

**HOUSE BILL NO. 1244**

Introduced by

Representatives Kasper, Dosch, N. Johnson, Keiser, Ruby

Senator Klein

1 A BILL for an Act to amend and reenact section 54-52.1-04 of the North Dakota Century Code,  
2 relating to confidentiality of pharmaceutical manufacturer rebates obtained by the public  
3 employees retirement system.

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

5 **SECTION 1. AMENDMENT.** Section 54-52.1-04 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **54-52.1-04. Board to contract for insurance.**

8 1. The board shall receive bids for the providing of hospital benefits coverage,  
9 medical benefits coverage, life insurance benefits coverage for a specified term,  
10 and employee assistance program services, and shall accept the bid of and  
11 contract with the carrier that in the judgment of the board best serves the interests  
12 of the state and its eligible employees. Solicitations must be made not later than  
13 ninety days before the expiration of an existing uniform group insurance contract.  
14 Bids must be solicited by advertisement in a manner selected by the board that will  
15 provide reasonable notice to prospective bidders. In preparing bid proposals and  
16 evaluating bids, the board may utilize the services of consultants on a contract  
17 basis in order that the bids received may be uniformly compared and properly  
18 evaluated. In determining which bid, if any, will best serve the interests of eligible  
19 employees and the state, the board shall give adequate consideration to the  
20 following factors:

- 21 ~~1.~~ a. The economy to be effected.  
22 ~~2.~~ b. The ease of administration.  
23 ~~3.~~ c. The adequacy of the coverages.  
24 ~~4.~~ d. The financial position of the carrier, with special emphasis as to its solvency.

- 1           ~~5.~~ e.   The reputation of the carrier and any other information that is available  
2                            tending to show past experience with the carrier in matters of claim  
3                            settlement, underwriting, and services.
- 4           2.   The board may reject any or all bids and, in the event it does so, shall again solicit  
5                            bids as provided in this section. The board may establish a plan of self-insurance  
6                            for providing health insurance benefits coverage only under an administrative  
7                            services only (ASO) contract or a third-party administrator (TPA) contract.
- 8           3.   Notwithstanding any other provision of law, the board shall obtain and maintain for  
9                            public inspection records from the carrier providing group health insurance  
10                          coverage concerning any rebates the carrier receives from a pharmaceutical  
11                          manufacturer and any other information the carrier produces with regard to spread  
12                          pricing.