HOUSE BILL NO. 1095

Presented by: **John Arnold, Deputy Commissioner**
North Dakota Insurance Department

Before: **Senate Human Services Committee**
Senator Lee, Chairwoman

Date: **March 7, 2023**

Good morning, Chairwoman Lee and members of the Senate Human Service Committee. My name is John Arnold and I am the Deputy Commissioner for the Insurance Department. I am here today in support of House Bill 1095 and will explain the comprehensive medication management services to be offered in health benefit plans.

First some background on this bill. The 67th Legislative Assembly passed HB 1010, part of which requested Legislative Council to conduct a study on medication optimization. The Insurance Department assisted with the study and worked with various actuarial consultants and found that a program of this nature would benefit the consumers of North Dakota. These findings were consistent with the recommendations from the Interim Health Care study that 66th Legislative Assembly tasked the Insurance Department with conducting.

The consultants from the current study collaborated with the insurance carriers in the state and asked questions surrounding these types of programs. As a result of the study, we found that all the carriers already offer some of these services in some of the programs they already have in place. House Bill 1095 would just put parameters around the requirements to ensure there is consistency for the consumers, pharmacists, providers, and the insurers.

House Bill 1095 requires the insurers to ensure that if a pharmacist or provider is conducting comprehensive medication management programs that they are credentialed and have the correct criteria to advise patients on the best medication

regiments and to achieve good outcomes as a result of the program. We recognize that this may be a different process for insurers in their pharmacy contracting, but these programs are designed to be help medication management.

One issue that was brought to our attention is that there are some sections of the bill that may create additional administration and challenges for the insurer's and that was not our intent when drafting this legislation. Our goal is to provide patients in North Dakota with more options to ensure healthy outcomes. Also, we need to keep in mind that programs like this have resulted in lower overall costs in utilization. A little investment during implementation pays dividends once these programs are up and running.

We know there may be opposition to this bill and that some see this as a new mandate under PERS. We have confirmed with our federal partners, legislative council, various consulting firms and even most of the carriers in the state, and it is not seen as a mandate by those parties. We understand that PERs may see it as a mandate under their process, but the reason for this is due to the fact that our current insurer for PERs does this in house and does not contract with any outside pharmacist or entity for the medication management programs. This should not be seen as a determent to the program and bill as a whole given if our PERs plan was with another carrier this would not be an expansion of the services already offered.

Some additional points to it not being a mandate is that this is an overall value-added service that is not filed in the plan documents as a benefit, nor do the services affect claims or direct premiums. These services would be calculated into the insurer's administrative costs and would be seamless to the consumer.

This program was the result of our Health Care Cost study, as such, it is believed to be a program that will ultimately bring costs down in our state. To accomplish this necessary goal, things may have to change, programs may have to evolve. Comprehensive medication management is a proven tool to improve patient outcomes,

satisfaction, and adherence to medication, and in doing so improve the health of the consumer, thus lowering the overall medical spend. I would argue this bill is five years in the making, it was studied during our health care cost study and was determined to be a good idea then.

It was studied again during this interim and was determined to be a good idea at that point, so much so it was recommended for inclusion in our Essential Health Benefits. Ultimately, what you have before you is an idea that should not only improve the patient experience and improve their overall health and outcome, but over the long run attempt to bring down the cost of health care.

As HB 1095 consists of a single section, I will go through the sections of section of 26.1-36.11, the chapter that would be created by this bill.

To start, section one creates the definitions used in the chapter. Among these is the definition of "comprehensive medication management," which can be found on page one, line nine through page two, line 18. This defines the services to be included, such as formulating a medication treatment plan, monitoring the enrollee's response to therapy, and performing a comprehensive medication review. Again, the full definition can be found on pages one and two of the bill.

Section two details the requirements placed on health carriers while providing comprehensive medication management. This includes:

- Regular notification of enrollees and the enrollee's primary care provider of the program if the enrollee meets certain health requirements. Those requirements can be found on page two, line twenty-seven trough page three, line twelve.
- Making comprehensive medication management services available via telehealth.
- A requirement that an adequate number of participating pharmacists in the carriers' network.

- A requirement that a pharmacist directory indicate which pharmacists are participating providers under the comprehensive medication management program.
- An effective date requiring these services be provided beginning in the 2025 plan year.

Section three requires the Commissioner to establish and facilitate an advisory committee to implement the requirements of chapter 26.1-36.11. The advisory committee is to develop best practice recommendations on standards to ensure pharmacists are adequately included and appropriately utilized in comprehensive medication management programs. The advisory committee's initial recommendations would be due no later than June 30, 2024. Membership of the advisory committee consists of:

- The state health officer, or designee;
- An organization representing pharmacists;
- An organization representing physicians;
- An organization representing hospitals;
- A community pharmacy with pharmacists providing medical services;
- The two largest health carriers in the state based on enrollment;
- The NDSU school of pharmacy;
- An employer as a health benefit plan sponsor;
- An enrollee;
- An advanced practice registered nurse; and
- Other representatives appointed by the Insurance Commissioner.

Lastly, section four grants the Insurance Commissioner the authority to go through the Administrative Rules process and then present rules to the Administrative Rules Committee for adoption.

So, in conclusion, these services are an expansion of what all the carriers do now within their companies, and it is getting to be a popular service in other states. This bill

creates criteria around the program and streamlines the contracting and credentialling with the providers and pharmacists. At the end of the day, we feel that HB 1095 will be a valuable service to our constituents.

Thank you, Chairwoman Lee and members of the committee. I am happy to answer any questions that you may have.