![NDHA North Dakota Hospital Association Est. 1934 logo]

2021 HB 1203
House Industry, Business and Labor Committee
Representative Mike Lefor, Chairman
January 18, 2021

Chairman Lefor and members of the House Industry, Business and Labor Committee, I am Tim Blasl, President of the North Dakota Hospital Association (NDHA). I am here to testify in support of House Bill 1203. I ask that you give this bill a **Do Pass** recommendation.

Hospitals are here today in support of this bill because it provides protection for people with pre-existing health conditions and continues the Medicaid Expansion program should a court issue a final ruling that all or a significant portion of Affordable Care Act is unconstitutional. Both of these programs are important to help people get, and maintain, health insurance coverage.

Under current law, health insurance companies can't refuse to cover you or charge you more just because you have a "pre-existing condition" — that is, a health problem you had before the date that new health coverage starts. These protections mean that health insurers can no longer charge more or deny coverage because of a pre-existing health condition like asthma, high blood pressure, diabetes, or cancer. They cannot limit benefits for the condition either.

These protections for people with pre-existing conditions are critical for several reasons. Before the law went into effect in 2014, pre-existing condition exclusions affected 50 million people, including 17 million children, nationwide. Of those with pre-existing conditions who sought private insurance, 47 percent didn't get it. They were either

denied coverage, charged a higher premium, or had their condition excluded because of it. Without health insurance, they couldn't afford treatment, which meant they wound up in the emergency room. Their expenses were either paid for by Medicaid or were absorbed by hospitals. And that resulted in higher health care costs for everyone.

We strongly support not only the prohibition on insurers imposing pre-existing condition exclusions, we also strongly support the premium protection in the bill. Being able to get insurance you cannot afford is no protection at all. The bill would limit how much premiums can vary. A health benefit plan could charge different premium rates; however, the premium rates may vary only in relation to whether the policy covers an individual or a family; a rating area; age (which may not vary by more than three to one for adults); and tobacco use (which may not vary by more than one and one-half to one). In other words, pre-existing condition exclusions made it difficult for people with even simple pre-existing conditions to get health insurance coverage for reasonable premiums. This results in less coverage and less access to important preventive care that keeps people healthy.

Hospitals and Physicians strongly support the continuation of the Medicaid Expansion program. The program covers about 24,000 North Dakotans. If Medicaid Expansion goes away, these 24,000 individuals will likely be uninsured because the cost of individual health coverage is too expensive.

Medicaid Expansion was designed to significantly reduce the number of uninsured and improve their health by providing access to routine health care. Adults enrolled in Medicaid experience significant improvements in access to healthcare and report positive health status, while virtually eliminating catastrophic out-of-pocket spending. The program has been very good for patients, North Dakota communities, and health care providers. Hospitals saw a significant decrease in the amount of uncompensated care since it started. Bad debt and charity care in North Dakota rose from $102 million in 2008 to $274 million in 2014—a nearly threefold increase. Thanks to Medicaid Expansion, bad debt dropped nearly in half to $150 million in 2016.

In summary, hospitals support health care coverage for North Dakotans. This bill would help further that goal. I would be happy to respond to any questions you may have. Thank you.

Respectfully Submitted,

Tim Blasl, President
North Dakota Hospital Association