

Keeping options available to North Dakotans when the Health Exchange is in place: Having Products outside of the Exchange and Product flexibility

By Blue Cross Blue Shield of North Dakota

Overview: The Patient Protection and Affordable Care Act (PPACA) allows states to make key decisions that will best fit the needs of their relative consumers. Blue Cross Blue Shield of North Dakota thinks the North Dakota Health Insurance Exchange should provide North Dakotans with an appropriate variety of products to fit their health insurance needs. For this reason, we would like insurers operating on the exchange to also have the option to sell products outside the exchange. As well, BCBSND feels that consumers will be best served by having flexibility when it comes to choosing a health plan that meets their needs.

Products Outside of the Exchange: While many individual consumers and small groups will utilize incentives (federal subsidies) to purchase Exchange products, some will not. For example, those who don't want to take advantage of a federal subsidy or those who simply prefer to buy their health insurance through traditional, off-Exchange methods. Therefore, we support options for consumers when it comes to purchasing insurance off the Health Exchange.

A key component to ensuring a level playing field among insurance companies is to require that companies selling products in North Dakota off the Exchange must also offer products on the Exchange. BCBSND feels that if participation on the Exchange is optional some companies might "cherry-pick" the lowest risk pool to purchase their insurance off the Exchange. Therefore, it is important that all companies interested in selling their product off the Exchange, must also offer products on the exchange.

Products Inside of the Exchange: The current individual market and small group market provide several insurance options for North Dakotans. BCBSND believes those options should not be taken away from consumers in exchange for limited and prescribed benefit choices. The best way to maintain choice for consumers on the Exchange is to allow product flexibility by insurers within the bronze, silver, gold and platinum levels. That is, insurers should be allowed to develop their own versions of products at each level. Consumers will benefit as multiple insurers compete with differing benefit designs.

However, to keep Exchange administrative costs low and minimize consumer confusion, it would also be reasonable to restrict each insurer to two product options within each metallic level (bronze, silver, gold and platinum) on the individual side and two product options within each metallic level on the small group side of the Exchange. Product flexibility within the Exchange, individual and small group, will help ensure individuals and families have an appropriate range of product choices that allows them a health insurance plan that meets their needs.