

Sixty-fifth  
Legislative Assembly  
of North Dakota

ENGROSSED HOUSE BILL NO. 1259

Introduced by

Representative M. Nelson

1 A BILL for an Act to amend and reenact section 50-24.1-37 of the North Dakota Century Code,  
2 relating to medicaid expansion; to provide an expiration date; to provide a contingent expiration  
3 date; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Section 50-24.1-37 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **50-24.1-37. (Effective January 1, 2014, through July 31, 20172019) Medicaid**  
8 **expansion.**

- 9 1. The department of human services shall expand medical assistance coverage as  
10 authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148],  
11 as amended by the Health Care and Education Reconciliation Act of 2010 [Pub.  
12 L. 111-152] to individuals under sixty-five years of age with income below one hundred  
13 thirty-eight percent of the federal poverty level, based on modified adjusted gross  
14 income.
- 15 2. The department of human services shall inform new enrollees in the medical  
16 assistance program that benefits may be reduced or eliminated if federal participation  
17 decreases or is eliminated.
- 18 3. The department shall implement the expansion by bidding through private carriers or  
19 utilizing the health insurance exchange. The contract between the department and the  
20 private carrier must:
  - 21 a. Provide a reimbursement methodology for all medications and dispensing fees  
22 which identifies the minimum amount paid to pharmacy providers for each  
23 medication. The reimbursement methodology, at a minimum, must:
    - 24 (1) Be available on the department's website; and

- 1                   (2) Encompass all types of pharmacy providers regardless of whether the  
2                   pharmacy benefits are being paid through the private carrier or contractor or  
3                   subcontractor of the private carrier under this section.
- 4                   b. Provide full transparency of all costs and all rebates in aggregate.
- 5                   c. Allow an individual to obtain medication from a pharmacy that provides mail order  
6                   service; however, the contract may not require mail order to be the sole method  
7                   of service.
- 8                   d. Ensure that pharmacy services obtained in jurisdictions other than this state and  
9                   its three contiguous states are subject to prior authorization and reporting to the  
10                  department for eligibility verification.
- 11                  e. Ensure the payments to pharmacy providers do not include a required payback  
12                  amount to the private carrier or one of the private carrier's contractors or  
13                  subcontractors which is not representative of the amounts allowed under the  
14                  reimbursement methodology provided in subdivision a.
- 15                  f. Any information provided to the department of human services or any audit firm  
16                  by a pharmacy benefit manager under this section is confidential under section  
17                  44-04-17.1.
- 18                  4. Effective July 1, 2017, the department shall align the provider reimbursement rates for  
19                  the medical assistance expansion program to the workforce safety and insurance  
20                  reimbursement rates.
- 21                  5. Effective January 1, 2018, medical assistance expansion program applicants and  
22                  recipients who are at least nineteen but less than twenty-one years of age must  
23                  receive coverage through traditional medical assistance.
- 24                  6. The department shall seek approval of a medicaid waiver to limit coverage under this  
25                  section to the medical assistance expansion population with incomes at or below one  
26                  hundred percent of the federal poverty level, based on modified adjusted gross  
27                  income.

28                  **SECTION 2. EXPIRATION DATE - CONTINGENT EXPIRATION DATE.** Section 1 of this  
29 Act is effective through July 31, 2019, or until the executive director of the department of human  
30 services certifies to the secretary of state and the legislative council the federal government

1 ended the medical assistance expansion program, whichever occurs first, and after that date is  
2 ineffective.

3 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.