

TESTIMONY OF SCOTT MILLER

Senate Bill 2140 – 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 2140.

This bill creates a mandate regarding health insurance plan coverage of diabetes drugs and supplies. Assuming this is a health insurance plan coverage or payment mandate, this bill does not appear to comply with the statutory requirement in NDCC section 54-03-28(3) that health insurance plan mandates first apply to NDPERS. I understand a cost-benefit analysis has been requested, but not yet received, at least to my knowledge. Pursuant to NDCC 54-03-28, both of those issues must be corrected before this Committee can act on SB 2140.

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. Because this bill was submitted just last week, we have not yet had the opportunity to have our health insurance consultant analyze this bill to more accurately advise you on the cost of this bill.