



2023 Semi-Annual Report

September 2023

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PLAN HISTORY

The North Dakota Legislature created the Comprehensive Health Association of North Dakota (CHAND) in 1981. The first contract was sold in 1982. Its initial purpose was to provide comprehensive health insurance benefits to North Dakota residents who had been denied health insurance or given restricted coverage because they were considered to be in a high risk category. Initially the program was designed to be self-supporting through premium dollars.

North Dakota is one of 6 states that have traditional risk pool programs remaining. Other states have discontinued their risk pool programs since the inception of the Affordable Care Act (ACA) and participated in the Exchange Marketplace.

CHAND's enabling legislation included a 180-day waiting period for preexisting conditions. If the applicant had continuous coverage under another health policy during the twelve months immediately preceding application, this waiting period was waived.

The program benefits and rates are approved by the board of directors on an annual basis. Benefit design, the levels of health insurance coverage, exclusions and limitations are generally reflective of coverage provided in the state. The medical needs of the pool's high risk health subscribers and costs they will incur are taken into consideration. In November 1987, the CHAND Board added a number of Managed Care provisions in an effort to control utilization of health care services.

The program is administered in accordance with the governing legislation and direction of the board of directors. The initial board consisted of one representative from each of the commercial insurance carriers with the ten highest annual health and accident insurance premiums. Blue Cross Blue Shield of North Dakota has provided Lead Carrier administration of the Program since 1981.

The table on the following pages documents some of the highpoints of legislation and benefit plan changes since inception.

Year	Change to Legislation
1983	<ul style="list-style-type: none"> □ Due to the high claims costs, the original legislation was amended to limit the cost of CHAND coverage to 135% of the average premium charged for standard coverage. All accident and health insurance companies who do a minimum of \$100,000 of premium volume annually in North Dakota are required by law to participate in CHAND and contribute to its funding through an assessment that is based on their accident and health premium volume. The state of North Dakota subsidizes CHAND through premium tax credits equal to each company's assessment. □ Organ transplants became a covered service with prior approval from the Board of Directors. □ A plan that would supplement Medicare coverage was created.
1985	<ul style="list-style-type: none"> □ Allowed a CHAND applicant to purchase, at the time of enrollment, a waiver of the 180-day waiting period for preexisting conditions contingent upon the receipt of additional premium equal to three times the monthly premium for a period of six months. □ Added a six-month state residency requirement for eligibility. □ Required one year of prior coverage for waiting period waiver to apply. □ Amended the waiting period limitation to exclude non-elective treatment for a congenital condition or genetic disease. □ Lowered the requirement for two rejection letters to one.
1987	<ul style="list-style-type: none"> □ Due to the negative financial impact on the program, the ability of a subscriber to purchase a waiver of waiting periods was removed. □ HMOs were added to the definition of companies required to offer coverage to the medically unisurables.

PLAN HISTORY Continued...

1989	<p>The \$150 deductible plans were removed. Subscribers were transferred to \$500 deductible plans effective August 1, 1989.</p> <ul style="list-style-type: none"> □ The original waiting period waiver was amended to include applicants losing dependent status under a parent or guardian policy that had provided continuous coverage for the twelve-month period immediately preceding the filing of the application for nonelective procedures. □ Authorizes the Board of Directors to exempt, by a two-thirds majority vote, an applicant from the preexisting condition waiting periods under emergency circumstances to provide an applicant access to medical care deemed necessary to preserve life. □ The Board structure was changed to consist of one representative from each of the three companies with the highest accident and health premium volumes, the Insurance Commissioner, the State Health Officer, the Director of the Office of Management and Budget, one Senator and one Representative. Each of the Directors holds one vote.
1993	<ul style="list-style-type: none"> □ To help offset the increase of the lifetime maximum benefits from \$250,000 to \$500,000, the 1993 Legislature extended the waiting period for maternity benefits to 270 days if the applicant was applying for Traditional or Age 65 and Over or Disabled plan coverage due to pregnancy. However, if in addition to pregnancy, a medical condition existed that prevented the applicant from obtaining commercial coverage; the maternity benefit would be allowed after 180 days.
1995	<ul style="list-style-type: none"> □ The waiting period waiver was modified to the current legislation for Traditional and Age 65 and Over or Disabled plan enrollees. It provides for a reduction of the 180-day waiting period by days of membership under qualifying previous coverage, if continuous at least 63 days prior to the individual's effective date of coverage with CHAND. □ To provide consistency with other risk plans, the lifetime maximum benefit amount was raised to \$1,000,000.
1997	<ul style="list-style-type: none"> □ As part of the federal Health Insurance Portability and Accessibility Act (HIPAA) of 1996, every state could either adopt an acceptable state alternative mechanism for group-to-individual portability or accept the federal "fall-back" mechanism. CHAND was designated as the alternative program, providing North Dakota's residents with access to CHAND as a HIPAA qualified individual. □ HIPAA enrollees are exempted from preexisting condition and waiting period limitations.
2001	<ul style="list-style-type: none"> □ CHAND's residency guidelines were clarified to require a subscriber physically resides out of the state of North Dakota for more than 182 days per benefit year. Failure to meet with qualification would result in termination of the CHAND benefit plan.
2003	<ul style="list-style-type: none"> □ Added language that allows CHAND to be utilized as an insurance vehicle for North Dakota residents that are eligible for assistance with health premiums through the Federal Trade Adjustment Assistance Reform Act of 2002 or Pension Benefit Guarantee Corporation Assistance. These individuals are able to receive reimbursement of 65% of their health premiums on a monthly pre-tax basis or through a special federal income tax credit at year-end. □ TAARA enrollees are exempted from preexisting condition and waiting period limitations. □ Excluded from CHAND are residents who are: 1) enrolled in health benefits with the state's medical assistance program; 2) prior CHAND subscribers for whom CHAND has paid one million dollars in benefits on behalf of the individual; 3) prior CHAND subscribers who have terminated their CHAND coverage within the last twelve months (not applicable to HIPAA individuals); 4) imprisoned under federal, state or local authority (not applicable to HIPAA individuals); or, 5) having their premiums paid for or reimbursed under any government-sponsored program, government agency, health care provider, nonprofit charitable organization, or the individual's employer (not applicable to TAARA individuals receiving reimbursement or tax credits for their premium).

PLAN HISTORY Continued...

2007	<ul style="list-style-type: none"> □ Repealed the 2001 legislation that defined an eligible CHAND subscriber as individual who physically reside in North Dakota for more than 182 days per benefit year and redefined “resident” for the purpose of CHAND, as an individual who is a legal resident of the state. □ Provided authority to the board of directors to waive the residency requirement upon showing of good cause. □ Documented effective date guidelines for each type of applicant; dependent and spouse eligibility; and, benefits available to a newborn through the mother’s CHAND benefit plan. □ Changed the name of the “Standard” major medical plan to “Traditional” for ease of clarification between the major medical and supplement products.
2009	<ul style="list-style-type: none"> □ Added eligibility for individuals who have reached their lifetime maximum coverage amount on the most recent health insurance coverage provided the application is submitted within ninety days after the date the lifetime maximum occurred and the is accompanied by premium for coverage retroactive to the date that the lifetime maximum occurred. No waiting period is applied and an individual may apply for a Traditional plan prior to a 12-month lapse in coverage. □ Expanded the qualifying previous coverage for HIPAA applicants to include all types of creditable coverage. □ Clarified that an individual must be enrolled in CHAND for their dependent(s) and spouse to be qualified to apply for CHAND. □ Clarified that the 31-day coverage for a newly born child is not available to an individual applying for Age 65 and Over or Disabled coverage.

BENEFIT PLANS

Traditional, HIPAA or TAARA applicants may select one of four benefit plans:

1. **\$500 Deductible without Chiropractic**
\$500 annual deductible with 80% benefit allowance up to the \$3000 annual out-of-pocket maximum, then 100% of allowed benefits. Chiropractic coverage is excluded.
2. **\$1000 Deductible without Chiropractic**
\$1000 annual deductible with 80% benefit allowance up to the \$3000 annual out-of-pocket maximum, then 100% of allowed benefits. Chiropractic coverage is excluded.
3. **\$500 Deductible with Chiropractic**
\$500 annual deductible with 80% benefit allowance up to the \$3000 annual out-of-pocket maximum, then 100% of allowed benefit. Chiropractic coverage is included.
4. **\$1000 Deductible with Chiropractic**
\$1000 annual deductible with 80% benefit allowance up to the \$3000 annual out-of-pocket maximum, then 100% of allowed benefit. Chiropractic coverage is included.

Age 65 and Over or Disabled applicants may select one of two benefit plans:

1. **Basic**
Medicare Part A coinsurance plus coverage for 365 days after Medicare benefits end; Medicare Part B coinsurance (20% of Medicare approved expenses); three pints of blood each year. No coverage for prescription drugs.
2. **Standard**
Medicare Part A coinsurance and deductibles plus coverage for 365 days after Medicare benefits end; Medicare Part B coinsurance (20% of Medicare approved expenses) plus Part B excess charges at 100%. Also includes skilled nursing coinsurance, foreign travel emergency coverage and benefits for three pints of blood each year. No coverage for prescription drugs.

MONTHLY PREMIUM RATES

TRADITIONAL, HIPAA AND TAARA OPTIONS

Effective September 2023				
Subscriber Age	\$500 Ded. w/o Chiropractic	\$1000 Ded. w/o Chiropractic	\$500 Ded. with Chiropractic	\$1000 Ded. with Chiropractic
Child Under 18	\$451.14	\$427.56	\$455.14	\$430.56
18 - 29 Years of Age	\$625.02	\$592.84	\$633.02	\$598.84
30 - 39 Years of Age	\$810.49	\$768.30	\$818.49	\$774.30
40 - 44 Years of Age	\$916.84	\$868.90	\$924.84	\$874.90
45 - 49 Years of Age	\$1,013.69	\$960.52	\$1,021.69	\$966.52
50 - 54 Years of Age	\$1,125.11	\$1,065.92	\$1,133.11	\$1,071.92
55 - 59 Years of Age	\$1,358.06	\$1,286.29	\$1,366.06	\$1,292.29
60 - 64 Years of Age	\$1,692.29	\$1,602.48	\$1,700.29	\$1,608.48
Age 65 and Over or Disabled	\$1,973.35	\$1,868.36	\$1,981.35	\$1,874.36

AGE 65 AND OVER OR DISABLED OPTIONS

Rates effective January 1, 2023. Rates subject to change. For individuals age 65 and older or individuals with disabilities who are eligible for Medicare.

Effective January 2023		
Subscriber Age	Basic	Standard
65 - 69 Years of Age	\$134.40	\$271.30
70 - 74 Years of Age	\$158.50	\$319.40
75 - 79 Years of Age	\$175.20	\$355.60
80 - 84 Years of Age	\$179.30	\$364.10
85 Plus Years of Age	\$188.10	\$379.90
Under Age 65 Disabled	\$194.00	\$391.60

SCHEDULE OF BENEFITS

CHAND provides benefit allowances for the services below and more. Details of the coverage, including definitions; exclusions; criteria for medically appropriate and necessary care; credentialing process; confidentiality policy; description of experimental drugs, medical devices or treatments; grievance and appeals process; provider listings; drugs eligible for coverage; reductions or limitations; and the terms under which the benefit plan may be continued or discontinued are included in the subscriber's benefit plan and available from the Lead Carrier.

- Inpatient and Outpatient Hospital Services
- Physical, Occupational and Speech Therapy
- Inpatient, Outpatient and Surgical Services
- Home and Office Visits
- Wellness Services - Well Child Care, Immunizations, Mammography, Pap Smear, Fecal Occult Blood Testing and Prostate Cancer Screening
- Lab, X-ray, MRI, Allergy Testing
- Radiation Therapy, Chemotherapy and Dialysis
- Inpatient, Outpatient, Pre and Postnatal Care Maternity Services
- Inpatient, Ambulatory Behavioral Health Care (Partial Hospitalization), Residential Treatment and Outpatient Services
- Emergency Services
- Ambulance Services
- Skilled Nursing Facility Services
- Home Health Care Services
- Hospice Services
- Outpatient Prescription Drugs
- Medical Supplies and Equipment
- Hearing Aids for subscriber under age 18
- Bariatric Surgery
- Tobacco Cessation Services
- Optional Chiropractic Services Endorsement

DEMOGRAPHICS

ENROLLMENT HISTORY (Contracts In Force As Of December 31)

Year	\$500 Deductible	\$1000 Deductible	Age 65 and Older or Disabled	Total
2006	882	356	393	1,631
2007	811	363	367	1,541
2008	769	351	350	1,470
2009	743	348	331	1,422
2010	758	387	317	1,462
2011	686	445	315	1,446
2012	640	455	306	1,401
2013	600	474	309	1,383
2014	304	206	303	813
2015	202	133	282	617
2016	134	73	254	461
2017	104	56	199	359
2018	89	43	222	354
2019	71	39	225	335
2020	57	33	193	283
2021	41	27	174	242
2022	37	19	146	202

COMPREHENSIVE HEALTH ASSOCIATION OF ND ENROLLMENT REPORT

For the Months Ending July 31, 2023 and 2022

	Contracts As of July 1, 2023	Adjustments	Contracts As of July 31, 2023	Contracts As of July 31, 2022
ND CHAND	44	0	44	59
ND CHAND Medicare Supplement	138	0	138	153
TOTAL	182	0	182	212

CHAND ENROLLEES THROUGH FEDERAL MECHANISMS

(Contracts in Force as of June 30)

Year	HIPAA Enrollees	TAARA Enrollees	Year	HIPAA Enrollees	TAARA Enrollees
2008	36	3	2016	7	0
2009	47	5	2017	7	0
2010	47	2	2018	6	0
2011	52	4	2019	5	0
2012	47	4	2020	5	0
2013	55	2	2021	5	0
2014	34	2	2022	4	0
2015	20	0	2023	3	0

FINANCIAL DATA

STATISTICAL DATA As of December 31

Year	Premiums	Claims	Oper Exp	Assess Income	Net
2010	7,553,197	12,009,394	382,710	5,500,968	1,853,270
2011	8,497,660	13,079,662	481,999	5,000,000	(51,175)
2012	9,090,447	13,705,597	550,118	5,000,000	(156,423)
2013	9,803,892	14,647,910	600,336	5,500,000	1,552,440
2014	6,361,360	9,009,777	362,730	5,000,000	1,990,736
2015	4,714,983	7,023,927	244,339	0	(2,246,925)
2016	3,560,062	4,862,158	183,568	0	(1,471,868)
2017	2,761,812	3,904,396	143,755	2,500,000	1,223,810
2018	2,365,881	3,137,236	119,798	0	(850,278)
2019	2,193,640	3,084,989	272,839	0	(1,128,050)
2020	1,896,172	2,393,983	223,597	1,000,000	287,629
2021	1,630,334	3,086,436	185,529	1,500,000	(140,382)
2022	1,421,991	1,974,656	150,464	1,500,000	802,822

COMPARATIVE BALANCE SHEET

As of December 31, 2022 and December, 31 2021

	December 2022	December 2021	Increase / (Decrease)
Assets			
Cash	\$1,705,833	\$1,015,224	\$690,609
Investments	362,247	360,665	1,582
Due from BCBSND	40,441	44,007	(3,566)
Assessment Receivable	34,175	30,969	3,206
Total Assets	\$2,142,696	\$1,450,865	\$691,831
Liabilities and Reserves			
IBNR Claims Payable	\$307,000	\$435,000	(\$128,000)
IBNR Admin Payable	9,000	16,000	(7,000)
Claims Payable	48,709	28,405	20,304
Deferred Income	27,410	23,705	3,705
Total Liabilities	\$392,119	\$503,110	(\$110,991)
Unrestricted Net Assets	\$1,750,577	\$947,755	\$802,822
Total Liabilities and Reserves	\$2,142,696	\$1,450,865	\$691,831

COMPREHENSIVE HEALTH ASSOCIATION OF ND COMPARISON OF BUDGET AND ACTUAL EXPERIENCE

For the Months Ending July 31, 2023 and 2022

	July 2023 Year to Date			July 2022 Year to Date
	Actual	Budget	Favorable / (unfavorable)	Actual
Premium Income	\$731,827	\$717,500	\$14,327	\$835,314
Claims Expense	\$899,332	\$1,148,200	\$248,868	\$1,325,418
Claims % of Premium Income	122.90%	160.00%		158.70%
Operating Expense	\$68,317	\$101,800	\$33,483	\$91,877
Operating Exp % of Premium Income	9.30%	14.20%		11.00%
Net Operating Income (Loss)	(\$235,822)	(\$532,500)	\$296,678	(\$581,981)
Percent to Premium Income	(32.20%)	(74.20%)		(69.70%)
Other Income				
Assessments	0	0	0	0
Investment Income	\$17,328	\$890	\$16,438	\$893
Total Other Income	\$17,328	\$890	\$16,438	\$893
Other Income % of Premium Income	2.40%	0.10%		0.10%
Net Income (Loss)	(\$218,494)	(\$531,610)	\$313,116	(\$581,088)
Net Income % of Premium Income	(29.90%)	(74.10%)		(69.60%)

BOARD OF DIRECTORS

September 1, 2022 through August 31, 2023

[The Honorable Jon Godfread – President](#)

State of North Dakota Commissioner of Insurance
Bismarck, North Dakota

[Tony Piscione – Secretary/Treasurer](#)

Blue Cross Blue Shield of North
Dakota

Fargo, North Dakota

[Brian Maude](#)

Sanford Health
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[Dr. Nizar Wehbi - State Health Officer](#)

North Dakota Department of Health
Bismarck, North Dakota

[Jim Pederson - Vice President](#)

Medica Health Plans & Medica Insurance Co.
Minnetonka, Minnesota

[The Honorable Karen M. Rohr](#)

North Dakota House of Representatives
Mandan, North Dakota

[The Honorable Judy Lee](#)

North Dakota Senator
West Fargo, North Dakota

[Joe Morrisette](#)

Office of Management & Budget
Bismarck , North Dakota

