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July 2, 2019

The Honorable Alex Azar  
Secretary  
Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

The Honorable Steven Mnuchin  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

**RE: North Dakota Section 1332 Waiver Application**

Dear Secretary Azar and Secretary Mnuchin,

The Global Healthy Living Foundation (GHLF) writes in support of the North Dakota Section 1332 State Waiver Application. The Reinsurance Association of North Dakota (RAND) developed through this waiver is intended to improve access to affordable healthcare coverage.

By way of background, GHLF is a 20-year-old non-profit patient organization reaching millions of chronically ill patients and their caregivers across the country through social media, community events and online support and education. GHLF works to improve the quality of life for patients living with chronic disease by making sure their voices are heard and advocating for improved access to care at the local level. Our patients suffer from chronic conditions including arthritis, psoriasis, gastrointestinal disease, cardiovascular disease and migraine. Our patients rely on affordable and accessible healthcare coverage to manage their complex conditions in order to function in everyday life. It is on behalf of our patients that we express our support for the North Dakota Section 1332 State Waiver Application, which promotes a strong marketplace for comprehensive coverage.

Beginning in the 2020 plan year, this waiver would introduce a five-year reinsurance program in North Dakota. Reinsurance programs help insurance companies with high cost enrollees and help keep insurance costs affordable for all. The waiver intends to stabilize the individual market, reduce rates, and support an expansion of insurance offerings and growth of insurance options. Lower rates will encourage more and diverse enrollees into the market to create a healthier risk pool. Healthy lives are needed to balance the risk for the vulnerable, and create overall affordable coverage.

Since the enactment of the Affordable Care Act, the North Dakota market has been unstable with rate increases and limited options. This has left patients with unaffordable coverage. Without RAND, premiums will continue to rise. Healthy people will leave the risk pools which will result in increased costs. The annual projected premium for a 21-year-old non-smoker without RAND is expected to rise from \$4,734.60 in 2019 to \$8,269.80 in 2024. This is simply unaffordable. With RAND, premiums are

expected to be reduced by approximately 20 percent, thereby increasing affordability and opening up the market.<sup>1</sup>

This waiver meets the budget neutrality requirement of Section 1332, and will not result in increased federal spending. With the waiver lowering premiums by approximately 20 percent, the advanced premium tax credits (APTCs) will be lowered as well, resulting in lower federal government costs. The reinsurance program will be funded through the money saved from lowering the APTCs.

GHLF supports RAND as it facilitates the affordability and accessibility of coverage for North Dakotans. We respectfully ask that you support this waiver to ensure that all patients are able to receive the comprehensive coverage they need at an affordable rate. Thank you for the opportunity to comment. If you have any questions about our comments, please feel free to contact Steven Newmark at [snewmark@GHLF.org](mailto:snewmark@GHLF.org)

Respectfully submitted,



Steven Newmark, JD, MPA  
Director of Policy and General Counsel  
Global Healthy Living Foundation

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<sup>1</sup> North Dakota Department of Insurance. North Dakota 1332 Waiver Application. May 10, 2019, <https://www.nd.gov/ndins/sites/www/files/documents/Health%20Care%20Reform/Final%20North%20Dakota%201332%20Waiver%20Application.pdf>.

