



HEALTH CARE COMMITTEE

Wednesday, November 1, 2023
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Kyle Davison, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Kyle Davison, Sean Cleary, Tim Mathern; Representatives Gretchen Dobervich, Clayton Fegley, LaurieBeth Hager, Dawson Holle*, Carrie McLeod, Jon O. Nelson, Karen M. Rohr, Mary Schneider, Greg Stemen, Michelle Strinden, Robin Weisz

Members absent: Senator Kristin Roers; Representative Emily O'Brien

Others present: See [Appendix A](#)

**Attended remotely*

It was moved by Representative Nelson, seconded by Senator Mathern, and carried on a voice vote that the minutes of the August 30, 2023, meeting be approved as distributed.

PRIOR AUTHORIZATION STUDY

Ms. Samantha E. Kramer, Senior Counsel and Assistant Code Revisor, Legislative Council, presented a memorandum entitled [Health Insurance Prior Authorization Study - Background Memorandum](#).

Ms. Melanie Wilson, Senior Vice President, Revenue Services, and Mr. Andrew Askew, Vice President, Public Policy, Essentia Health, provided information ([Appendix B](#)) regarding prior authorization in health benefit plans. Ms. Wilson noted:

- The quadruple aim of health care, which includes improving the health of the population, reducing costs, improving the patient experience, and improving the well-being of health care providers, is the gold standard for health care.
- When used properly, prior authorization can control costs to ensure patients receive medically necessary care.
- Harmful impacts of prior authorization include delays in treatment, negative patient experiences, the potential for treatment abandonment, barriers to innovative care models, and additional administrative burdens on providers.
- Legislation addressing time limits to standardize the time an insurance company has to determine whether a request for prior authorization is approved, with a mechanism to generate an automatic approval if a provider does not receive an answer within the allotted time frame, could improve the prior authorization process.

Ms. Emily Carroll, Senior Attorney, American Medical Association, provided information ([Appendix C](#)) regarding prior authorization in health benefit plans. She noted:

- 80 percent of physicians report the number of medical services for which prior authorization is required by insurers has increased over the last 5 years.
- 64 percent of physicians report it is difficult to determine whether a prescription medication requires prior authorization.
- 89 percent of physicians report prior authorization interferes with the continuity of patient care.

Mr. Marcus Lewis, Chief Executive Officer, First Care Health Center, provided information ([Appendix D](#)) regarding prior authorization. He noted it would be beneficial to address issues regarding the timeliness of receiving a determination on whether a prior authorization is approved.

Mr. Dylan Wheeler, Head of Government Affairs, Sanford Health Plan, provided information ([Appendix E](#)) regarding prior authorization in health benefit plans. He noted:

- Sanford Health Plan has a devoted utilization management medical team.
- Each quarter, Sanford Health Plan reviews the highly utilized authorizations for pharmacy and medical to make changes to the prior authorizations with a higher trend of approval and a lower risk for fraud and abuse.
- The National Committee on Quality Assurance establishes the accreditation standards insurers use for prior authorization.
- An area of opportunity for improving the prior authorization process includes the adoption and use of electronic prior authorization.

Ms. Megan Houn, Vice President, Government Affairs and Public Policy, Blue Cross Blue Shield of North Dakota, provided information ([Appendix F](#)) regarding prior authorization in health benefit plans. She noted:

- Prior authorization serves as an important safety check to confirm with the provider that the care recommendation is safe, medically evidenced, and not duplicative.
- When reviewing prior authorization requests, Blue Cross Blue Shield of North Dakota (BCBSND) takes into consideration safety, best care, and cost, and encourages communication between a member's doctor and the member's insurance company.
- Out of 68,000 medical codes, BCBSND requires prior authorization on 50 nonemergent codes.
- Areas of opportunity for improving the prior authorization process include providers only submitting requests on services that require prior authorization, the submission of requests electronically, and the inclusion of all necessary supporting documentation with the initial request.

Mr. Tim Blasl, President, North Dakota Hospital Association, and Mr. Kirk Cristy, Vice President Finance, Sanford Health, Bismarck, provided information ([Appendix G](#)) relating to health care finance. Mr. Cristy noted:

- The most common types of health insurance plans in the state are employer-sponsored health insurance, Affordable Care Act marketplace plans, and individual health insurance directly from an insurance company.
- Health economists consider a positive 4 percent operating margin as the minimum necessary to ensure hospitals have sufficient funds to reinvest in improving care and expanding access. North Dakota hospitals operate at a 3 percent margin.
- Hospitals are paid based on contracts with health insurance carriers.

VALUE-BASED CARE STUDY

Dr. Cathy Cantor, Chief Medical Officer, Essentia Health, and Mr. Askew, provided information ([Appendix H](#)) regarding value-based care in rural areas. Dr. Cantor noted:

- The majority of services provided by Essentia Health are in rural areas.
- Value-based care is the idea of improving quality and outcomes for patients while decreasing the cost of care.
- Traditional fee-for-service care primarily pays for specific itemized care delivered by clinicians.

Dr. Danielle Thurtle, Pediatrician, Sanford Health, provided information ([Appendix I](#)) relating to value-based care. She noted the Medicaid model is fantastic and providers want to maximize value.

Ms. Kate Syverson, Quality Director, Sanford Health, provided information ([Appendix J](#)) relating to value-based care. She noted Sanford Health has a regional performance improvement plan to provide strategic improvement activities in patient care, patient safety, and patient experience.

Mr. Lewis provided information ([Appendix K](#)) relating to value-based care. He noted the Rough Rider High Value Network recently was created to better serve the state's rural patients.

Ms. Chelsey Matter, Executive Director of Government Programs, Blue Cross Blue Shield of North Dakota, provided information ([Appendix L](#)) relating to value-based care.

Ms. Sarah Aker, Executive Director, Medical Services Division, Department of Health and Human Services, provided information ([Appendix M](#)) regarding value-based care strategies and programs in other states. She noted:

- Care management is a collaborative approach to health care which focuses on coordinating and managing services to ensure individuals receive appropriate care in an appropriate setting.
- Best practices in care management include stratification and triage by risk and need, integrated care, patient and provider engagement, information exchange, performance measurement and accountability, and aligning financial incentives.
- The state could increase the effectiveness of the state health information network to allow providers to receive notifications on certain types of patients.

No further business appearing, Chairman Davison adjourned the meeting at 3:10 p.m.

Samantha E. Kramer
Senior Counsel and Assistant Code Revisor

ATTACH:13