

WE ASKED. YOU RESPONDED.

Nearly 13,000 shared your thoughts and concerns.

We're listening...

Last fall, we began an ongoing conversation with North Dakotans.



It started with a survey sent to Blue Cross Blue Shield of North Dakota (BCBSND) members. Responses poured in by the thousands.

Responses are now streaming in from a second survey recently sent to areas we didn't reach last fall.



The discussion moved into neighborhoods through a statewide series of community forums. Look for additional locations this spring.



It continues today, online. Join in the conversation at: BCBSND.com/BlueInsight

Taking action...

You want us to lead in finding solutions—and we are. BCBSND has been working internally and with others across the state on rising costs, accessibility, quality of care and many other issues brought up at the statewide forums.

And continuing the conversation.

This series from BCBSND answers the questions North Dakotans are asking and tells you what we're doing about them.

One thing you can do:

Be on the lookout for fraud or abuse

At the health care forums last fall, a member reported recently buying a wheelchair. The store listed two prices: \$2,000 if paying out of pocket; \$4,000 if going through insurance.

\$2,000 out of pocket

— OR —

\$4,000 if insured

Marking up an item simply because insurance will pay is fraud and it needs to be addressed. Everybody pays the price through increased premiums. We need to work together to stop it, so please, report any suspicious activity.

If we could eliminate all the fraud and abuse of the U.S. health care system, we could save more than \$175 billion per year in unnecessary costs.²

¹ Based on member ratings in our annual customer satisfaction survey as measured by an independent group, Winkelman Consulting.

² Thomson Reuters 2010 white paper

³ Kaiser Family Foundation (2011), BCBSND institutional claims data

You asked,

“How will competition and health reform affect North Dakota?”

Let's start with competition

There are approximately 12 health insurance companies doing business in the state today. We believe BCBSND has the most members because it provides value—personal service and good products at affordable prices.

It's hard for other insurance companies to match that value. Because of our longevity and the number of people we insure, BCBSND is able to negotiate with hospitals and doctors to offer what we believe are the lowest possible rates.

Some of the other ways competitors could come in and offer lower premiums include:

- Increase the efficiency of medical care
- Cover only healthy people because they use less services and are less expensive
- Deny claims

We're all working to achieve the first one, but no one benefits from the last two.

We welcome good, healthy competition, but we are concerned that it would most likely translate into higher premiums. Why? It's the economies of scale. Our size gives us buying power to get the best deals on health care, as well

2011 Customer Satisfaction Scores

94%¹

Now, what about health reform?

We've combed through every one of those 2,000-some pages and much of it is yet to be defined. The two most notable points are:

1. Insurance Exchange

The exchange allows you to compare and shop for insurance online, like you shop for airfare. Similar services will be offered by phone and in person. The exchange will also determine eligibility for reduced premiums based on income level.

We're eager to compete in the exchange, yet we believe North Dakota should create its own exchange and not be forced to comply with a national model created by the federal government.

2. Individual Mandate

We believe everyone should be covered by health insurance. This is, in fact, central to our mission as a non-profit member-focused insurance company. However, for it to work, everyone must be covered. That is the reason for an individual mandate. Without a mandate, people will likely buy insurance only when they need it - which means most who have insurance will be sick. Without enough healthy people also buying insurance to help offset the costs of covering the sick, premiums would skyrocket.

This is happening now in New York. Because insurance coverage is guaranteed in the state, and there is no mandate, those with private insurance tend to be less healthy. As a result, the average annual premium in New York for an individual policy was more than \$4,200 in 2010, much more than BCBSND's average premium of less \$2,800 per year.³

What is BCBSND doing to protect its members and prepare for the future?

So far, to comply with the new law, BCBSND has made changes to preventive care and allowed young people up to age 26 to stay on their parents' policies. As a result, many who were uninsured are now insured. More preventive care will increase cost in the short term, but should reduce some more expensive procedures in the future.

We are also:

- Working towards more affordable health care by collaborating with hospitals and doctors to find ways to rein in costs while maintaining high quality care
- Working aggressively to contain internal costs and find efficiencies
- Leading initiatives to promote good health and manage diseases
- Engaging our members and others to find local solutions to sustain the health care in our state

WE'RE STILL LISTENING

Visit the blog at BCBSND.com/BlueInsight



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Blue Cross Blue Shield of North Dakota is an independent licensee of the Blue Cross & Blue Shield Association

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Next up in our series:
Access to care in rural North Dakota