



## TESTIMONY

*Chrystal Bartuska, Division Director*

Senate Industry and Business Committee

January 14, 2025

Good morning, Chairman Barta and members of the committee. My name is Chrystal Bartuska and I am the Life/Health/Medicare Division Director with the North Dakota Insurance Department. I am here today in support of Senate Bill 2032.

The Insurance Department performed a study prior to the 2023 legislative session and as a result through the Health Services Committee it was determined to dissolve the Comprehensive Health Association of North Dakota (CHAND) program. The study did an extensive comparison between the CHAND plan and other plans in the market and found that due to the low enrollment, CHAND has become a program that we could potentially discontinue.

This program was originally created and designed to assist individuals that could not obtain health insurance due to their preexisting conditions. However, under the Affordable Care Act (ACA) preexisting conditions can no longer be used to deny coverage and so all individuals are guaranteed the ability to purchase insurance on the individual market.

When the ACA went into effect, states were given the option to dissolve their high-risk pools, but we as a state chose to continue CHAND due to the many unknowns surrounding the ACA at that time. However, we are thirteen years into ACA, and the time has come to determine next steps with CHAND. Enrollment in CHAND is low since ACA provisions prohibit new members, but the current statute does not give the state or the CHAND board the authority to effectively discontinue the plans. We also have the challenge of the plan requirements and guaranteed issue of the Medicare supplement block of plans.

The bill creates a new section in chapter 26.1 that allows for the dissolution of CHAND versus trying to make changes to the current chapter. The department felt this was a cleaner and simpler way to dissolve CHAND. There are various deadlines referenced on page 2 of the bill and the department has worked with BCBS to determine the best dates to ensure claims are paid on any remaining policies. The first date of May 1, 2025 is to cease any new enrollment into CHAND Medicare supplement policies. Then December 31, 2025 all plans, both major medical and Medicare supplement will effectively terminate. However, all consumers will have the opportunity to enroll in new plans for January 2026 due to losing credible coverage.

The other section on page 2 line 24 allows for a guarantee issue for the Medicare supplement consumers to ensure that they are able to purchase a new plan and do not have the concern of being underwritten.

Then the final section on line 29 dissolves CHAND and then Section 2 of the bill completely repeals the current section of CHAND and this new section. The reason we went through 2027 is we feel it allows ample time to process any and all claims associated with CHAND, but also if we run into issue in 2025 and 2026 as we go through this process, if we need to change anything in code we would have the 2027 legislative session to do so.

I respectfully request a “do pass” recommendation from the committee on SB2032 and I am happy to take any questions.