

SENATE BILL NO. 2073

Presented by: **Chrystal Bartuska**
 Life/Health/Medicare Division Director
 North Dakota Insurance Department

Before: **Senate Industry, Business and Labor**
 Senator Jerry Klein, Chairman

Date: **January 12, 2021**

TESTIMONY

Good Morning, Chairman Klein and members of the committee. My name is Chrystal Bartuska and I am the Life and Health Division Director for the North Dakota Insurance Department. I appear before you in support of Senate Bill No. 2073.

This bill is intended to repeal an old section of our insurance title, 26.1-36-49, and to create an entirely new chapter under NDCC § 26.1-36.8 on short-term limited-duration plans. Last session, as some of you may remember, we expanded the definition of short-term limited-duration plans so that consumers were able to have a policy up to a year. This allowed a consumer to purchase one of these policies while they wait for an open enrollment period to purchase a traditional major medical policy.

These types of plans are designed to be a type of gap coverage for a person that needs some sort of basic medical coverage in the event they lose their comprehensive major medical coverage. These plans are not comprehensive in nature and typically have limited benefits for a limited time.

The new provisions of this new chapter remove some sections of the current law that also negatively impacted the products availability to consumers, such as required recorded calls. We implemented administrative rules in 2020 that put additional requirements and disclosures in place that we feel protect the consumer and therefore a recorded call is not needed.

In addition to an individual market existing for a consumer we realized that there may be a need for a more robust group market for associations. This bill creates a new section, 26.1-36.8-03, which allows for companies to create products that resemble major medical plans that are in the market right now and can be sold to associations. We hope by doing this it broadens options for associations to purchase a group type policy for its members.

These sections create and allow for underwriting and renewal criteria, along with rating criteria consistent with the Affordable Care Act (ACA) market on page 3 lines 12 through 19. Page 3 line 20 through page 4 line 3 also requires plans to offer, at a minimum, nine of the ten essential health benefits as described under the ACA.

The remaining section on page 4 is from language in the original statute, which is being repealed in §26.1-36-49, which will require the Department to continue to review marketing materials, in addition to the requirement that a producer's signature and identification number be included on the application for insurance.

In conclusion, I respectfully request a "do pass" recommendation from this committee on Senate Bill No. 2073. I am happy to take any questions.