

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

HEALTH CARE COMMITTEE

Tuesday, July 30, 2019
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative George Keiser, Chairman, called the meeting to order at 1:00 p.m.

Members present: Representatives George Keiser, Dick Anderson, Gretchen Dobervich, Clayton Fegley, Jim Kasper, Mike Lefor, Lisa Meier, Marvin E. Nelson, Bob Paulson, Robin Weisz; Senators Dick Dever, Kathy Hogan, Judy Lee, Tim Mathern, Kristin Roers, Shawn Vedaa

Member absent: Senator Dave Oehlke

Others present: See [Appendix A](#)

Chairman Keiser said the committee will collaborate with the Insurance Commissioner and other state agencies during the interim and in conducting the four study charges. He said health-related issues the committee will consider during the interim include:

- The invisible reinsurance pool;
- The underinsured;
- The uninsured;
- Religious health plans;
- Managed care; and
- Barriers to accessibility and affordability of health care.

Chairman Keiser said North Dakota has the benefit of being nimble and able to work quickly. He said because we cannot afford our current health insurance system, this committee's charge is especially important. He said in preparation for this meeting he held a pre-meeting planning session with the four health insurer carriers that do business in the state--Blue Cross Blue Shield of North Dakota, Medica, Sanford Health Plan, and United Healthcare. In preparation for future meetings, he said, he will continue his practice of holding pre-meeting planning sessions for stakeholders. He said persons interested in participating in these pre-meeting planning sessions should contact the Legislative Council staff to be added to the stakeholder email group.

Chairman Keiser said he is pursuing a pharmacy transparency bill draft he will present to the committee at the Wednesday, September 11, 2019, committee meeting. He said it is important to know how much prescription drugs cost and for consumers to know their options.

Chairman Keiser called on the Legislative Council staff to review the [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Management](#).

INSURANCE PREMIUM TREND STUDY

Chairman Keiser called on the Legislative Council staff to present a memorandum entitled [Health Insurance Premium Trend Study - Background Memorandum](#).

Senator Lee said big pharma has successfully lobbied to suppress biosimilars.

Senator Mathern suggested the committee seek information from new players, including receipt of information regarding universal health care.

Representative Kasper said he would like to receive information on the cost of drugs, such as the cost of insulin.

Chairman Keiser called on Ms. Krissie Guerard, Health Equity Director, State Department of Health, for a presentation ([Appendix B](#)) on social determinants of health.

Senator Hogan asked Ms. Guerard to confirm the presentation statistics on homelessness are up to date.

Chairman Keiser said under the federal Emergency Medical Treatment and Active Labor Act (EMTALA), everyone has access to medical care through emergency rooms.

Ms. Guerard said not everyone has access to emergency room care.

In response to a question from Representative Kasper, Ms. Guerard said her presentation on social determinants of health and the distinction between equality and equity is intended to be both informational and to be solution based, such as providing health care through telehealth.

Senator Lee said access to ambulance services is one access issue she would like to see the committee address.

In response to a question from Representative Anderson, Ms. Guerard said she can look for data to determine whether the number of people who face hunger is a result of availability or delivery problems.

In response to a question from Senator Lee, Ms. Guerard said Health in All Policies approach is a work in progress and the State Department of Health will expand its activities to include multiple population groups.

Chairman Keiser called on Mr. Jon Godfread, Insurance Commissioner, to make a presentation ([Appendix C](#)) on the efforts of the department to assist the committee with its study under Section 15 of Senate Bill No. 2010 (2019) and to conduct a detailed analysis of health care in the state. Mr. Godfread said as part of the analysis of health care in the state, the department has mailed a letter ([Appendix D](#)) to the hospitals in the state located in communities with a population exceeding 10,000.

In response to a question from Senator Lee, Mr. Godfread said there are pros and cons related to having an all-claims database. He said although he is not opposed to the idea of having the database, he needs to give the idea more thought before he takes an official opinion on the concept.

In response to a question from Representative Keiser, Mr. Godfread said if the invisible reinsurance pool can help stabilize the individual market, it also may have a positive affect on the large group market.

In response to a question from Senator Hogan, Mr. Godfread said although some states and the federal government have collected data from providers, it is possible only certain pieces of that data will be comparable to the data he will be collecting in North Dakota. He said he expects once the data is collected, policy ideas will flow from the data.

In response to a question from Senator Roers, Mr. Godfread said cost share will be part of the data collection discussion.

In response to a question from Senator Mathern, Mr. Godfread said although the department's consultant will provide some action step ideas, the finalized action steps will come from the department. He said some recommendations may require legislation.

Senator Mathern said if the committee gets the recommendations too late in the interim, it will be difficult for the committee to recommend legislative changes.

Mr. Godfread said he is aware and sensitive to the committee's timelines.

Mr. Godfread also provided the committee with an overview and update on the status of the air ambulance lawsuit. He provided a summary of the 2015 and 2017 legislation as well as an overview of congressional actions.

Mr. Godfread said Mr. Jeff Ubben, Deputy Commissioner and General Counsel, Insurance Department, will be beginning a new job outside of state government. Chairman Keiser said it has been an honor and privilege to work with Mr. Ubben and he will be missed.

Chairman Keiser invited representatives from the four health insurers in the state--Mr. Tony Piscione and Ms. Chelsey Matter, Blue Cross Blue Shield of North Dakota; Mr. Matt Schafer, Medica; Ms. Molly Carmody,

Sanford Health Plan; and Mr. Manny Munson-Regala, United Healthcare to participate in a panel discussion regarding drivers affecting health insurance premiums.

Mr. Piscione made a presentation ([Appendix E](#)) regarding the practice of health insurance rating. He said as the committee moves forward, state data likely will be more accurate than federal data as it will reflect the state's unique circumstances.

In response to a question from Representative Kasper, Mr. Piscione said in determining annual trend, factors considered include unit cost, utilization, and mix of services.

In response to a question from Representative Kasper, Mr. Piscione said the percentage of actual cost typical of stop-loss premium varies based on the amount of risk a group is willing to take. He said typically the larger the group the more risk it is willing to take.

Chairman Keiser asked for information regarding how the cost of drugs has changed over the last 5 years.

Mr. Schafer made a presentation ([Appendix F](#)) regarding health care cost drivers.

Representative Kasper said Medica uses a hybrid model of prescription drug transparency, with approximately 95 percent of rebates being passed on to the employers.

In response to a question from Senator Dever, Mr. Schafer said an accountable care organization is a narrow network plan, typically through a partnership with a single health care system.

In response to a question from Representative Lefor, Mr. Schafer said drug price transparency would be a bold legislative suggestion. He said he can provide the committee with more information regarding this concept.

Ms. Carmody said unlike health insurance pricing, drug pricing does not have to be justified. She said she supports Attorney General lawsuits claiming collusion and price fixing in drug pricing.

Mr. Munson-Regala said United Healthcare has taken steps to recognize complex cases and has offered providers an application to help providers select drugs with information regarding drug pricing.

Chairman Keiser said addressing concerns relating to pharmacy benefits managers is low-hanging fruit. He said the committee also will need to consider opportunities to save money on the provider side.

Ms. Matter made a presentation ([Appendix G](#)) regarding the Blue Alliance program. She said the fee-for-service model fundamentally is wrong, and a shift should be made to outcome-based models. However, she said, to coordinate care, it is necessary to have accurate data available.

Senator Roers said a challenge of new programs is the increase in quality outcome needs to be accompanied by minimal administration demands. She said it is important to streamline and integrate tools so providers can easily access these tools without having to use multiple applications and tools.

Mr. Munson-Regala said Optum, a sister company to United Healthcare, is focused on streamlining tools for providers. He said there are ongoing conversations that the implementation needs to be scalable.

In response to a question from Senator Mathern, Ms. Matter said the state's small population is one reason Blue Cross Blue Shield of North Dakota partnered with the federal government to implement Blue Alliance.

Mr. Schafer said North Dakota does some things well, such as how the state deals with proposed legislative health mandates through a cost-benefit analysis and trial period.

Chairman Keiser said he would like it if the state could get an EMTALA waiver to allow clinics to collocate walk-in clinics and emergency rooms.

Senator Lee said another waiver idea is to allow long-term care facilities to transition from basic care to skilled care and have mixed-use buildings.

HEALTH CARE DELIVERY STUDY

Chairman Keiser called on the Legislative Council staff to present a memorandum entitled [Health Care Delivery Study - Background Memorandum](#).

Senator Dever said part of the legislative history on this study relates to the reimbursement rates for Medicaid. He said 90 percent of hospital care takes place in the larger hospitals, and only 10 percent in the critical access hospitals (CAH). He said more treatment can be provided at the CAH level.

Senator Lee said the CAH average daily census is four.

Senator Hogan said she would like the committee to consider studying the role of federally qualified health centers and also the interface between primary care and behavioral health providers. She said as it relates to behavior health, steps should be taken to not have silos.

HEALTH INSURANCE GUARANTEED ISSUE STUDY

Chairman Keiser called on the Legislative Council staff to present a memorandum entitled [Health Insurance Guaranteed Issue - Background Memorandum](#).

Representative Kasper requested information regarding the cost of covering pre-existing conditions.

Representative Nelson said before the federal Affordable Care Act, people were locked into their jobs because they needed to ensure employer group health insurance coverage.

Mr. Godfread distributed a proposed amendment ([Appendix H](#)) to Senate Bill No. 2010 (2019) which he presented to the Appropriations Committees during the legislative session to address the concerns with the guaranteed issue language in the bill.

It was moved by Senator Mathern, seconded by Senator Hogan, and carried on a voice vote that the Legislative Council staff work with the Insurance Department to prepare a bill draft based on Mr. Godfread's proposed amendment language.

HEALTH FACILITY CONSTRUCTION AND RENOVATION STUDY

Chairman Keiser called on the Legislative Council staff to present a memorandum entitled [Health Facility Construction and Renovation Study - Background Memorandum](#).

No further business appearing, Chairman Keiser adjourned the meeting at 4:20 p.m.

Jennifer S. N. Clark
Counsel

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