

Sixty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1403

Introduced by

Representatives Kasper, Rick C. Becker, Boehning, Headland, Keiser, Louser, Nathe, D. Ruby

Senators Anderson, Bekkedahl, Casper, O. Larsen

1 A BILL for an Act to create and enact a new section to chapter 54-52.1 of the North Dakota
2 Century Code, relating to public employee health benefits transparency; and to provide an
3 exemption.

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

5 **SECTION 1.** A new section to chapter 54-52.1 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Health insurance benefits coverage - Prescription drug coverage - Transparency -**
8 **Audits - Confidentiality.**

9 1. If the prescription drug coverage component of the health insurance benefits coverage
10 utilizes the services of a pharmacy benefits manager, the insurer's contract with the
11 board must include the following terms:
12 a. The insurer shall provide the board with a copy of the insurer's current contract
13 with the pharmacy benefit management company and if the contract is revised or
14 a new contract is entered, within thirty days of the change the insurer shall
15 provide the board with the revision or new contract.
16 b. The health insurer or pharmacy benefit manager shall provide with each invoice
17 statement and for each annual audit a complete set of electronic prescription
18 coverage claims data reflecting all submitted claims, including information fields
19 identified by the board.
20 c. The health insurer shall provide the board a list of all programs that will be
21 implemented or modified, including prior authorization programs, step therapy
22 programs, quality limit programs, and mandatory generic programs. The list must
23 include the drugs in each program and the specifics about each drug.

d. (1) The board may retain an auditor of the board's choice which is not a competitor of the pharmacy benefit manager, a pharmaceutical manufacturer representative, or any retail, mail, or specialty drug pharmacy representative or vendor.

(2) The board may conduct annual audits to verify the pharmacy benefit manager is satisfying the terms of its contract with the health insurer; assess the costs resulting from the health insurer's contract with the pharmacy benefit manager and make recommendations as to amendments in that contract which would decrease costs; and assess the programs being implemented and make recommendations as to improvements in those programs which would decrease cost or improve plan beneficiaries' health care treatment.

2. Information provided to the board under the contract provisions required under this section are confidential; however, the board may disclose the information to retained experts and the information retains its confidential status in the possession of these experts.

SECTION 2. EXEMPTION. This Act is exempt from the jurisdiction of the employee benefits programs committee under section 54-35-02.4.