

**Kasper, Jim M.**

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**From:** Kasper, Jim M.  
**Sent:** Tuesday, February 18, 2025 2:59 PM  
**To:** Kasper, Jim M.  
**Subject:** BCBS MEMO ON HB 1584--TUESDAY FEB 18, 2025  
**Attachments:** image002.png; image001.png; HB 1584 Info Alert .pdf

BLUE CROSS MEMO BEING CIRCULATED ON HB 1584 TUESDAY FEBRUARY 18, 2025

Representative Jim Kasper  
North Dakota House of Representatives  
District 46, Fargo  
Chairman Government & Veterans Affairs Committee  
Chairman Special House Committee on Ethics

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**Sent:** Tuesday, February 18, 2025 8:14 AM

**Subject:** FW: PLEASE READ : House Bill 1584 - Self Funded PBM oversight by state regulators | BCBSND SF Clients

Just received this from Blue Cross

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**From:** Gregory Poziembo <[Gregory.Poziembo@bcbsnd.com](mailto:Gregory.Poziembo@bcbsnd.com)>

**Sent:** Tuesday, February 18, 2025 8:09 AM

**Subject:** PLEASE READ : House Bill 1584 - Self Funded PBM oversight by state regulators | BCBSND SF Clients

Good Morning

As a Self Funded Client of BCBSND...

I wanted to make you aware of House Bill 1584, which aims to regulate PBMs who serve self-funded health plans in North Dakota by removing the protections given to self-funded ERISA plans from state regulation of their PBMs. I encourage you to review the impact this bill could have on self-funded plans' freedom to choose pharmacy benefits and take action by early next week if you feel it is appropriate.

If you have additional questions, please let me know.

SIMPLIFYING HEALTHCARE  
ENSURING AFFORDABILITY  
ELEVATING WELL-BEING

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## House Bill 1584 Information Alert

### *What it is:*

HB 1584 is a bill that aims to regulate Pharmacy Benefit Managers (PBMs) who serve self-funded health plans in North Dakota by removing the protections given to self-funded ERISA plans from state regulation of their PBMs. This legislation will limit design choice and increase state regulation of federally regulated self-funded groups, like yours, which will increase pharmaceutical costs.

Proposed amendments to the definition of a “covered entity” and “pharmacy benefits manager” to remove self-funded plans administering their own pharmacy benefits do nothing to protect self-funded groups, as self-funded groups overwhelmingly rely on PBMs to manage their pharmacy benefits.

### *What it means:*

***Your freedom to choose your own pharmacy benefits, including lower cost options, is at risk.***

- The North Dakota Insurance Department states that there is not a known benefit to the consumer for this type of legislation, and in other states where legislation like this has passed prescription drug costs did not come down.<sup>1</sup>
- This legislation strips ERISA self-funded health plans of their ability to design pharmacy benefits that helps them manage costs. This legislation could lead to pharmacy network design restrictions, prescription drug coverage mandates or even medical benefit Rx drug coverage with out-of-network providers. These risks could cost self-funded plans an estimated \$25 million in year one.<sup>2</sup>
- This legislation will likely result in lengthy legal battles that could be costly for taxpayers.

### *What you can do:*

Self-funded health plans can:

- Reach out to the House Industry, Business and Labor Committee and urge them to preserve the protections in current law for self-funded ERISA plans that HB 1584 seeks to remove. Specifically, the amendments to the definitions of “covered entity” and “pharmacy benefit manager” should maintain the language currently found in state law, which exempts PBMs serving self-funded ERISA plans from state regulation.
- The bill could be taken up by the Committee as soon as Monday morning, so we would encourage you to express your concerns with these representatives.

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Representative Josh Christy	<a href="mailto:jchristy@ndlegis.gov">jchristy@ndlegis.gov</a>

<sup>1</sup> [HIBL-1584-20250211-37127-N-ARNOLD JOHN R.pdf](#)

<sup>2</sup> [HIBL-1584-20250211-37131-A-KALANEK WILLIAM.pdf](#), [HIBL-1584-20250211-37129-A-POWER MICHAEL.pdf](#)

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