

Chairman Warrey and Members of the House IBL Services Committee –

Good Morning, my name is Dylan Wheeler – Head of Government Affairs for Sanford Health Plan; testifying today in opposition to HB1248; however, open to working on compromise through amendments. The 2 year pilot period for health insurance mandates is a cornerstone of health policy in North Dakota, and serves as a model to other states who are considering covering additional services. The pilot period serves as a trial run to obtain data, track utilization, and estimate costs prior to rolling out a coverage mandate to the private market – including small business, families, and individuals. We would request that the 2 year trial period remain for health insurance mandates to ensure that we can estimate costs for the commercial market and better understand the effects – indirect and direct – of new coverage requirements in the North Dakota market.

One aspect of the NDPERS pilot period and the related statute is the value that the actuarial and technical analysis has on the policy making process. However, currently there are two entities that conduct cost-benefit analysis on new proposed coverage requirements. One area of opportunity to make the process more efficient is to make that only one entity – the entity that works directly with NDPERS on assessing the impact of coverage mandates. Our experience in that process has been positive and has helped inform the policy making process.

A recent example of how the pilot period has worked is with the copay cap on insulin and related supplies. Last session, the legislature approved coverage in NDPERS for a period of two years. During the two year period, we were able to better understand utilization trends, but also trends in the market. During the pilot period time, the market adjusted when insulin manufacturers substantially lowered the cost of insulin. Hence, during the period, cost reduction was shown for the NDPERS plan in certain areas; however, continuation of coverage still has a cost to the State health plan. This recent example demonstrates the value and information gleaned from the pilot period.

Finally, as we continue to more on an upward trend with prescription drug prices and new treatments within the marketplace. These coverage requirements should be, if approved by the legislature, continue to run through NDPERS for the 2 year period. This informative and educational process will bring insightful and financial information so that the body can better understand, if rolled out to the other state-regulated markets, what the effect could be on individuals, small businesses and families.

I appreciate the time and consideration and we look forward to maintaining the existing pilot period while recognizing the potential need to make the process more efficient.

Dylan C. Wheeler

Head of Government Affairs

Sanford Health Plan