

2011 Montana Legislature Jobs Listening Session
Saturday January 8, 2011 - Health Insurance
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Thank you for the opportunity to address you today. We appreciate the willingness of you - our legislators to host such an open forum. My colleagues and I bring important and relevant matters to your attention including state-based Health Exchanges, Medical Loss Ratio, its impact on our industry and association sponsored health plans. I want to ask you to also consider an important issue affecting Montana children and that is the ability of children under the age of 19 to obtain insurance.

We ask that the Legislature consider implementing an Annual Open Enrollment Period for children under the age of 19, structured similarly to the Medicare Open Enrollment Period.

All eligible children under the age of 19 would be eligible to enroll during this specified annual Open Enrollment Period without consideration of pre-existing conditions. The only exception would be if they have a qualifying event at some other time during the year (e.g. parents coming off COBRA or leaving a group).

Currently one carrier in the state does not insure children under the age of 19 and the other carriers only allow the child (ren) to come on insurance in the month of the birthdate of the oldest child. This is a direct result of the federal healthcare reform legislation that mandated children to age 19 are guaranteed issue. Without an open enrollment period, children can come onto an insurance plan when they become ill and subsequently drop it when their health returns. Allowing this "trampoline" effect would only increase the premiums for all insured. This is why the carriers opted to limit or discontinue "child-only" policies.

Several states including: California, Florida and Colorado have successfully implemented such an Open Enrollment Period. Insurance companies support this Open Enrollment Period because it spreads the risk more evenly among the participating insurance companies and the likelihood of healthy children as well as at risk children enrolling is greatly increased with an Open Enrollment Period.

Children who are not insured would increase pressures on an already overburdened state CHIP plan or increase the number of uninsured children utilizing Emergency Rooms. Studies have shown that this utilization of hospital Emergency Rooms tax an already over taxed health care delivery system with impacts on premiums, employee benefits and the like.

The leadership of the 2011 Legislature has stated job creation is their first, second and third priorities. The enactment of an Open Enrollment Period for children would result in increasing the number of children insured in the state of Montana thereby providing a significant value to the Montana consumer as well as minimize the negative financial impacts of uninsured children. Enacting an Open Enrollment

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Period will enable parents to move more easily between jobs without concern about the cost of benefits for their children.

In our business we are currently facing this with two families – one is a single mother with two children under the age of 8 who is losing her group coverage and is not COBRA eligible. The second is a family of 3 children under the age of 19 – the father's COBRA coverage is expiring. In both instances an Open Enrollment Period would allow the children to be insured. In

Even employed parents struggle to pay the "dependent" premiums of their group health plans. Historically, a "child-only" policy is less expensive than the cost to cover one sometimes even two children on the parents' group health plan.

NAHU, National Association of Health Underwriters, supports this initiative and is working with many states to implement an Annual Open Enrollment Period for children under the age of 19.

Thank you for your time this morning and for considering this idea.