

# **TESTIMONY OF SCOTT MILLER**

## **House Bill 1042 – Medicare Part D Exemption**

Good Morning, my name is Scott Miller. I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I appear before you today in support of House Bill 1042.

House Bill 1042 proposes to finish what the last legislative session started. Section 2 of House Bill 1374 last session created a requirement that PERS could only contract for Pharmacy Benefit Manager (PBM) services if the contract provided for full audit and financial transparency rights. Because that transparency may come at a cost, the last Legislative Assembly exempted our Medicare Part D plan, that is, the pharmacy program for our Medicare-eligible retirees, in order to protect those retirees from a possible large premium increase. The Assembly was concerned that any resulting increase might unduly harm our Medicare retirees, who pay the full premium for Part D coverage. Unfortunately, in the waning minutes of the Conference Committee consideration of the bill, a third subsection was added with similar transparency requirements, but without the exemption for the Part D plan. House Bill 1042 adds that exemption into those requirements, and thereby makes the statute internally consistent.

Making these changes in this session will be just in time for our upcoming Request for Proposals (RFP) for Part D services. If our experience with our health plan RFP is an indication of what may happen with our Part D RFP, we anticipate that this exemption may result in more bidders and lower costs for our Medicare retirees.

This concludes my testimony. I ask for your favorable consideration of this bill. I would be happy to answer any questions you may have.