



TESTIMONY

Jon Godfread, Insurance Commissioner

Senate Appropriations – Human Resource Division Committee

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Testimony in Support of Senate Bill 2292

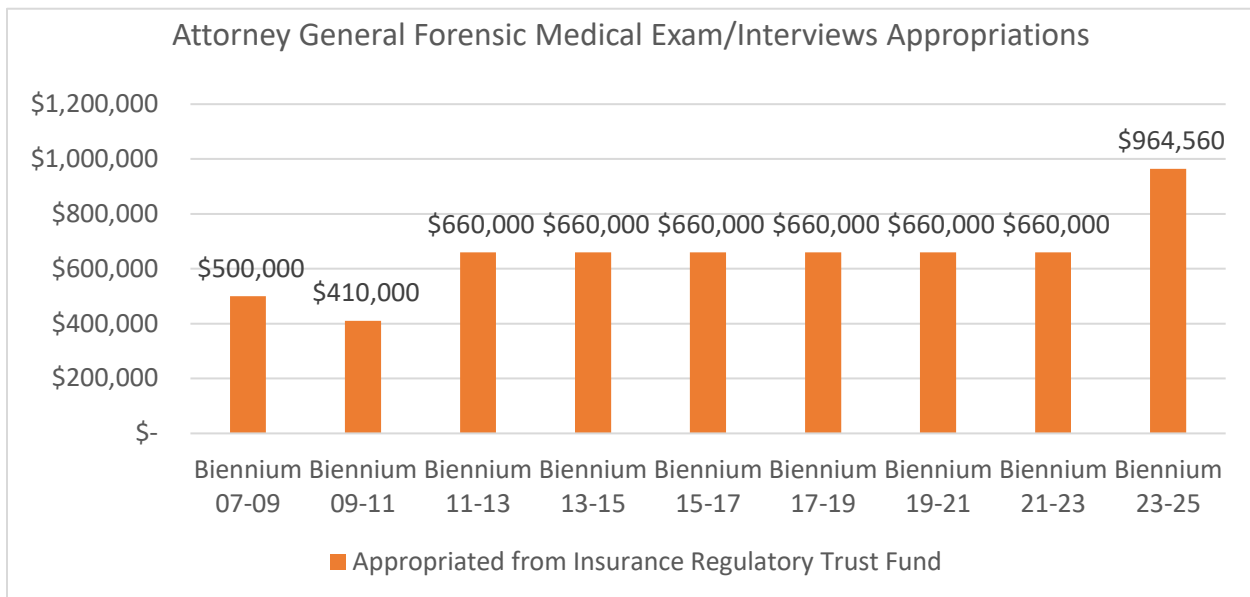
Thank you, Chairman Dever and Members of the Human Resource Appropriations Committee, for the opportunity to provide testimony in support of Senate Bill 2292, which seeks to specify an appropriate funding source for medical screenings and acute forensic medical examinations reimbursed through the Attorney General's Office.

History

In 2007, Senate Bill 2103 introduced appropriation language allocating \$500,000 from the Insurance Regulatory Trust Fund to reimburse healthcare facilities and professionals for the costs of performing acute forensic medical examinations. The appropriation covered the biennium beginning July 1, 2007, and ending June 30, 2009. When the bill was first introduced, funding was from the general fund, however it was amended to the Insurance Regulatory Trust Fund. At that time, we believe the Insurance Regulatory Trust Fund was selected due to its excess balance and the procedural requirement, if made aware the victim had insurance, at the time for medical professionals to first submit claims to insurance providers, which would often be denied due to the nature of the examination.

The Insurance Regulatory Trust Fund was established to support the administrative and regulatory operations of the Insurance Department. It is primarily funded through sums collected from insurance fees, retaliatory fees, penalties, and fines, as well as legislative appropriations, not premium tax paid by the company which was part of rational as well for the selection of the fund over the general fund back in 2007. The funds in this trust are used to cover the expenses of the Insurance Department in fulfilling its regulatory responsibilities. The trust fund was created to ensure stable financing for the department's regulatory activities.

Since 2007, it has been the responsibility of the Insurance Regulatory Trust Fund to support these reimbursements through the Attorney General’s Office. The amounts have increased over time as depicted below.



During the 68th Legislative Session, two significant developments occurred. First, Senate Bill 2067, which eliminated the requirement for the expenses of these examinations to be submitted to insurance, was enacted. Second, Senate Bill 2211 passed, which designated the Insurance Regulatory Trust Fund as the funding source for \$2.4 million per biennium for the North Dakota Firefighters Association. This legislation also resulted in the Fire Marshal’s office being moved under the Insurance Department, creating cash flow deficits for the Insurance Regulatory Trust Fund, particularly in the fall to spring period.

Given these changes, the question of securing a dedicated funding source for forensic medical services was raised during the 68th Legislative Session. However, due to the complexity of Senate Bill 2211 and the timing of the discussions, this issue was not fully addressed at that time.

Conclusion

Senate Bill 2292 offers a clear solution to ensure the continued availability of funding for these critical services by designating the General Fund as the dedicated and appropriate funding source and removing the Insurance Regulatory Trust Fund.

I respectfully urge the Committee to support this simplistic bill and to provide a dedicated appropriate funding source for this very important service. Thank you for your time and consideration. I am happy to answer any questions you may have.