

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1155

2007 HOUSE HUMAN SERVICES

HB 1155

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1155

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: January 10, 2007

Recorder Job Number: 877

Committee Clerk Signature

Judy Schock

Minutes:

Chairman Price: Opening up the hearing on HB 1155. The comprehensive health association of ND is a high risk pool that was established in the early 80's, for persons who can not get insurance for some other medical reason. It covers all ages and Medicare supplement policy.

Rod St. Aubyn: Representing BC/BS of ND. Our company administers to the CHAND program. See attached testimony and proposed amendments. CHAND is an individual product. It is for a single person. Should a single mother become pregnant the child is automatically covered for 30 days. The mother is not notified that she needs a policy for the child, it is in the application. If you are on Medicaid you are not eligible for CHAND.

Representative Porter: With the newly born child page 16, was there any discussion on rather than after the birth of the child, after the discharge of a health care facility? If someone had a critically ill child, that would be the last thing on their mind. Also rather than 31 days of birth, why not 31 days after discharge.

Mr. Aubyn: That has not happened, but the CHAND board would probably waive that requirement. If you want specific language in there we could work with you. The flip side of that is the child id automatically eligible as a dependent. The problem is getting the application.

Page 2

House Human Services Committee

Bill/Resolution No. HB 1155

Hearing Date: January 10, 2007

Chairman Price: Anyone else in favor or opposition of HB 1155? Close the hearing on HB 1155

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1155

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: January 10, 2007

Recorder Job Number: 882

Committee Clerk Signature

Judy Schock

Minutes:

Chairman Price calls the committee to order to discuss.

Representative Porter: When we talked about the newly born child with out health insurance coverage, you made a comment about the digression of the board. Is that written somewhere in the existing law?

Chairman Price: Not necessarily in the law. We have done it before. There have been some cases where a person has maybe not met a waving period. They have been fairly lenient on some of those things. I do have some concerns about gong out longer than 30 days. It is pretty standard. The child could transfer to the fathers plan. They are added on automatically if you have a family plan. Under CHAN the mother would have to get a policy after 30 days We won't take action right now.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1155

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: January 15, 2007

Recorder Job Number: 1134

Committee Clerk Signature

Judy Schock

Minutes:

Chairman Price: Let's look at HB 1155. The language with the CHAN policy is the same as BC/BS.

Representative Porter do pass, Representative Kaldor seconded. The vote was 12 yeas, 0 nays 0 absent. **Representative Schneider** to carry to the floor.

FISCAL NOTE

Requested by Legislative Council
03/02/2007

Amendment to: HB 1155

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The amended bill makes certain changes to the CHAND health insurance program for high risk individuals. The changes are for the most part administrative and are not expected to have a fiscal impact on the general fund.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

See explanation above.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See explanation above.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See explanation above.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

See explanation above.

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	03/02/2007

FISCAL NOTE
Requested by Legislative Council
01/05/2007

Bill/Resolution No.: HB 1155

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill makes certain changes to the CHAND health insurance program for high risk individuals. The changes are for the most part administrative and are not expected to have a fiscal impact on the general fund.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

See explanation above.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See explanation above.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See explanation above.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

See explanation above.

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	01/08/2007

Date: 7/15
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES HB 1155 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

No Pass

Motion Made By

Rep Porter

Seconded By

Rep Kaldor

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price – Chairman	✓		Kari L Conrad	✓	
Vonnie Pietsch – Vice Chairman	✓		Lee Kaldor	✓	
Chuck Damschen	✓		Louise Potter	✓	
Patrick R. Hatlestad	✓		Jasper Schneider	✓	
Curt Hofstad	✓				
Todd Porter	✓				
Gerry Uglem	✓				
Robin Weisz	✓				

Total (Yes) 12 "Click here to type Yes Vote" No 0 "Click here to type No Vote"

Absent D

Floor Assignment

Rep. Schneider

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1155: Human Services Committee (Rep. Price, Chairman) recommends DO PASS
(12 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1155 was placed on the
Eleventh order on the calendar.

2007 SENATE HUMAN SERVICES

HB 1155

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1155

Senate Human Services Committee

☐ Check here for Conference Committee

Hearing Date: 2-27-07

Recorder Job Number: 3944

Committee Clerk Signature

Mary K Monson

Minutes:

Chairman Senator J. Lee opened the hearing on HB 1155 relating to the comprehensive health association of North Dakota.

Senator J. Lee explained that she and Representative Price were the prime sponsors of this.

The health association of ND is the high risk pool which makes insurance coverage available to those people who have been denied coverage by regular insurance companies and there is some updating that needs to be done. There will be amendments to consider.

Rod St. Aubyn (BC/BS) testified in support of HB 1155 and went through the proposed changes to the CHAND Statute (attachment #1). He also gave some history on the high risk pool CHAND (meter 2:00). Group coverage is guaranteed issue. In the individual market the applicant has to medically qualify. If the insurance company denies a person, CHAND is a high risk pool that would basically be their safety net.

(Meter 4:40) He explained the four different types of CHAND applications.

He said the most significant change in the bill would be expanding the authority of the CHAND Board to make exceptions for terminating CHAND members for reasons other than just for verifiable medical reasons such as residency questions. (Meter 6:10) He provided an example.

Senator Warner asked what creditable means.

Mr. St. Aubyn explained that a person get credit for the time they have it such as waiting periods. (Meter 12:55) He gave an example.

Senator Warner referred to "is not enrolled in health benefits in the state's medical assistance program". Is there some convergence here of the Katie Becket waivers high risk children would not be able to get service?

Mr. St. Aubyn said Medicaid has always been a disqualifier for high risk pool.

Senator Warner said they were changing the language on page 12 from "is not eligible for" to "is not enrolled". Are we creating a crack for people to fall through?

Mr. St. Aubyn responded that part of the problem is, how do they know if someone is eligible?

A person can be eligible and not be enrolled in Medicaid. He said most of this is patterned after a model act by the National Association of Insurance Commissioners. Under the model act a person can't be on Medicaid and also receive the high risk pool.

Mr. St. Aubyn talked about the CHAND Board. The insurance commissioner is the chairman of the board. There is a representative from the health department, from OMB, and the top 3 or 4 insurers. There is a representative from the senate and also a representative from the house. They meet three or four times a year or as needed.

Senator J. Lee asked Mr. St. Aubyn if he would address the proposed amendments.

(Attachment #2)

Mr. St. Aubyn said the amendments do three or four things. Creditable coverage on the top of page 1 down to line 18 on page 2 is really the same as qualifying previous coverage. This amendment will strike out all of those things, because qualifying previous coverage is already in the century code. This will really say creditable coverage has the same meaning as

qualifying previous coverage as defined under section 26.1-36.3-01. The last part of the amendments is that section being referred to.

He also addressed some drafting errors.

(Meter 31:35) Mr. St. Aubyn talked about the HIPAA requirements and that it is geared towards group plans. There is concern about individuals having individual coverage in another state and coming into ND not being able to apply for CHAND for 183 days. He addressed the residency issue. He talked about different options if this creates a problem

Another issue he talked about was an individual on a high risk pool in other state moving into ND not being eligible to apply for CHAND for 183 days.

Senator J. Lee – Is there any discussion in the national association about that. It's almost like reciprocity. Is ND consistent with other states with 183 days?

Mr. St. Aubyn said generally it is a 30 day residency rule.

Senator J. Lee thought there could be the possibility of giving the board some latitude with the idea that there would be a report back for the next session. She didn't like to think that if somebody is a legitimate purchaser of CHAND is prevented from purchasing it and has to go uninsured for six months.

Rod St. Aubyn said he would concur. It is a matter of if the legislature wants to grant some authority to the board. It is reasonable to let the board identify and investigate a little and make an exception.

Norbert Mayer (ND Association of Insurance and Financial Advisors) supports the changes being made to the CHAND program. They are concerned about the number of uninsured individuals in the state. CHAND is one important piece of the entire puzzle. With this program, anybody sincerely desiring to purchase health insurance can do it.

Senator J. Lee asked if he had any observations about the residency issue.

Mr. Mayer said many years ago the residency issue was much shorter. At that time there were people who took advantage of it. He would concur with giving the board some latitude to investigate. It is important to make it available to people with a genuine desire and yet prevent people from taking total advantage of the program.

Senator Warner – Would you anticipate that the investigation come at the front end during the application process or at the back end during the claims process.

Mr. Mayer said he would assume that it would have to come at the front end.

There was no opposing testimony.

Senator J. Lee asked representatives from the insurance dept. for their input on the residency issue. Is it legal to give the board some latitude?

Chuck Johnson (General Counsel, ND Insurance Dept.) thought it could be done if the legislature is willing to grant that discretion. The question is “How much guideline do you want to give the board in exercising that discretion?” It would be up to the legislature whether or not to add any guidelines or to just allow the discretion unhindered for the first two years and see how that works. He offered suggestions for wording (meter 43:00).

Senator Warner – If the board is given discretion, would you anticipate there might be litigation over discrimination?

(Meter 44:45) Mr. Mayer said these situations come up so seldom and didn't see it would be a problem.

Senator J. Lee read from code the section that deals with residency (meter 40).

(Meter 48:30) Discussion about when a person becomes a legal residency and if the 183 days starts after that.

The hearing on HB 1155 was closed.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1155

Senate Human Services Committee

☐ Check here for Conference Committee

Hearing Date: 2-28-07

Recorder Job Number: 4133

Committee Clerk Signature

Mary K. Monson

Minutes:

Chairman Senator J. Lee opened HB for discussion and consideration of amendments.

(Meter 01:55) Senator J. Lee referred to that amendment giving the board authority to waive the residency requirement. (Attachment #3)

Senator Warner – Does this indicate that the board itself would be meeting and having an agenda item on each individual policy or does it mean the board would promulgate rules to allow their executive authority to make those decisions.

Senator J. Lee said her expectations would be that they would look at any individual application.

Rod St. Aubyn agreed (meter 3:15).

Senator Warner asked how often the board meets.

Senator J. Lee said quarterly and occasionally a conference call if there is something that comes up in between.

(Meter 6:00) Senator J. Lee recognized Rod St. Aubyn for some clarification of the amendments and adding Medicaid. Medicaid would allow an individual to apply for HIPAA.

Senator Heckaman moved to accept both amendments.

Senator Warner seconded the motion.

Roll call vote 6-0-0. Amendments accepted

Senator Warner moved a Do Pass on HB 1155 as amended.

Senator Pomeroy seconded the motion.

Roll call vote 6-0-0. Carrier is Senator J. Lee.

70392.0101
Title.

Prepared by the Legislative Council staff for
Senator J. Lee
February 21, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1155

Page 1, line 1, replace "subdivision" with "subdivisions h and"

Page 1, line 3, remove the second "and"

Page 1, line 4, after "26.1-08-13" insert ", and subsection 28 of section 26.1-36.3-01"

Page 1, line 5, after "Dakota" insert "and a definition applicable to the small employer employee health insurance law"

Page 1, line 20, overstrike "means, with respect to an individual, coverage of the"

Page 1, overstrike lines 21 through 23

Page 2, overstrike lines 1 through 11

Page 2, line 12, overstrike "h. A public health plan as defined in federal regulations" and remove "including a plan"

Page 2, remove line 13

Page 2, line 14, remove "government" and overstrike the semicolon

Page 2, overstrike lines 15 through 17

Page 2, line 18, overstrike "87-293; 75 Stat. 613; 22 U.S.C. 2504(e)]" and insert immediately thereafter "has the same meaning as "qualifying previous coverage" as defined under section 26.1-36.3-01"

Page 4, line 12, overstrike "or" and insert immediately thereafter "and"

Page 6, line 19, replace "Subdivision" with "Subdivisions h and"

Page 6, line 20, replace "is" with "are"

Page 6, after line 20, insert:

"h. Develop and implement a program to publicize the existence of the association, the eligibility ~~requirement~~ requirements, and procedures for enrollment and to maintain public awareness of the association;"

Page 11, line 17, remove "or c"

Page 11, line 18, after "5" insert "or under subparagraph a of paragraph 1 of subdivision c of subsection 5"

Page 13, line 7, after "under" insert "medicare or"

Page 13, line 8, overstrike ", medicare, or"

Page 13, line 9, overstrike "medicaid"

Page 18, after line 17, insert:

"SECTION 11. AMENDMENT. Subsection 28 of section 26.1-36.3-01 of the North Dakota Century Code is amended and reenacted as follows:

28. "Qualifying previous coverage" and "qualifying existing coverage" mean, with respect to an individual, health benefits or coverage provided under any of the following:
- a. A group health benefit plan;
 - b. A health benefit plan;
 - c. Medicare;
 - d. Medicaid;
 - e. Civilian health and medical program for uniformed services;
 - f. A medical care program of the Indian health service or of a tribal organization;
 - g. A state health benefit risk pool, including coverage issued under chapter 26.1-08;
 - h. A health plan offered under 5 U.S.C. 89;
 - i. A public health plan as defined in federal regulations, including a plan maintained by a state government, the United States government, or a foreign government; and
 - j. A health benefit plan under section 5(e) of the Peace Corps Act [Pub. L. 87-293; 75 Stat. 612; 22 U.S.C. 2504(e)]; and
 - k. A state's children's health insurance program funded through title XXI of the federal Social Security Act [42 U.S.C. 1397aa et seq.].

The term "qualifying previous coverage" does not include coverage of benefits excepted from the definition of a "health benefit plan" under subsection 17."

Renumber accordingly

February 27, 2007

PROPOSED AMENDMENT TO HOUSE BILL NO. 1155

Page 5, line 21, after the period insert "The board may waive the residency requirement upon a showing of good cause."

Renumber accordingly

JS
2-28-07
lof2

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1155

Page 1, line 1, replace "subdivision" with "subdivisions h and"

Page 1, line 3, remove the second "and"

Page 1, line 4, after "26.1-08-13" insert ", and subsection 28 of section 26.1-36.3-01"

Page 1, line 5, after "Dakota" insert "and to a definition applicable to small employer employee health insurance"

Page 1, line 20, overstrike "means, with respect to an individual, coverage of the"

Page 1, overstrike lines 21 through 23

Page 2, overstrike lines 1 through 11

Page 2, line 12, overstrike "h. A public health plan as defined in federal regulations" and remove ", including a plan"

Page 2, remove line 13

Page 2, line 14, remove "government" and overstrike the semicolon

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Page 11, line 17, remove "or c"

Page 11, line 18, after "5" insert "or under subparagraph a of paragraph 1 of subdivision c of subsection 5"

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Page 13, line 8, overstrike ", medicare, or"

Page 13, line 9, overstrike "medicaid"

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 - b. A health benefit plan;
 - c. Medicare;
 - d. Medicaid;
 - e. Civilian health and medical program for uniformed services;
 - f. A medical care program of the Indian health service or of a tribal organization;
 - g. A state health benefit risk pool, including coverage issued under chapter 26.1-08;
 - h. A health plan offered under 5 U.S.C. 89;
 - i. A public health plan as defined in federal regulations, including a plan maintained by a state government, the United States government, or a foreign government; and
 - j. A health benefit plan under section 5(e) of the Peace Corps Act [Pub. L. 87-293; 75 Stat. 612; 22 U.S.C. 2504(e)]; and
 - k. A state's children's health insurance program funded through title XXI of the federal Social Security Act [42 U.S.C. 1397aa et seq.].

The term "qualifying previous coverage" does not include coverage of benefits excepted from the definition of a "health benefit plan" under subsection 17."

Renumber accordingly

Date: 2-28-07

Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1155

Senate	HUMAN SERVICES	Committee
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☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass / amendments 2/21/07 & 2/27/07

Motion Made By Sen. Heckaman Seconded By Sen. Warner

[illegible]

Total (Yes) 6 No 0

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Date: 2-28-07

Roll Call Vote #: 2

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1155

Senate HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70392.0102 Title .0200

Action Taken Do Pass as Amended

Motion Made By Sen. Warner Seconded By Sen. Pomeroy

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee, Chairman	✓		Senator Joan Heckaman	✓	
Senator Robert Erbele, V. Chair	✓		Senator Jim Pomeroy	✓	
Senator Dick Dever	✓		Senator John M. Warner	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator J. Lee

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1155: Human Services Committee (Sen. J. Lee, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1155 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "subdivision" with "subdivisions h and"

Page 1, line 3, remove the second "and"

Page 1, line 4, after "26.1-08-13" insert ", and subsection 28 of section 26.1-36.3-01"

Page 1, line 5, after "Dakota" insert "and to a definition applicable to small employer employee health insurance"

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 - f. A medical care program of the Indian health service or of a tribal organization;
 - g. A state health benefit risk pool, including coverage issued under chapter 26.1-08;
 - h. A health plan offered under 5 U.S.C. 89;
 - i. A public health plan as defined in federal regulations, including a plan maintained by a state government, the United States government, or a foreign government; and
 - j. A health benefit plan under section 5(e) of the Peace Corps Act [Pub. L. 87-293; 75 Stat. 612; 22 U.S.C. 2504(e)]; and
 - k. A state's children's health insurance program funded through title XXI of the federal Social Security Act [42 U.S.C. 1397aa et seq.].

The term "qualifying previous coverage" does not include coverage of benefits excepted from the definition of a "health benefit plan" under subsection 17."

Renumber accordingly

2007 TESTIMONY

HB 1155

Testimony on HB 1155
House Human Services Committee
January 10, 2007

Madam Chair and committee members, for the record I am Rod St. Aubyn representing Blue Cross Blue Shield of ND. Blue Cross Blue Shield of North Dakota administers the CHAND program for the CHAND Board. In general most of the proposed changes to the existing CHAND statute (NDCC 26.1-08) would clarify current procedures administering the CHAND program after interpretation by the Insurance Department. To avoid future confusion, HB 1155 is offered for the legislature's consideration. Representatives from the lead carrier, Blue Cross Blue Shield of North Dakota, the Insurance Department, and the CHAND Board have reviewed the proposed bill and mutually agree with its content.

The proposed legislative changes would fall into the following categories:

- Corrects grammatical errors.
- Updates references in state law with changes made in federal laws and/or regulations.
- Clarifies some definitions, such as "Church plan", "Health insurance coverage", "Participating member", and "Resident".
- Deletes language that references other language that was repealed in the past by the legislature.
- Clarifies ambiguous language.
- Clarifies some newly identified exclusions considered in the assessments.
- Clarifies the effective dates for the different types of CHAND applications.
- Clarifies an existing benefit for newly born child.
- Expands the authority of the CHAND Board to make exceptions for terminating CHAND members for other reasons other than just a "verifiable medical reason", for example, residency question.

CHAND is an excellent program and a great safety net for the residents of our state. On behalf of the CHAND Board, we ask for a Do Pass on HB 1155.

The following pages include a more detailed explanation of each proposed change to the CHAND law.

Proposed Changes to CHAND Statute for 2007 Legislative Session

Section 1

1. Added definition for "Church Plan" since it is not currently defined.
2. Corrected language from "Credible" to "Creditable".
3. Added language recently updated for HIPAA rules.
4. Clarified definition for "Health insurance coverage" to be consistent with other parts of the statute and the Model Act for high-risk products. This change will affect the assessment procedures.
5. Deleted Med. Supplemental health insurance because the companies selling these products are considered participating members.
6. Clarified definition of "Participating member".
7. Deleted "accident and" and added "coverage" to be consistent with other language within the CHAND statute and to clarify what is used for assessment purposes.
8. Deleted term not used in the statute anymore.
9. Deleted "Policy" term since it was used only for assessment purposes and this has been clarified elsewhere in the bill.
10. Deleted term used in a section of the law previously deleted.
11. Clarified the definition of "resident".
12. Clarified the definition of a "federally defined eligible individual".
13. Corrected the language from "credible" to "creditable".
14. Renumbered accordingly.

Section 2

1. Deleted "accident and" to be consistent with other language within the CHAND statute and to clarify what is used for assessment purposes.
2. Changed language from "contracts" to "coverage" for consistency.
3. Grammatical change.

Section 3

1. Updated reference to Century Code.

Section 4

1. Deleted a subsection that refers to a term that was previously deleted from the law in a prior session.
2. Renumbered as needed.

Section 5

1. Clarified what CHAND documents need to be filed by the lead carrier with the Insurance Commissioner.

Section 6

1. Clarified language to delete duplication in the definition of participating members.
2. Deleted language that implies that verification of income or premium tax liability is required of each participating member.
3. Deleted "accident and" to be consistent with other language within the CHAND statute and to clarify what is used for assessment purposes.
4. Adds clarification that federal employees health benefit plans are not considered when determining assessments but does include Medicare ~~Part C~~ plans.

Section 7

1. Clarified what needs approval from the Board by the lead carrier.
2. Deleted "accident and" to be consistent with other language within the CHAND statute and to clarify what is used for assessment purposes.

Section 8

1. Grammatical changes and elimination of duplicative word.
2. Deleted "accident and" to be consistent with other language within the CHAND statute and to clarify what is used for assessment purposes.

Section 9

1. Clarified the effective dates for coverage for the different types of CHAND applicants.
2. Changed the term "standard applicant" to "traditional applicant" to avoid the confusion with the standard and basic plans offered by the Med. Supplement-like product within CHAND.
3. Clarified that written evidence is required for applying for CHAND if they are offered other "comparable" insurance by another carrier at a rate higher than the CHAND rates.
4. Clarified that an individual is ineligible for CHAND if he/she is actually receiving health care benefits from Medicaid, not if they are simply eligible for Medicaid.
5. Specifically adds Medicaid as a most recent qualifying previous coverage allowance.

6. Clarified that an individual is ineligible for CHAND if he/she is actually receiving health care benefits from Medicaid, not if they are simply eligible for Medicaid.
7. Clarified that written evidence is required for applying for CHAND if they are offered other "comparable" insurance by another carrier at a rate higher than the CHAND rates.
8. Clarified that an individual is ineligible for CHAND if he/she is actually receiving health care benefits from Medicaid, not if they are simply eligible for Medicaid.
9. Clarified for the TAARA applicant what is meant by a "resident of a public institution".
10. Clarified that neither the applicant nor the applicant's spouse can be receiving health care benefits from an employer if more than 50% is being contributed by the employer. This is based on the Federal regulations.
11. Clarification of the written evidence not needed for applicants applying with an approved medical condition.
12. Clarification for the "traditional" applicant.
13. Clarification on situations in which CHAND applicants can possess both CHAND coverage and a Med. Sup. product from a different commercial carrier.
14. Clarification of coverage for a newborn of a CHAND member.
15. Clarified that the date of application is the "signature" date on preexisting condition section.
16. Deleted language which is inaccurate based on HIPAA rules.
17. Clarified that an individual with a CHAND age 65 and over or disabled policy is also eligible for reduction of waiting periods.
18. Clarified that an individual is ineligible for CHAND if he/she is actually receiving health care benefits from Medicaid, not if they are simply eligible for Medicaid.
19. Clarified the definition of a "federally defined eligible individual".
20. Clarified what is meant by a "resident of a public institution".
21. Clarified the definition of a "federally defined eligible individual".
22. Corrected language from "credible" to "creditable".
23. Renumbered accordingly.

Section 10

1. Clarified that an individual is ineligible for CHAND if he/she is actually receiving health care benefits from Medicaid, not if they are simply eligible for Medicaid.
2. Clarifies the residency issue and allows more latitude for the Board to make exceptions, beyond just medical reasons. Under current language, it appears that a college student with CHAND coverage would have to be automatically cancelled off of CHAND if he/she attends an out-of-state college for more than 182 days a calendar year.

Testimony on HB 1155
Senate Human Services Committee
February 27, 2007

Madam Chair and committee members, for the record I am Rod St. Aubyn representing Blue Cross Blue Shield of ND. Blue Cross Blue Shield of North Dakota administers the CHAND program for the CHAND Board. In general most of the proposed changes to the existing CHAND statute (NDCC 26.1-08) would clarify current procedures administering the CHAND program after interpretation by the Insurance Department. To avoid future confusion, HB 1155 is offered for the legislature's consideration. Representatives from the lead carrier, Blue Cross Blue Shield of North Dakota, the Insurance Department, and the CHAND Board have reviewed the proposed bill and mutually agree with its content. An amendment will be offered to address some legislative council drafting errors and to make some other recent changes. I will address the amendments separately.

The proposed legislative changes to the bill would fall into the following categories:

- Corrects grammatical errors.
- Updates references in state law with changes made in federal laws and/or regulations.
- Clarifies some definitions, such as "Church plan", "Health insurance coverage", "Participating member", and "Resident".
- Deletes language that references other language that was repealed in the past by the legislature.
- Clarifies ambiguous language.
- Clarifies some newly identified exclusions considered in the assessments.
- Clarifies the effective dates for the different types of CHAND applications.
- Clarifies an existing benefit for newly born child.
- Expands the authority of the CHAND Board to make exceptions for terminating CHAND members for other reasons other than just a "verifiable medical reason", for example, residency question.

CHAND is an excellent program and a great safety net for the residents of our state. On behalf of the CHAND Board, we ask for a Do Pass on HB 1155 after the amendment has been adopted.

The following pages include a more detailed explanation of each proposed change to the CHAND law.

Proposed Changes to CHAND Statute (HB 1155)

Section 1

26.1-08-01

1. Added definition for "Church Plan" since it is not currently defined.
2. Corrected language from "Credible" to "Creditable".
3. Added language recently updated for HIPAA rules.
4. Deleted "accident and" to be consistent with other language within the CHAND statute and to clarify what is used for assessment purposes.
5. Changed language from "contracts" to "coverage" for consistency.
6. Deleted term not used in the statute anymore.
7. Deleted "Policy" term since it was used only for assessment purposes and this has been clarified elsewhere in the bill.
8. Deleted term used in a section of the law previously deleted.
9. Clarified the definition of "resident".
10. Clarified the definition of a "federally defined eligible individual".
11. Corrected the language from "credible" to "creditable".
12. Renumbered accordingly.

Section 2

26.1-08-02.1

1. Deleted "accident and" to be consistent with other language within the CHAND statute and to clarify what is used for assessment purposes.
2. Changed language from "contracts" to "coverage" for consistency.

Section 3

26.1-08-02.2

1. Updated reference to Century Code.

Section 4

26.1-08-06

1. Deleted a subsection which refers to a term which was previously deleted from the law in a prior session.
2. Renumbered.

Section 5

26.1-08-07

1. Clarified what CHAND documents need to be filed by the lead carrier with the Insurance Commissioner.

Section 6
26.1-08-09

1. Deletes duplicative definition of a participating member of CHAND.
2. Deletes language which implies that verification of income or premium tax liability is required of each participating member.
3. Deletes "accident and" as done elsewhere for consistency.
4. Defines what policies are to be considered in determining the participating members.

Section 7
26.1-08-10

1. Clarified what needs approval from the Board by the lead carrier.
2. Deleted "accident and" to be consistent with other language within the CHAND statute and to clarify what is used for assessment purposes.

Section 8
26.1-08-11

1. Grammatical changes and elimination of duplicative word.
2. Deleted "accident and" to be consistent with other language within the CHAND statute and to clarify what is used for assessment purposes.

Section 9
26.1-08-12

1. Clarified the effective dates for coverage for the different types of CHAND applicants.
2. Changed the term "standard applicant" to "traditional applicant" to avoid the confusion with the standard and basic plans offered by the Med. Supplement-like product within CHAND.
3. Clarified that written evidence is required for applying for CHAND if they are offered other "comparable" insurance by another carrier at a rate higher than the CHAND rates.
4. Clarified that an individual is ineligible for CHAND if he/she is actually receiving health care benefits from Medicaid, not if they are simply eligible for Medicaid.
5. Specifically adds Medicaid as a most recent qualifying previous coverage allowance.
6. Clarified that an individual is ineligible for CHAND if he/she is actually receiving health care benefits from Medicaid, not if they are simply eligible for Medicaid.
7. Clarified that written evidence is required for applying for CHAND if they are offered other "comparable" insurance by another carrier at a rate higher than the CHAND rates.