

**2015 SENATE HUMAN SERVICES**

**SB 2231**

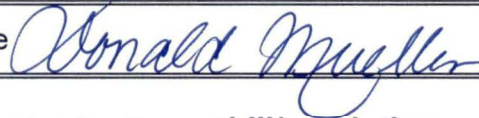
# 2015 SENATE STANDING COMMITTEE MINUTES

**Human Services Committee**  
Red River Room, State Capitol

SB 2231  
1/27/2015  
22618

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



## **Explanation or reason for introduction of bill/resolution:**

A bill relating to the comprehensive health association; to provide a contingent effective date; and to provide an expiration date.

## **Minutes:**

Attach #1: Testimony by Jeff Ubben

Chairman Judy Lee: District 13 was on hand to introduce the bill on behalf of the board of Comprehensive Health Association of North Dakota, otherwise known as CHAND. CHAND is the high risk program in North Dakota which is available to people who have been denied coverage by insurance companies. This is a program for the past 30+ years that enables citizens to purchase health insurance if they are not able to purchase from a private insurance company. This has all been affected by federal health care reform and we have continued to deal with this. What we are looking for is the ability to modify the benefits to meet the minimum requirements.

Jeff Ubben: General Counsel and Director of the Legal Division of the North Dakota Insurance Department, spoke in favor of SB 2231(attachment #1) (2:05-6:35).

V. Chairman Oley Larsen: You said that there were 113 people enrolled in this program. To cover the fee if they didn't have the proper coverage, how many of these folks received an income tax return. Everything is tied to gross wage, and if you don't have that, that is where the fine hits.

Jeff Ubben: I can't tell you the exact number of people who have filed an income tax return. It is actually 813 people, not 113 as previously stated.

Senator Howard Anderson, Jr.: With the ACA, there isn't supposed to be any exclusion under ordinary insurance policies. What would prevent them from transitioning to whatever policy they want?

Jeff Ubben: That is something that the CHAND board continues to look at. Those who have CHAND coverage usually keep it because they like the plan, good provider network, feel comfortable with the CHAND, but nothing would stop them from transitioning to the exchange.

V. Chairman Oley Larsen: Do they get some offset on the premium whereas on the marketplace exchange you have to meet the out-of-pocket expense first before any of these other benefits will kick in?

Jeff Ubben: That could potentially come into play for some folks.

Chairman Judy Lee: How many are in the high-risk plan? The problem was that the federal one, when that option was there, had a much smaller network, higher copays and higher deductibles, and 6 month wait. In North Dakota's plan, once you were accepted, you were in. People are paying their own premiums; the maximum premium that can be paid is 135% of average of the premium that are paid by those who are selling insurance in the state. The federal one was 100%, so supposedly the premium was less. The intention is that they will move to the exchange, but some folks are 62 years old and don't want maternity coverage, for example. It hasn't been phased out, as it works its way through the system, that eventually we may not have a state CHAND plan. We are looking to work with the federal government for those people who have that preference to continue.

V. Chairman Oley Larsen: If CHAND went away, would that flag an event so they could enroll in the exchange.

Jeff Ubben: If CHAND was to lose its designation as essential minimal coverage, there would be an enrollment for 60 days. If legislature makes CHAND go away then I do not have an answer for that one.

V. Chairman Oley Larsen: What they could do, it could be grandfathered until the opening of the next enrollment cycle.

Jeff Ubben: The federal government indicated that you get a year of coverage and still be in compliance with ACA.

Chairman Judy Lee: If you are renewed for the year, you get the whole year.

OPPOSITION to SB 2231  
No opposed testimony

NEUTRAL to SB 2231  
No neutral testimony

Closed Public Hearing

**Senator Howard Anderson, Jr.** made a motion to recommend a DO PASS for SB 2231, with a second by **Senator Dever**. There was no discussion.

Roll Call Vote  
5 Yes, 1 No, 0 Absent. Motion carried.

**Senator Howard Anderson, Jr.** will carry the bill to the floor.

# 2015 SENATE STANDING COMMITTEE MINUTES

Human Services Committee  
Red River Room, State Capitol

SB 2231  
1/27/2015  
22639

☐ Subcommittee  
☐ Conference Committee

Donald Mueller



## Explanation or reason for introduction of bill/resolution:

A bill relating to the comprehensive health association; to provide a contingent effective date; and to provide an expiration date.

## Minutes:

No attachments

These are minutes from Senate Human Services Committee work on January 27, 2015

**V. Chairman Oley Larsen** clarified his "no" vote and resistance on passage of SB 2231. He embraces the health care plan that we had prior to the Affordable Care Act. North Dakota has a good right, and it has no contention of this bill that he speaks against. What has happened since this started, now we have Affordable Care Act that parallels this bill that everybody is supposed to be covered, has the essential benefits, and going down that path. It seems like it is a carve out, where we are going to continue this but also have the Affordable Care Act. The Affordable Care Act is supposed to have precedence over the United States. If we are going to embrace this when we voted for the Medicaid expansion, that we had to force that through to the state, that we should force every issue that is tied to the Affordable Care Act, so that the people can understand what all of the nation is going through when it comes to this.

**Chairman Judy Lee** indicated that we won't rehash that. The board understands that. The concern was that there is work to be done to make this shift and eventually it will go away, and part of this is around the supreme court ruling and what evolves from that. We don't want anyone in the high risk pool not to be covered appropriately in some way. The premiums, copays and deductibles are so high with Affordable Care Act. The board and people who administer the program notified the holders of the policies that this is going to happen, some preparations need to be made, it is going to take time to enable them and counsel them through it. We did have conversations with insurance providers, and insurance department. Gradually some have already moved and more will.



Date: 01/27 2015  
Roll Call Vote #: 1

**2015 SENATE STANDING COMMITTEE**  
**ROLL CALL VOTES**  
BILL/RESOLUTION NO. SB 2231

Senate Human Services Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Anderson Seconded By Dever

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	✓		Senator Tyler Axness	✓	
Senator Oley Larson (V-Chair)		✓	Senator John M. Warner	✓	
Senator Howard C. Anderson, Jr.	✓				
Senator Dick Dever	✓				

Total (Yes) 5 No 1

Absent 0

Floor Assignment Anderson

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

**REPORT OF STANDING COMMITTEE**

**SB 2231: Human Services Committee (Sen. J. Lee, Chairman)** recommends **DO PASS** (5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2231 was placed on the Eleventh order on the calendar.

**2015 HOUSE HUMAN SERVICES**

**SB 2231**

# 2015 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee  
Fort Union Room, State Capitol

SB 2231  
3/18/2015  
Job #25076

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature *Kenneth M. Tishler*

## Explanation or reason for introduction of bill/resolution:

Relating to the comprehensive health association, provide a contingent effective date and expiration date.

## Minutes:

Attachments: #1.

Chairman Weisz opened the hearing on SB 2231.

**Rebecca Ternes: Deputy Commissioner ND Insurance Dept.** introduced and supported the bill. (Testimony #1)

6:24

**Rep. Porter:** Now I'm totally confused. So, as ACA comes in, and we have universal coverage, we do Medicaid expansion, we have a Federally-run exchange that is subsidized, and one of the main issues is that you can't say that you can't have insurance based on your prior medical health coverage. We had a plan at my work that didn't qualify, and Blue Cross said it's done; find a new one. Why would we keep trying to band-aid this when inside of everything that's been done, there's a plan that's better than this out there? And subsidized.

**Ternes:** I think some people don't think there's better plans out there. I'm assuming these people really like this plan. And they like the benefits. And they think that the price is appropriate for them, because they stayed. I don't know the particular plan that you were on or where you ended up.

**Rep. Porter:** It wasn't good, either the old one or the new one.

**Ternes:** Probably you're saying that because it was more expensive.

**Rep. Porter:** It was more expensive. It had less coverage. And it had higher out-of-pocket.

**Ternes:** I think what you're telling me then, is that you would have stayed had you been able to, had Blue Cross not cancelled the plan. And I think that's what we're seeing here. It could certainly be that people don't realize they can go out and get a plan and be covered



now. That might be the case as well. I think we kind of have to guess why they stayed. But we talked about that pretty thoroughly with the CHAND board. And they unanimously asked the department to draft this legislation and bring it forward. I think the next two years will be critical. You could see the CHAND enrollment almost disappear, and maybe that's a message for the next legislature. You could see them stay. But that was the feeling of the board at the time.

**Rep. Porter:** Has there been any notification to the 800 and some individuals that they should at least go out and look to see if what they have is a good product in comparison to what's out there now? That they don't qualify for a full subsidy, and have zero out-of-pocket as far as the premium is concerned, and all of the issues that are inside of the health industry, they may be comfortable because no one told them there may be a better deal out there. But they may be sitting there as the uninformed public thinking that no one told us that this was a bad deal, so we're just going to stay here until someone tells us. If no one said, you should go look, at least, and go out to the Federal exchange, and put your information in and see, it could be saving them hundreds of dollars a month in premiums if they qualified to be subsidized or they qualified to be on Medicaid expansion or Medicaid. It may be part of this that it's our job to educate the 813 people that are remaining because they may just be sitting still because they are too unsure to make a move. They may not be happy with what they have. I have spoken to very few people on CHAND that thought it was a great insurance product. It was all that they could get. Maybe they just need the information to make a good informed decision that there is something better out there that is subsidized and fits.

**Ternes:** I don't know if any specific letters went out to enrollees before 2014. We will check to see if we did. There are notice provisions that are required every year for the policies that go out. I'm not sure if they mentioned that to the members or not. And I'm not sure what the web site says about those types of things.

**Rep. Mooney:** How many used to be on CHAND?

**Ternes:** Our high point for CHAND since 1991 was 2003 when there was 1,806 people. In 2013, which is the key here because that was the year that everyone knew they could shop around and not be restricted because of health, there was 1,383. So now we're at 800 and some. I should mention approximately between 20-30 percent over the years have been age 65 or over and are on more of a med sup, and not the major medical that we're kind of focusing on here. So that lessens the number again for major medical. Between 20 and 30 percent over the years. It seems to be slightly growing.

**Rep. Rich Becker:** I'm just wondering, if there was 1000 high point or 1100, and it's still closer to 900, it hasn't come down very much over time. These people maybe do like it, and maybe there are better plans out there, but I almost hesitate in saying this, but maybe these people think or remember that someone once said, if you like your insurance plan, you can keep your insurance plan, and they want to make sure they have that right.

**Rep. Weisz:** Are there any of the 813 people on CHAND that can't go anywhere else under the new Affordable Care Act?

**Ternes:** No. I can't imagine who that would be. They could if they wanted to.

**Chairman Weisz:** Are some of these pre-existing conditions?

**Ternes:** Medicare supplement plans can be underwritten when you purchase them, except when you're turning 65, I believe. So, if they've got them and they want to switch from them, there could be a problem, unless the plan is cancelled or something out of their control. That might be another reason they stay there.

**Chairman Weisz:** So they could be denied coverage, though, under a Medicare supplement plan because of...

**Ternes:** If we as a state decide some day that we don't want CHAND, and shut CHAND down, they would then be able to go and find another Medicare supplement plan because it would be a cancelled plan, so they wouldn't have a choice. So that would be a different set of circumstances vs. voluntarily leaving one Medicare supplement plan and going to another.

**Chairman Weisz:** So if they're currently not on CHAND, and they would apply for a Medicare supplement plan, and they could be denied because CHAND exists, because if they've got a pre-existing and they could still be shifted to CHAND under this scenario. But if we got rid of CHAND, then they'd have to take them. Is that what you're telling me?

**Ternes:** CHAND would have to take them. You're saying they're over 65 so they're not within that enrollment eligibility window that everyone gets into.

**Chairman Weisz:** That's my understanding. So, if the Blue Cross, for example, said, no, we're not going to take you as a Medicare supplemental plan, CHAND is going to take them, but if CHAND didn't exist, are you saying that the Blues would have to take them?

**Ternes:** Not necessarily. They would be underwritten, probably, according to their health status, in another Medicare supplement plan.

**Chairman Weisz:** So somebody would have to take them under the ACA?

**Ternes:** No. Not necessarily a Medicare supplement plan.

**Chairman Weisz:** So in Medicare supplement plan, there is no pre-existing requirement?

**Ternes:** They can underwrite for health status in Medicare supplement plans, and do. I don't know that we get a lot of people denied now, necessarily, but that was the reason the CHAND supplemental plan was developed. And sometimes because it's capped out for premium, it becomes more affordable to have that plan there than possibly being underwritten on the open market with a company that is going to take your health status and underwrite accordingly. Be sure to call us before you turn 65 because there's a lot to think about, and we help people with that.

**Rep. Fehr:** Why wasn't the CHAND considered a grandfathered plan?

**Ternes:** I don't think it was considered a grandfathered plan because it was specifically exempted from grandfathered status, originally the high-risk pools. High-risk pools existed in every state. There came a point where the Federal government ran a separate high-risk pool that people could get into, and states could have chosen to run it themselves and get funding, and it ran out of money so they shut those high-risk pools down. So there's been several changes to the way high-risk pools have run since about 2009-2010. And the high-risk pools, some of them in other states are not very rich plans, or they're extremely high cost-sharing plans. And so they just never included them into grandfathered status.

19:17

**Meagan Huhn(SP?), Dir. Of Govt. Relations, Blue Cross/Blue Shield, Administrator for the CHAND Product :** Don't oppose this bill.

**Chairman Weisz:** Any others in support of SB 2231? Those in opposition to SB 2231? Any opposition?

Chairman Weisz closed the hearing on SB 2231.

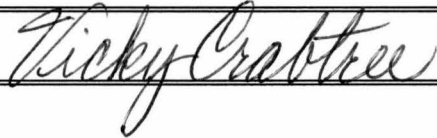
# 2015 HOUSE STANDING COMMITTEE MINUTES

**Human Services Committee**  
Fort Union Room, State Capitol

SB 2231  
3/24/2015  
No Recording

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



## Minutes:

Chairman Weisz: Let's look at SB 2231 which is the CHAND bill. (Gave an overview of CHAND for the committee.)

Rep. Porter: I have a concern of the 813 people enrolled in the plan that they may have an attitude not to look at other plans. Since you have this expiring I would like to put in a section 4 that they send out a letter to the participants. I move that language as an addition to Section 4.

Rep. Mooney: Second.

Rep. Porter: No I did not. Why ending dates are put in bills like this, is because another Legislative Session will happen and this will be there for a review again.

Rep. Fehr: It is not that I am opposing the amendment, but it seems to me we are trying to improve a bill I don't think we need to keep. I don't see the point of an amendment to this bill that doesn't have a purpose to exist unless Obamacare goes away.

Rep. Porter: This is a state subsidized plan. Only one-half to two-thirds of the program is covered by premium the other component is covered by a tax against the insurance industry. It only sells single policies and it is limited in scope. The full intent was to grab the people whose insurance company dropped them.

Chairman Weisz: If we dump CHAND and if they have a pre-existing condition, they are denied.

VOICE VOTE

MOTION CARRIED

Rep. Hofstad: I move a Do Pass as Amended to SB 2231.

Rep. Porter: Second.

House Human Services Committee  
SB 2231  
March 24, 2015  
Page 2

ROLL CALL VOTE: 13 y 0 n 0 absent

Bill Carrier: Rep. B. Anderson

8/1  
3/24/15

March 24, 2015

PROPOSED AMENDMENTS TO SENATE BILL NO. 2231

Page 1, line 2, after the semicolon insert "comprehensive health association of North Dakota notification of policy holders;"

Page 3, after line 2, insert:

**"SECTION 2. NOTIFICATION.** The board shall notify current policy holders of their options under the federal Patient Protection and Affordable Care Act [Pub. L. 111-148]."

Renumber accordingly



Date: 3-24-15  
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 2231

House Human Services Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☒ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Rep. Porter Seconded By Rep. Mooney

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz			Rep. Mooney		
Vice-Chair Hofstad			Rep. Muscha		
Rep. Bert Anderson			Rep. Oversen		
Rep. Dick Anderson					
Rep. Rich S. Becker					
Rep. Damschen					
Rep. Fehr					
Rep. Kiefert					
Rep. Porter					
Rep. Seibel					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

*Add to Section 2, "NOTIFICATION"  
have a letter sent to participants  
about their options.*

Date: 3-24-15  
Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 2231

House Human Services Committee

☐ Subcommittee

Amendment LC# or Description: 15.0533.02001

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☒ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Rep. Hofstad Seconded By Rep. Porter

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	✓		Rep. Mooney	✓	
Vice-Chair Hofstad	✓		Rep. Muscha	✓	
Rep. Bert Anderson	✓		Rep. Oversen	✓	
Rep. Dick Anderson	✓				
Rep. Rich S. Becker	✓				
Rep. Damschen	✓				
Rep. Fehr	✓				
Rep. Kiefert	✓				
Rep. Porter	✓				
Rep. Seibel	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment B. Anderson

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

**REPORT OF STANDING COMMITTEE**

**SB 2231: Human Services Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2231 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "comprehensive health association of North Dakota notification of policy holders;"

Page 3, after line 2, insert:

**"SECTION 2. NOTIFICATION.** The board shall notify current policy holders of their options under the federal Patient Protection and Affordable Care Act [Pub. L. 111-148]."

Renumber accordingly

**2015 TESTIMONY**

**SB 2231**

**SENATE BILL NO. 2231**

*Attach #1*  
*SB 2231*  
*01/27/15*  
*J#22618*

**Presented by:** Jeff Ubben  
General Counsel  
North Dakota Insurance Department

**Before:** Senate Human Services Committee  
Senator Judy Lee, Chairman

**Date:** January 27, 2015

**TESTIMONY**

Good Morning Madam Chair and members of the committee. My name is Jeff Ubben and I am the General Counsel and Director of the Legal Division for the North Dakota Insurance Department. I appear before you today in support of Senate Bill No. 2231.

Senate Bill No. 2231 concerns the Comprehensive Health Association of North Dakota, commonly known as "CHAND". CHAND is North Dakota's high risk health insurance pool. It was created by the Legislature in 1981 and became operational in 1982. Its purpose is to provide comprehensive health insurance benefits to North Dakota residents who have been denied health insurance or who have been given restricted coverage or excessive health insurance premiums because of high-risk health problems. As of December 31, 2014, 813 people were enrolled in a CHAND benefit plan.

CHAND covers major medical and prescription drug expenses, subject to benefit plan limitations and exclusions. Premiums fund approximately one-half to two-thirds of the program and by law are not allowed to exceed 135 percent of premiums charged in the State of North Dakota for similar coverage. The balance is covered by assessments to health insurance companies that write at least \$100,000 in annual premiums on behalf of residents of North Dakota.

Pursuant to the federal Affordable Care Act (ACA), an individual must obtain health insurance coverage qualifying as minimum essential coverage (MEC) or be subject to the law's individual mandate tax penalty. The Insurance Department was initially informed last year by the U.S. Department of Health and Human Services that state high risk pools would no longer receive a designation as minimum essential coverage under the ACA for plan or policy years beginning on or after January 1, 2015. Shortly after that time, the Department of Health and Human Services informed Insurance Department staff that the CHAND benefit plan had multiple provisions which would not allow CHAND to qualify as MEC under the ACA. What this would have meant is individuals could still have purchased or renewed their CHAND coverage on or after January 1, 2015, but they would likely have been subject to paying the individual mandate tax penalty of the ACA.

Late last year, the U.S. Department of Health and Human Services released a proposed rule that would allow high risk health insurance pools to keep an MEC designation under the ACA without having to modify their benefit plans. The proposed rule invited comment on how long high-risk pool MEC designation should continue. The CHAND board of directors submitted a comment letter suggesting the designation should remain indefinitely. The proposed rule's comment period is now closed and we expect final rules before the end of the second quarter of 2015.

Given there is still uncertainty in whether or not CHAND will keep its MEC designation and that the uncertainty could last beyond the legislative session, the CHAND board of directors decided to pursue legislation which would allow the board to modify the benefit plan coverage for the purpose of enabling the CHAND benefit plan coverage, design and operation to qualify as minimum essential coverage under the ACA.

This bill contains a contingent effective date so it would only become effective if the U.S. Department of Health and Human Services does not provide a minimum essential coverage designation to state high risk pools. In addition, the bill contains a sunset date of July 31, 2017. Prior to that date, the CHAND board will have time to study whether



CHAND should continue and any changes that might be necessary to suggest for the 2017 Legislative Session.

In conclusion, I respectfully request a "do pass" recommendation from this committee on Senate Bill No. 2231 and am happy to take any questions.

SB 2231  
3/18/2015  
#1

**SENATE BILL NO. 2231**

**Presented by:** Rebecca Ternes  
Deputy Commissioner  
North Dakota Insurance Department

**Before:** House Human Services Committee  
Representative Robin Weisz, Chairman

**Date:** March 18, 2015

**TESTIMONY**

Good afternoon Chairman Weisz and members of the committee. My name is Rebecca Ternes and I am the Deputy Commissioner of the North Dakota Insurance Department. I appear before you today in support of Senate Bill No. 2231.

Senate Bill No. 2231 concerns the Comprehensive Health Association of North Dakota, commonly known as "CHAND". CHAND is North Dakota's high risk health insurance pool. It was created by the Legislature in 1981 and became operational in 1982. Its purpose is to provide comprehensive health insurance benefits to North Dakota residents who have been denied health insurance or who have been given restricted coverage or excessive health insurance premiums because of high-risk health problems. As of December 31, 2014, 813 people were enrolled in a CHAND benefit plan.

CHAND covers major medical and prescription drug expenses, subject to benefit plan limitations and exclusions. Premiums fund approximately one-half to two-thirds of the program and by law are not allowed to exceed 135 percent of premiums charged in the State of North Dakota for similar coverage. The balance is covered by assessments to health insurance companies that write at least \$100,000 in annual premiums on behalf of residents of North Dakota.

Pursuant to the federal Affordable Care Act (ACA), an individual must obtain health insurance coverage qualifying as minimum essential coverage (MEC) or be subject to the law's individual mandate tax penalty. The Insurance Department was initially informed last year by the U.S. Department of Health and Human Services that state high risk pools would no longer receive a designation as minimum essential coverage under the ACA for plan or policy years beginning on or after January 1, 2015. Shortly after that time, the Department of Health and Human Services informed Insurance Department staff that the CHAND benefit plan had multiple provisions which would not allow CHAND to qualify as MEC under the ACA. What this would have meant is individuals could still have purchased or renewed their CHAND coverage on or after January 1, 2015, but they would likely have been subject to paying the individual mandate tax penalty of the ACA.

Because the CHAND Board of Directors felt enrollees should be allowed to stay on CHAND should they choose, the Board directed the Insurance Department to draft legislation allowing the Board to make changes to the plan to make it qualify as minimum essential coverage. Therefore, you have the bill before you.

Late last year, the U.S. Department of Health and Human Services released a proposed rule that would allow high risk health insurance pools to keep an MEC designation under the ACA without having to modify their benefit plans. The proposed rule invited comment on how long high-risk pool MEC designation should continue. The CHAND Board of Directors submitted a comment letter suggesting the designation should remain indefinitely. The final rule was released in late February.

The final rule agreed states are in the best position to assess the unique circumstances of their high risk pools and allowed an unlimited MEC designation for high risk pools if they were in effect prior to November 26, 2014.

Although it may seem the bill is unnecessary now that the final rule has been released, there could be a slight chance that prior to the next session this rule changes so passing the bill does no harm.

This bill contains a contingent effective date so it would only become effective if the U.S. Department of Health and Human Services reverses this decision.

The bill also contains a sunset date of July 31, 2017. Prior to that date, the CHAND Board will have time to study whether CHAND should continue and any changes that might be necessary to suggest for the 2017 legislative session.

In conclusion, I respectfully request a "do pass" recommendation from this committee on Senate Bill No. 2231 and am happy to take any questions.