

Introduced by

1 A BILL for an Act to amend and reenact section 54-03-28 of the North Dakota Century Code,
2 relating to review requirements for measures affecting health insurance coverages.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 54-03-28 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **54-03-28. Health insurance mandated coverage of services - Cost-benefit analysis**
7 **requirement.**

- 8 1. ~~A~~ The insurance commissioner shall review any legislative measure mandating
9 health insurance coverage of services or payment for specified providers of
10 services ~~may not be acted on by any committee of the legislative assembly unless~~
11 ~~the measure is~~ to determine whether the measure should be accompanied by a
12 cost-benefit analysis ~~provided by the legislative council~~. Factors to consider in this
13 analysis include:
- 14 a. The extent to which the proposed mandate would increase or decrease the
15 cost of the service.
 - 16 b. The extent to which the proposed mandate would increase the appropriate
17 use of the service.
 - 18 c. The extent to which the proposed mandate would increase or decrease the
19 administrative expenses of insurers and the premium and administrative
20 expenses of insureds.
 - 21 d. The impact of the proposed mandate on the total cost of health care.
- 22 2. ~~A majority of the members of the committee, acting through the chairman, has sole~~
23 ~~authority to determine whether a legislative measure mandates coverage of~~
24 ~~services under this section.~~

- 1 3. ~~Any~~ The commissioner shall review any amendment made during a legislative
2 session ~~to a measure~~ which mandates health insurance coverage of services ~~may~~
3 ~~not be acted on by a committee of the legislative assembly unless the amendment~~
4 is to determine whether the amendment should be accompanied by a cost-benefit
5 analysis provided by the legislative council that includes the considerations listed in
6 subsection 1.
- 7 3. If the commissioner determines that a measure or an amendment should be
8 accompanied by a cost-benefit analysis, the commissioner shall submit, before the
9 measure or amendment is acted upon, the cost-benefit analysis to the appropriate
10 legislative committee.
- 11 4. ~~The legislative council~~ commissioner shall contract with a private entity, ~~after~~
12 ~~receiving one or more recommendations from the insurance commissioner,~~ to
13 provide the cost-benefit analysis required by this section. The insurance
14 commissioner shall pay the cost of the contracted services to the entity providing
15 the services.

NOTE: Section 54-03-28 prohibits a legislative committee from acting on any measure or amendment mandating health insurance coverage without a cost-benefit analysis. The Legislative Council is to provide the cost-benefit analysis through a contract with a private entity as recommended and paid for by the Insurance Commissioner. The proposed amendment addresses the issue of the appropriate expertise to determine whether a measure or amendment mandates health insurance coverage.

Section 54-03-25 relates to a legislative measure or amendment affecting workers' compensation benefits or premium rates. The Workers Compensation Bureau is required to review every measure affecting workers' compensation benefits or premium rates. If the bureau determines that the measure or amendment will have an actuarial impact on the workers' compensation fund, the bureau is required to submit an actuarial impact statement prepared by the actuary employed by the bureau. This procedure takes advantage of the expertise of the Workers Compensation Bureau in determining whether a measure affects workers' compensation. The bureau then has an actuarial impact statement prepared by the actuary employed by the bureau.

The proposed amendment to Section 54-03-28 establishes a procedure for reviewing measures affecting health insurance coverage of services or payment for specified providers of services similar to that in Section 54-03-25 for review of measures affecting workers' compensation benefits or premium rates. The Insurance Department, like most state agencies, receives a copy of every introduced bill. Presumably, the reason for receiving a copy of every bill is to identify the bills affecting the department. During its review of each bill, the department could rely on its expertise in health insurance matters to ascertain whether the bill mandates insurance coverage or payment for service. If that determination is made, the cost-benefit analysis would be prepared by the actuary under contract with the Insurance Commissioner.

Although an emergency clause could be added so the bill would take effect upon filing with the Secretary of State, most of the legislation at issue in 2003 probably would have been introduced by the time this measure would take effect.