

APPENDIX B: ESSENTIAL HEALTH BENEFITS (EHB)-BENCHMARK PLAN ACTUARIAL CERTIFICATE TEMPLATE

Instructions for Completing Appendix B:

Under §156.111(e)(2), States must submit an actuarial certification as part of the EHB-benchmark selection process affirming that the State's EHB-benchmark plan:

- provides a scope of benefits that is equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.111(a), the scope of benefits provided under a typical employer plan as defined at §156.111(b)(2)(i); and
- does not exceed the generosity of the most generous among plans listed at §156.111(b)(2)(ii)(A) and (B).

States must complete all fields of this actuarial certification. CMS will consider any partial or blank fields as incomplete. The actuarial report associated with this certification must be submitted as an attachment. Actuarial reports should be uploaded in a format that prevents further editing after submission. For example, States can scan copies of the Actuarial Report or convert documents into a PDF format to upload

SECTION 1: BACKGROUND INFORMATION

State

North Dakota

1. Which EHB-benchmark plan option (at 45 CFR §156.111(a)) is the State using to make changes to its EHB-benchmark plan? *(Only provide one selection)*

- ☐ (a)(1) - Selecting the EHB-benchmark plan that another State used for the 2017 plan year under §156.100 and §156.110
- ☐ (a)(2) - Replacing one or more categories of EHBs under §156.110(a) under its EHB-benchmark plan used for the 2017 plan year with the same category or categories of EHB from the EHB-benchmark plan that another State used for the 2017 plan year under §156.100 and §156.110.
- ☒ (a)(3) - Otherwise selecting a set of benefits that would become the State's EHB-benchmark plan.

SECTION 2: TYPICAL EMPLOYER PLANS DETERMINATION FOR §156.111(b)(2)(i)

2. Which definition of a typical employer plan at §156.111(b)(2)(i) was used for the determination under this actuarial certification and associated report? *(Only provide one selection)*

- ☒ One of the selecting State's 10 benchmark plan options established at §156.100 of this subpart, and available for the selecting State's selection for the 2017 plan year.
- ☐ The largest health insurance plan by enrollment within one of the five largest large group health insurance products by enrollment in the State, as product and plan are defined at §144.103, provided that: (1) The product has at least ten percent of the enrollment among the five largest large group health insurance products in the State; (2) The plan provides minimum value, as defined under §156.145; (3) The benefits are not excepted benefits, as established under §146.145(b), and §148.220; and the benefits in the plan are from a plan year beginning after December 31, 2013.

3. In accordance with §156.111(b)(2)(i), does the State's proposed EHB-benchmark plan provide a scope of benefits that are equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan?

- ☒ Yes ☐ No

4. What plan was the basis for determining that the State's proposed EHB-benchmark plan's scope of benefits are equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan?

North Dakota Public Employees Retirement System (NDPERS) Grandfathered PPO plan

5. Briefly describe the methods, assumptions, and data used to determine that the State's proposed EHB-benchmark plan provides a scope of benefits that are equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan.¹

- Compare the benefits being offered, and
- Compare the costs of the level of those benefits.

The North Dakota Public Employees Retirement System (NDPERS) Grandfathered PPO plan was one of the ten base-benchmark plan options for North Dakota's 2017 plan year EHB selection and represents a Typical Employer Plan. To estimate the difference in the expected value of the benefits at 100% actuarial value, each benefit was analyzed using either prior studies of mandated benefits or EHBs in other states, or we built cost estimates from first principles (using the basic assumption of cost per service and number of services per 1,000). We estimate the NDPERS Grandfathered PPO plan provides \$2.00-\$2.50 PMPM more expected value at 100 percent actuarial value (AV) than the current EHB-BP (BlueCare Gold 90 500). The proposed EHB-BP is the same as the current EHB-BP except that it expands the current coverage as discussed above, which we estimate would increase the expected value of benefits by \$2.19 PMPM at 100 percent actuarial value. Because of this, we believe the scope of benefits of the proposed EHB-BP is equal to that of a Typical Employer Plan.

SECTION 3: LIMITATION ON EXCEEDING GENEROSITY FOR §156.111(b)(2)(i)

6. In accordance with §156.111(b)(2)(ii), does the State's proposed EHB-benchmark plan definition exceed the generosity of the most generous among a set of comparison plans, including 1) the State's EHB-benchmark plan used for the 2017 plan year, and 2) any of the State's base-benchmark plan options for the 2017 plan year described in §156.100(a)(1), supplemented as necessary under §156.110?²



Yes



No

7. Which plan or plans were used as the basis to determine the most generous plan for this comparison?

Federal Employee Health Benefits Standard Plan (FEHBP) administered by BCBSND

8. Briefly describe the methods, assumptions and data used to determine whether the State's EHB-benchmark plan does not exceed the generosity of the most generous among a set of comparison plans:

- Compare the benefits being offered, and
- Compare the costs of the level of those benefits.

The benefits covered by the FEHBP and the current EHB-benchmark plan were compared to determine any differences. NovaRest then estimated the value of these benefit differences at 100% actuarial value using rate filing information, financial statements, and public information. Benefits covered by the FEHBP and not covered by the current EHB-BP were determined to be \$4.15 PMPM, while benefits covered by the current EHB-BP and not covered by the FEHBP were determined to be \$0.92 PMPM. Therefore the FEHBP is \$3.22 PMPM more generous than the current EHB-BP at 100% actuarial value. NovaRest then used rate filing information, financial statements, issuer surveys, and public information to estimate the impact of limiting cost sharing for insulin/insulin supplies; expanding coverage for nutritional counseling (including coverage for the use of GLP1 and GIP drugs (specifically semaglutide and tirzepatide) as therapy for prevention of diabetes and treatment of insulin resistance, metabolic syndrome or morbid obesity) and opioid benefits; and adding coverage for hearing aids, periodontal disease, and PET scans. We estimated a value of \$2.19 PMPM for proposed benefits, and therefore believe the generosity does not exceed that of the FEHBP.

¹ A copy of the *Example of an Acceptable Methodology for Comparing Benefits of a State's EHB-benchmark Plan Selection in Accordance with 45 CFR 156.111(b)(2)(i) and (ii)* is available on CCIIO's Regulation and Guidance webpage at <https://www.cms.gov/ccio/resources/regulations-and-guidance/index.html>. The actuary's response to Questions 4 and 8 may be the same or different.

² The Essential Health Benefits: List of the Largest Three Small Group Products by State for 2017 is available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Top3ListFinal-5-19-2015.pdf>. States' EHB-benchmark plans used for the 2017 plan year are available at https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/Final-List-of-BMPs_4816.pdf.

SECTION 4: CERTIFICATION LANGUAGE

45 CFR §156.111(e)(2) requires that a State selecting its EHB-benchmark plan must submit an actuarial certification and an associated actuarial report from an actuary, who is a member of the American Academy of Actuaries, in accordance with generally accepted actuarial principles and methodologies that affirms:

- (i) That the State's EHB-benchmark plan provides a scope of benefits equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan as defined at §156.111(b)(2)(i); and
- (ii) That the State's EHB-benchmark plan does not exceed the generosity of the most generous among the plans listed in §156.111(b)(2)(ii)(A) and (B).

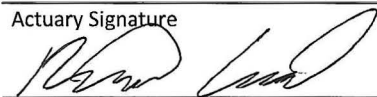
The analysis described in this document and supported in the actuarial report attached to this document was:

- (i) conducted by a member of the American Academy of Actuaries, and
- (ii) performed in accordance with generally accepted actuarial principles and methods, including complying with all applicable Actuarial Standards of Practice (ASOP).

Name of Actuary Completing Form

Richard Cadwell, ASA, MAAA

Actuary Signature



Date

6/20/2023

PRA Disclosure Statement

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