

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: HB 1477 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 1-23-91

Please estimate the fiscal impact of the above measure for:

<input checked="" type="checkbox"/>	State general or special funds	<input type="checkbox"/>	Counties	<input type="checkbox"/>	Cities
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	

In the following space note the fiscal effect in dollars of this measure:

Narrative:

This measure proposes to regulate "private utilization review agents" from both the proficiency and ethical perspectives. Certain specific language also requires the Department of Health and Consolidated Laboratories to conduct on-going investigative procedures into the applicants' operational and staffing activities, including out-of-state private reviewers.

The definitive responsibilities delegated by this legislation are extensive. All medical treatments and health care services covered by the plan(s) of each insurer would require review of the criteria used to determine appropriateness of treatment. Conflicts of interest, complaints, appeals, hearings, penalties, waivers and reporting responsibilities must all be addressed.

It is uncertain how many reviewers would be affected by this legislation because of the lack of information regarding the number of utilization review programs covered by this statute. There are 389 insurance companies marketing health insurance policies in North Dakota who we expect do some form of utilization review either in-house or by contract. We estimate approximately 3.5 FTEs in addition to consultant fees regarding specific specialties and legal fees for appeals, hearings, etc. estimated at \$40,000 annually.

State Fiscal Effect:

<u>1991-92</u>		<u>1992-93</u>		<u>Biennium Total</u>	
<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>
193,500		183,500		377,000	

County and City Fiscal Effect:

<u>1991-92</u>		<u>1992-93</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed Robert M. Wentz MD  
 Robert M. Wentz, M.D.  
 Typed Name State Health Officer  
 Health & Consolidated  
 Department Laboratories

Date Prepared: 1-28-91

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