

2021 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2222

2021 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Fort Union Room, State Capitol

SB 2222
1/26/2021 AM

relating to repeal of the Medicaid Expansion program; to provide for application
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Chair Klein opened the hearing at 10:15 a.m. All members were present. Senators Klein, Larsen, Burckhard, Vedaa, Kreun, Marcellais.

Discussion Topics:

- Provisions if ACA is terminated
- Federal and state provisions if ACA is terminated

Senator Mathern [10:15] testified in favor and submitted testimony #3421.

Megan Hoan, Blue Cross Blue Shield of ND [10:28] testified in opposition.

Chrystal Bartuska, ND Insurance Department [10:31] testified neutral to provide information.

Caprice Knapp Medicaid Director from Department of Human Services [10:37] testified neutral to provide information and submitted testimony #3513.

Additional written testimony: #3251 and #2516.

Chair Klein ended the hearing at 10:40 a.m.

Isabella Grotberg, Committee Clerk

1.26.2021

Chairman Klein and members of the Senate Business and Labor Committee

My name is Tim Mathern. I am the Senator from District 11 in Fargo.

I introduced SB2222 regarding health insurance policies in North Dakota in order to assure citizens that their present benefits stay intact should the federal Affordable Care Act be found unconstitutional by the United States Supreme Court. During the interim I brought this bill to the Employee Benefits Committee and the ND Insurance Commissioner for their review and input.

The bill proposes that the following benefits continue not under federal mandate, but by state regulation.

- 1. Ten essential health benefits. Page 2**
- 2. No lifetime limits.**
- 3. Carrying children on parents plan until are 26.**
- 4. Coverage of preexisting conditions.**
- 5. Deductible and rate band limits.**
- 6. Medicaid Expansion.**

Application of these items are only for those plans that now cover them.

The last section, Section 5, notes a contingency date. If a court with jurisdiction over the states declares the Patient Protection and Affordable Care Act, commonly known as ACA, is unconstitutional and final, the bill before you becomes effective.

Our citizens need predictable health insurance coverage, our citizens are supportive of the benefits enumerated by this bill, and our insurance commissioner has the talent and resources to manage this market.

This bill seeks to protect ND consumers, keep health insurance comprehensive for all citizens, and clarify the manner the Insurance Commissioner is to regulate these products.

Please vote yes on SB 2222.

Testimony
Senate Bill 2222 – Department of Human Services
Senate Industry, Business, and Labor Committee
Senator Klein, Chair
January 26, 2021

Chair Klein, members of the Senate Industry, Business, and Labor Committee, I am Caprice Knapp, Director of the Medical Services Division, for the Department of Human Services (Department). I am here today to offer neutral comments on Senate Bill 2222.

This bill proposes policies that would be put in place if the Affordable Care Act (ACA) is ruled unconstitutional by the United States Supreme Court. The bill includes language on Medicaid expansion and what would occur if the ACA were vacated.

Medical Services is concerned that there are numerous policy decisions that would need to be made including if the legislature would want to continue to cover the expanded population, the federal poverty level that would be covered, what benefits would be provided, etc.

Medical Services also notes that the current existing authority we have available to cover the expansion population would be an 1115 waiver. Currently, this waiver process is complex, time consuming, and resource intensive. It requires demonstration of budget neutrality and a longitudinal independent evaluation. Funds would be needed for procurement of actuarial services, an independent evaluator, and additional DHS staff to write and oversee the 1115 waiver.

This concludes my comments. I would be happy to answer any questions you may have.

**2021 SB 2222****Senate Industry, Business and Labor Committee****Senator Jerry Klein, Chairman****January 26, 2021**

Chairman Klein and members of the Senate 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 Senate Bill 2222. 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 the federal Patient Protection and Affordable Care Act (ACA) 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. Without health insurance, they couldn't afford treatment, which meant they often 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 resulted in less coverage and less access to important preventive care that keeps people healthy.

We also strongly support the continuation of the Medicaid Expansion program. Medicaid Expansion has been authorized in North Dakota since 2013. The program fills historical gaps in Medicaid eligibility and currently covers about 24,000 North Dakotans. Medicaid Expansion covers individuals under the age of 65 (including "childless adults") with incomes at or below 138 percent of the federal poverty level. This is a population that was never covered before because traditional Medicaid covers only qualifying low-income children, their adult caregivers, pregnant women, and individuals with disabilities including the aged and blind. If Medicaid Expansion goes away, childless adults would again become ineligible for Medicaid. Most of these individuals are likely to remain uninsured as they have limited access to employer coverage and are likely to find the cost of individual health coverage prohibitively 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

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COMMITTEES:

Education
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SB 2222 Testimony***Senate Industry, Business & Labor Committee******Fort Union Room***

Chairwomen Klein members of the Senate Industry, Business & Labor Committee for the record my name is Senator Richard Marcellais, District 9, Rolette County.

Relating to requirements of health insurance policies; to amend and reenact section 50-24.1-37 of the North Dakota Century Code, relating to continuation of Medicaid Expansion; to repeal sections 40 and 41 of chapter 11 of the 2017 Session Laws, relating to repeal of the Medicaid Expansion program; to provide for application; and to provide a contingent effective date.

I appear before you in favor of HB 2222.

2021 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Fort Union Room, State Capitol

SB 2222

1/26/2021 PM

relating to repeal of the Medicaid Expansion program
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Chair Klein opened the hearing at 3:11 p.m. All members were present. Senators Klein, Larsen, Burckhard, Vedaa, Kreun, and Marcellais.

Discussion Topics:

- Provisions if the ACA goes away

Senator Vedaa moved a DO NOT PASS [15:11].

Senator Larsen seconded the motion [15:12].

[15:14]

Senators	Vote
Senator Jerry Klein	Y
Senator Doug Larsen	Y
Senator Randy A. Burckhard	Y
Senator Curt Kreun	Y
Senator Richard Marcellais	N
Senator Shawn Vedaa	Y

Motion passed: 5-1-0

Senator Klein will carry the bill [15:14].

Chair Klein closed the hearing at 3:15 p.m.

Isabella Grotberg, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2222: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **DO NOT PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2222 was placed on the Eleventh order on the calendar.