



SB 2029

Senate Industry, Business and Labor

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Chairman Klein and Members of the Senate Industry, Business and Labor Committee-

My name is Janelle Moos, Associate State Director of Advocacy for AARP North Dakota. I appreciate your time today and look forward to working with you on an issue that is crucial to our members and one we are already seeing that they are passionate about.

AARP is a nonpartisan, nonprofit, nationwide organization with nearly 38 million members. 86,000 of those members live in North Dakota – a staggering number when you consider the overall population of our state.

Our story dates back 60 years, to when our founder, Dr. Ethel Percy Andrus found a former colleague of hers living in a chicken coop. I know we talk about that often, but we think it says a lot about why we fight for what we do. A lot of issues touch older Americans and their ability to live safe, independent and healthy lives. Most of our work fits into three areas; helping people choose where they live, remain financially secure and access affordable health care.

Most Americans get their health insurance through their employer or through government sponsored programs like Medicare or Medicaid. People who do not have access to those forms of coverage-for instance, because they are between

jobs or self-employed- typically buy health insurance directly from private insurers on the individual market.

Since 2014, the Affordable Care act (ACA) has provided a critical protection for individuals who seek insurance on this market: it bans insurance companies from considering people's health when they apply for a plan.

Before the ACA, 45 states and the District of Columbia allowed medical underwriting in the individual health insurance market. This meant that insurance companies could consider applicants' current and past health problems to determine whether and under what terms to sell them health insurance coverage.

Alternatively, they could consider information from people's physician visits or lab results. Diabetes, cancer and rheumatoid arthritis are examples of health conditions that might lead insurance companies to deny a person health insurance- a practice known as preexisting condition exclusions.

Fortunately, the ACA reformed such practices. The law prohibits insurance companies from denying people access to insurance based on their health. It also bans insurers from using a person's health status to set premiums or limit coverage. These important consumer protections have helped millions of Americans- including older adults- access affordable health insurance coverage.

SB 2029, as we understand it, makes modest improvements on existing law. We support the adjustments to the timeframes for the lookback to prior coverage and the length of any exclusion period- both provisions are better for consumers. One suggestion we'd like to offer is that AARP North Dakota would prefer that the state law prohibit any exclusion period as it is outlined on page 12, under Section 4, lines 14-18. We would like to encourage the committee to take this under consideration prior to making any recommendations on the bill.

The ban on considering preexisting conditions protects people of all ages. Moreover, it is a particularly important protection for older adults, because as

people age, they tend to develop more chronic health conditions. AARP North Dakota strongly supports insurance market reforms that make health insurance available and affordable for all American. The ban on preexisting condition exclusions is good public policy and it should be maintained for everyone.

Thank you,

Janelle