good by fairly and effectively administering the laws of North Dakota. We are committed to vigorous consumer protection efforts while fostering a strong, competitive marketplace that provides consumers with choices and access to high-quality insurance products and services at competitive prices. In pursuit of our mission, we will treat all of our constituencies with the highest ethical standards and respect they deserve.