

2023 Senate Bill No. 2031
Testimony before the Senate Human Services Committee
Presented by Tim Wahlin
Workforce Safety and Insurance
Date: January 16, 2023

Mr. Chairman and Members of the Committee:

My name is Tim Wahlin, Chief of Injury Services at Workforce Safety & Insurance (WSI). I am here today to provide testimony regarding Senate Bill No. 2031. The WSI Board has taken a neutral position on this bill as amended. In the event the amendment fails, the WSI Board would oppose passage of this bill.

The proposed legislation appears to exclude the agency from its scope, but there is some uncertainty. In an effort to clarify the agency's exclusion we offer the attached amendment. The amendment would treat WSI like North Dakota State Medicaid.

Workforce Safety and Insurance is a state agency responsible for providing workers' compensation insurance to all North Dakota employers. Benefits paid include wage replacement, all related medical, including pharmacy benefits for work related injuries. Consequently, the agency contracts with a pharmacy benefit manager (PBM) to provide injured employees real-time access at the time of these transactions.

WSI has just completed a request for proposal solicitation and engaged a new PBM. The changeover occurred January 1 of 2023. As part of the contract with our PBM partner, pricing formulations have been established. They have been built into a system according to our requirements for the negotiated price. Were WSI included within this legislation, we would be required to renegotiate the contract terms and reimplement this system. The costs for doing so are unknown at this point. Likewise, our PBM partner's ability to meet these terms is unknown.

The WSI system of pharmacy benefits as it exists is fully transparent regarding pricing and is required for nationwide deployment because our injured employees reside in areas other than North Dakota. The system proposed may well jeopardize our ability to remain engaged with our current partner. That in turn would jeopardize our ability to service our injured employees.

For these reasons WSI's Board requests adoption of the clarifying amendment.

This concludes my testimony and I'd be happy to answer any questions you may have.

PROPOSED AMENDMENT TO SENATE BILL NO. 2031

Page 1, line 24, after "program" insert "or workforce safety and insurance"

Renumber accordingly