

2025 SENATE INDUSTRY AND BUSINESS

SB 2032

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2032
1/14/2025

A bill relating to the comprehensive health association of North Dakota; to provide an effective date; and to declare an emergency.

9:30 a.m. Chairman Barta called the meeting to order.

Members present: Chairman Barta, Vice-Chairman Boehm, Senator Klein, Senator Kessel, Senator Enget

Discussion Topics:

- Comprehensive Health Association of ND (CHAND)
- Dissolution of CHAND due to low enrollment
- CHAND board authority
- Remaining policy payments
- Major medical and Medicare supplement termination
- New enrollment
- Similar coverage plans
- Fiscal impact
- Insurance Reserve Trust Fund

9:31 a.m. Chrystal Bartuska, Life/Health/Medicare Division Director with the ND Insurance Department, testified in favor and submitted testimony #28759.

9:42 a.m. Megan Hruby, Blue Cross/Blue Shield, testified in favor and continued testimony #28759.

9:47 a.m. Chrystal Bartuska, Life/Health/Medicare Division Director with the ND Insurance Department, provided additional information on SB 2032.

9:49 a.m. Chairman Barta closed the hearing on SB 2032.

Audrey Oswald, Committee Clerk



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.

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2032
1/28/2025

A bill relating to the comprehensive health association of North Dakota; to provide an effective date; and to declare an emergency.

9:30 a.m. Chairman Barta opened the hearing.

Members present: Chairman Barta, Vice-Chairman Boehm, Senator Klein, Senator Kessel, Senator Enget

Discussion Topics:

- Excess funds
- Insurance Regulatory Trust Fund
- Administrative costs
- Number of entities/insurers
- Unclaimed property

9:31 a.m. Chrystal Bartuska, ND Insurance Department, testified in neutral.

9:36 a.m. Megan Hruby, Blue Cross Blue Shield, testified in neutral.

9:40 a.m. Chrystal Bartuska, ND Insurance Department, testified in neutral.

9:41 a.m. Senator Klein moved to adopt the amendment LC# 25.0386.02001.

9:41 a.m. Senator Enget seconded the motion.

Senators	Vote
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y
Senator Greg Kessel	Y
Senator Jerry Klein	Y

Motion passed 5-0-0.

9:42 a.m. Senator Kessel moved a Do Pass As Amended.

9:42 a.m. Senator Klein seconded the motion.

Senators	Vote
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y

Senator Greg Kessel	Y
Senator Jerry Klein	Y

Motion passed 5-0-0.

Senator Barta will carry the bill.

9:45 a.m. Chairman Barta closed the hearing.

Audrey Oswald, Committee Clerk

January 28, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2032

Introduced by

Legislative Management

(Health Services Committee)

Jan 1-28-25
1 of 3

1 A BILL for an Act to create and enact chapter 26.1-08.1 of the North Dakota Century Code,
2 relating to the comprehensive health association of North Dakota; to repeal chapters 26.1-08
3 and 26.1-08.1 of the North Dakota Century Code, relating to the comprehensive health
4 association of North Dakota; to provide an effective date; and to declare an emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** Chapter 26.1-08.1 of the North Dakota Century Code is created and enacted
7 as follows:

8 **26.1-08.1-01. Definitions.**

9 As used in this chapter:

- 10 1. "Association" means the comprehensive health association of North Dakota.
11 2. "Board" means the comprehensive health association of North Dakota board of
12 directors.
13 3. "Creditable coverage" means, with respect to an individual, coverage under chapter
14 26.1-08.
15 4. "Guaranteed issue" means an issuer may not:
16 a. Deny or condition the issuance or effectiveness of a Medicare supplement policy
17 that is offered and is available for issuance to new enrollees by the issuer;
18 b. Discriminate in the pricing of such a Medicare supplement policy because of
19 health status, claims experience, receipt of health care, or medical condition; or

1 c. Impose an exclusion of benefits based on a preexisting condition under such a
2 Medicare supplement policy.

3 5. "Lead carrier" means the insurance company selected by the board to administer the
4 association benefit plans.

5 **26.1-08.1-02. Cessation of operations.**

6 1. The association shall cease enrollment under the plan effective May 1, 2025.

7 2. After taking all reasonable steps, including those specified in this section, to timely and
8 efficiently assist in the transition of individuals receiving benefits under chapter
9 26.1-08, and paying health insurance claims for plan coverage and meeting all other
10 obligations of the board under this section, the association shall cease operating the
11 pool.

12 3. The association may take any action it deems necessary to:

13 a. Cease enrollment for plan coverage effective May 1, 2025.

14 b. Terminate all existing benefit plans effective December 31, 2025.

15 c. Provide at least a ninety-day notice to current policyholders of the termination.

16 4. This section does not require the board to revise plan benefits to comply with this
17 chapter.

18 **26.1-08.1-03. Board of directors.**

19 1. Notwithstanding any other provision of this chapter, to facilitate an efficient cessation
20 of operations, the board:

21 ~~1.~~ a. May continue to use the lead carrier to fulfill administrative tasks and operations.

22 ~~2.~~ b. Shall continue to follow the requirements of participating members under section
23 26.1-08-09.

24 ~~3.~~ c. May implement a process to assess members based on actual program costs
25 rather than projected program costs.

26 ~~4. Shall return any excess funds that remain after operations of the association cease to~~
27 ~~the insurance regulatory trust fund.~~

28 2. If the board has excess funds after cessation of operations of the association, the
29 funds must be returned by the lead carrier to the insurer assessed under section
30 26.1-08-09.

26.1-08.1-04. Enrollment of individuals losing creditable coverage.

An individual losing creditable coverage must be provided enrollment into a comparable:

1. Health benefit plan; or

2. Plan under a Medicare supplement policy that has a benefit package classified as plan A, B, C, F (including F with a high deductible), G, K, or L under guaranteed issue.

26.1-08.1-05. Statute of limitations.

A cause of action against the association or the board must be commenced within the earlier of one year after the cause of action occurs or December 31, 2027.

SECTION 2. REPEAL. Chapters 26.1-08 and 26.1-08.1 of the North Dakota Century Code are repealed.

SECTION 3. EFFECTIVE DATE. Section 2 of this Act becomes effective December 31, 2027.

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure.

**REPORT OF STANDING COMMITTEE
SB 2032**

Industry and Business Committee (Sen. Barta, Chairman) recommends **AMENDMENTS** ([25.0386.02001](#)) and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2032 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

2025 HOUSE HUMAN SERVICES

SB 2032

2025 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee Pioneer Room, State Capitol

SB 2032
3/10/2025

Relating to the comprehensive health association of North Dakota; to provide an effective date; and to declare an emergency.

11:17 a.m. Chairman M. Ruby opened the hearing.

Members Present: Chairman M. Ruby, Vice-Chairman Frelich, Representatives K. Anderson, Beltz, Bolinske, Davis, Dobervich, Fegley, Hendrix, Holle, Kiefert, Rios, Rohr

Discussion Topics:

- Affordable Care Act (ACA)
- Comprehensive Health Association of North Dakota (CHAND)
- Blue Cross and Blue Shield (BCBS) Insurance
- CHAND Medicare Supplement Policies

11:17 a.m. Senator Kristin Roers introduced the bill.

11:19 a.m. Chrystal Bartuska, Life and Health Division Director, Insurance Department, testified in favor and submitted testimony #39738.

11:25 a.m. Megan Hruby, Blue Cross and Blue Shield, testified in favor.

11:28 a.m. Chairman M. Ruby closed the hearing.

Madaline Cooper, Committee Clerk for Jackson Toman, Committee Clerk



TESTIMONY

Chrystal Bartuska, Division Director

House Human Services

March 10, 2025

Good morning, Chairman Ruby 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.

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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.

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The other section on page 2 line 27 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 1 on page 3 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.

2025 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee Pioneer Room, State Capitol

SB 2032
3/10/2025

Relating to the comprehensive health association of North Dakota; to provide an effective date; and to declare an emergency.

4:15p.m. Chairman M. Ruby opened the hearing.

Members Present: Chairman M. Ruby, Vice-Chairman Frelich, Representatives K. Anderson, Bolinske, Davis, Dobervich, Fegley, Holle, Kiefert, Rios, Rohr

Members Absent: Representatives: Beltz, Hendrix

Discussion Topics:

- Committee Action

4:15p.m. Representative Dobervich moved a Do Pass.

4:16 p.m. Representative Rohr seconded the motion.

Representatives	Vote
Representative Matthew Ruby	Y
Representative Kathy Frelich	Y
Representative Karen Anderson	Y
Representative Mike Beltz	AB
Representative Macy Bolinske	Y
Representative Jayme Davis	Y
Representative Gretchen Dobervich	Y
Representative Cleyton Fegley	Y
Representative Jared Hendrix	AB
Representative Dawson Holle	Y
Representative Dwight Kiefert	Y
Representative Nico Rios	Y
Representative Karen Rohr	Y

4:16 p.m. Motion carried 11-0-2.

Representative K. Anderson will carry the bill.

4:17 p.m. Chairman M. Ruby closed the hearing.

Madaline Cooper, Committee Clerk for Jackson Toman, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2032 ([25.0386.03000](#))**

Human Services Committee (Rep. M. Ruby, Chairman) recommends **DO PASS** (11 YEAS, 0 NAYS, 2 ABSENT OR EXCUSED AND NOT VOTING). SB 2032 was placed on the Fourteenth order on the calendar.