

**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.

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

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

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

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