

## PREVIOUS ANALYSES OF HEALTH INSURANCE MANDATES

### OVERVIEW

North Dakota Century Code Section 54-03-28 ([Appendix A](#)) was enacted in 2001 and provides that a legislative measure mandating health insurance coverage may not be acted on by any committee of the Legislative Assembly unless accompanied by a cost-benefit analysis. Prior to each legislative session, the Insurance Commissioner is to recommend a private entity for the Legislative Council to contract with to provide cost-benefit analyses services. The Insurance Commissioner is to pay the costs of all contracted services.

North Dakota Century Code Section 54-03-28 was amended by the 2003 Legislative Assembly to provide additional requirements for mandates of health insurance coverage. Legislative measures mandating health insurance coverage may only be effective for the next biennium and are limited to the public employee's health insurance program. For the following Legislative Assembly, the Public Employees Retirement System (PERS) must prepare and request introduction of a bill to repeal the expiration date and expand the mandated coverage to apply to all accident and health insurance policies. In addition, PERS is required to prepare a report which is attached to the bill regarding the effect of the mandated coverage or payment on the system's health insurance program. The Public Employees Retirement System has not yet had to complete a report regarding effects of mandated health insurance coverage.

The 2003-04 and 2005-06 interim Budget Committees on Health Care both recommended that the Legislative Council contract with Milliman USA for cost-benefit analysis services on health insurance

mandates during the 2005 and 2007 legislative sessions. During the 2005 legislative session, two bills were referred for cost-benefit analysis at a total cost of \$8,323. In addition, the Insurance Department paid \$5,606 to Milliman USA for general project work during the legislative session for total payments of \$13,929. During the 2007 legislative session, there were no health insurance mandates referred for cost-benefit analysis. Attached as [Appendix B](#) is a copy of the cost-benefit analysis report prepared by Milliman OSA during the 2005 legislative session.

### ANALYSES CONDUCTED BY THE PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Public Employees Retirement System conducts in-house analyses of all measures mandating health insurance coverage. When a mandate is proposed, PERS receives information from its insurance carrier regarding the additional costs associated with providing the coverage. The Public Employees Retirement System uses the information to calculate the estimated effect on premium costs that will be paid by the general fund, other funds, and local political subdivisions.

During the 2005 legislative session, PERS conducted analyses of two bills relating to health insurance mandates. The analyses were conducted by PERS employees at no additional cost to the agency. Attached as [Appendix C](#) are fiscal notes prepared by PERS that relate to the bills mandating health insurance coverage during the 2005 legislative session.

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