

TESTIMONY OF SCOTT MILLER

Senate Bill 2183 – Diabetes Drug and Equipment Mandate

Good Morning, my name is Scott Miller. I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I am here to testify in a neutral position regarding Senate Bill 2183.

This bill creates a mandate regarding health insurance plan coverage of diabetes drugs. This bill does comply with the statutory requirement that health insurance plan mandates first apply to NDPERS.

The primary components of the proposed bill that will have actuarial impacts on the PERS program are the \$25 limit on member cost-sharing for insulin and insulin supplies. The PERS plan requires members to pay a copay and coinsurance for insulin. Depending on the cost of the insulin prescribed and/or the cost of the supplies purchased, the member cost-share can exceed the proposed \$25 limit. Therefore, imposing this limit will shift cost from members to the plan.

SB 2183 is one of several bills that would impose mandates on the NDPERS health plan, as you can see in the below table:

| New Mandate | Dollar Increase | Premium % Increase |
|---|------------------------|---------------------------|
| HB 1147 – Fertility Benefit Increase* | ~\$1,000,000/year | ~0.3% |
| HB 1155 – VSIP Retiree Premium Subsidy* | \$791,294/biennium | 0.145% |
| HB 1233 – PBM Audit Requirement | \$1,125,000/3 audits | Reserves |
| HB 1328 – Vitamin D Requirement | - | - |
| HB 1435 – Line of Duty Death* | Minimal | Minimal |
| HB 1465 – Any Willing Provider | Unknown, but large | Unknown, but large |
| SB 2170 – Canadian Reference Drug Pricing | Unknown effect | Unknown effect |
| SB 2179 – Telehealth Coverage (amended) | - | - |
| SB 2183 – Insulin Drugs | \$624,329/year | 0.22% |

*Would potentially add non-governmental participants to our governmental plan

Note that the fiscal note for SB 2183 and the projected costs in the above table only reflect cost increases to the State for coverage by the NDPERS health plan. Any

increased cost to the state as a result of later imposing these mandates on non-NDPERS health plans is unknown.

For cost comparison purposes, below is a table of benefits we do not currently provide that are required for non-grandfathered plans (the NDPERS PPO health plan is a grandfathered plan). We routinely receive requests to cover these benefits.

| NDPERS 2021 - 2023 Biennium Cost of Added Benefit Options | | |
|--|--------------------|------------------------------------|
| Requested Options | Cost as a % | Estimated Cost over Binnium |
| Colonoscopies with no member cost share | 0.30% | \$1,913,267 |
| Contraceptives with no member cost share | 0.50% | \$3,188,778 |
| Breast Pumps with no member cost share | 0.06% | \$382,653 |

Mr. Chairman, this concludes my testimony.