



EMPLOYEE BENEFITS PROGRAMS COMMITTEE

Tuesday, January 17, 2023
Pioneer Room, State Capitol
Bismarck, North Dakota

Representative Josh Boschee, Chairman, called the meeting to order at 5:00 p.m.

Members present: Representatives Josh Boschee, Bert Anderson, Claire Cory, Mitch Ostlie, Matthew Ruby, Mary Schneider, Paul J. Thomas; Senators Brad Bekkedahl, Randy A. Burckhard, Dick Dever, Tim Mathern, Kristin Roers, Shawn Vedaa

Members absent: None

Others present: Representative Karen Karls, Bismarck
See [Appendix A](#) for additional persons present.

It was moved by Senator Bekkedahl, seconded by Senator Dever, and carried on a voice vote that the minutes of the December 13, 2022, meeting be approved as distributed.

BILL DRAFT ACTUARIAL REPORTS

The committee received technical comments, actuarial information, and comments by interested persons relating to the following five bill drafts, over which the committee took jurisdiction, which affect, actuarially or otherwise, the retirement programs of state employees or employees of any political subdivision, and health and retiree health plans of state employees or employees of any political subdivision pursuant to North Dakota Century Code Section 54-35-02.4:

- **Bill Draft No. 372** [[23.0372.01000](#)], which provides for closure of the Public Employees Retirement System (PERS) main system defined benefit plan to new hires effective January 1, 2025, and which provides for the state and political subdivisions to pay the actuarially determined employer contribution rate.
- **Bill Draft No. 392** [[23.0392.01000](#)], which limits out-of-pocket payment obligations under health insurance plans.
- **House Bill No. 1095**, which provides for health insurance medication optimization.
- **Senate Bill No. 2140**, which provides for a PERS diabetes diet pilot program.
- **Senate Bill No. 2160**, which provides for health insurance coverage of telehealth.

Mr. Scott Miller, Executive Director, Public Employees Retirement System, provided technical comments ([Appendix B](#)) and actuarial information ([Appendix C](#)) on the five bill drafts.

Representative Karen Karls testified in favor of Bill Draft No. 392.

Ms. Rebecca Fricke, Chief Benefits Officer, Public Employees Retirement System, testified regarding Bill Draft No. 392.

Ms. Megan Houn, Director, Government Relations, Blue Cross Blue Shield of North Dakota, testified regarding Bill Draft No. 392. She noted the federal Employer Retirement Income Security Act (ERISA) will prevent application of the bill draft to self-funded health plans.

Mr. Dylan Wheeler, Senior Legislative Affairs Specialist, Sanford Health Plan, testified regarding Bill Draft No. 392. He noted data indicate once an enrollee reaches the out-of-pocket maximum, there is a higher incidence of utilization.

It was moved by Senator Bekkedahl, seconded by Senator Dever, and carried on a roll call vote that the committee give a recommendation of no recommendation on Bill Draft No. 392. Representatives Boschee, Anderson, Cory, Ostlie, Ruby, Schneider, and Thomas and Senators Bekkedahl, Burckhard, Dever, Mathern, Roers, and Vedaa voted "aye." No negative votes were cast.

Mr. Miller testified regarding Bill Draft No. 372 and the percentage of the actuarially determined employer contribution rate that would be borne by political subdivisions.

It was moved by Senator Dever, seconded by Representative Ruby, and carried on a roll call vote that the committee give a recommendation of no recommendation on Bill Draft No. 372. Representatives Boschee, Anderson, Cory, Ruby, Schneider, and Thomas and Senators Bekkedahl, Burckhard, Dever, Mathern, Roers, and Vedaa voted "aye." Representative Ostlie voted "nay."

Ms. Chrystal Bartuska, Insurance Department, testified in favor of House Bill No. 1095.

Ms. Houn testified in support of the notion of House Bill No. 1095; however, she supported making some amendments to the bill and having a cost-benefit analysis performed.

Mr. Wheeler testified in opposition to House Bill No. 1095, noting Sanford Health Plan generally opposes health insurance mandates.

It was moved by Representative Ruby, seconded by Senator Bekkedahl, and carried on a roll call vote that the committee give a favorable recommendation on House Bill No. 1095. Representatives Boschee, Ostlie, Ruby, and Schneider and Senators Bekkedahl, Dever, and Vedaa voted "aye". Representatives Anderson, Cory, and Thomas and Senators Burckhard, Mathern, and Roers voted "nay."

Senator Mathern testified in favor of Senate Bill No. 2140. He provided proposed amendments [[23.0532.01001a](#)] he would like the committee to consider.

Chairman Boschee noted the committee has before it the bill as introduced.

Mr. Wheeler testified in opposition to the copay and cost-sharing caps.

Ms. Houn testified in opposition to Senate Bill No. 2140. She testified in support of the bill following the health insurance mandate protocol of going to PERS for a 2-year trial before being applied to the private market. She noted Blue Cross Blue Shield of North Dakota already is taking steps to limit out-of-pocket expenses for diabetes drugs and supplies. She testified in support of a Legislative Management study of the increasing costs of lifesaving drugs.

It was moved by Senator Mathern, seconded by Representative Schneider, and carried on a roll call vote that the committee give a recommendation of no recommendation on Senate Bill No. 2140. Representatives Boschee, Cory, Ostlie, and Schneider and Senators Bekkedahl, Burckhard, Mathern, and Vedaa voted "aye." Representatives Anderson, Ruby, and Thomas and Senator Roers voted "nay."

Ms. Houn noted telehealth payment parity was addressed during the 2021 legislative session. She testified Blue Cross Blue Shield of North Dakota already pays parity for approximately 90 percent of its claims. She testified in opposition to health insurance mandates.

Mr. Wheeler noted he has high-level concerns regarding Senate Bill No. 2160, including the concern of payment parity for audio-only services.

Ms. Bartuska testified regarding Senate Bill No. 2160.

It was moved by Senator Mathern, seconded by Senator Bekkedahl, and failed on a roll call vote that the committee give a favorable recommendation on Senate Bill No. 2160. Representatives Boschee, Ostlie, and Schneider and Senators Bekkedahl and Mathern voted "aye." Representatives Anderson, Cory, Ruby, and Thomas and Senators Burckhard, Roers, and Vedaa voted "nay."

It was moved by Representative Ruby, seconded by Representative Cory, and carried on a roll call vote that the committee give an unfavorable recommendation on Senate Bill No. 2160. Representatives Anderson, Cory, Ostlie, Ruby, and Thomas and Senators Burckhard, Roers, and Vedaa voted "aye." Representatives Boschee and Schneider and Senators Bekkedahl and Mathern voted "nay."

No further business appearing, Chairman Boschee adjourned the meeting at 7:00 p.m.

Jennifer S. N. Clark
Senior Counsel and Code Revisor

ATTACH:3