



Good morning, Madam Chair and members of the Senate Human Services Committee, my name is Megan Hruby and I am with Blue Cross Blue Shield of North Dakota. Thank you for having me this morning to share our perspective on House Bill 1248 and its impact on commercial health insurance mandates.

BCBSND stands in opposition to section three of HB 1248, the repeal of the two-year trial period in PERS for commercial health insurance mandates and respectfully asks you to amend the bill to remove section three. Having a pilot period prior to enactment of any commercial health insurance mandate is thoughtful, logical and a measured method of gathering information to assess the fiscal consequences and health outcomes associated with potential policy decisions. As this committee has heard before, putting coverage or payment requirements in state statute doesn't always yield the intended results. Most often, the broader health insurance market must absorb and pay for the mandate, increasing costs for all policyholders, sometimes, for tests or policies that no longer or never had an evidence base. North Dakota is the envy of the nation for taking time to study utilization, trend and cost impacts and be thoughtful about how our residents' health care dollars are spent.

We understand the frustration of the bill's prime sponsor with the process, cost and the multiple cost benefit analyses. Frankly, we agree that some cost benefit analyses are not worth the dollars spent. We support the elimination of the second cost benefit analysis done outside of PERS. In recent years, we have seen outside analyses that were done sloppily, incorrectly and lacking more than one zero when the results came in. Having the right, not the cheapest, actuarial firm is critically important when it comes to studying the impacts of decisions made at the state government level. And, having the time to properly assess and ask the right questions is also critically important, which is why we applaud the work NDPERS and their consultant have done historically.

We also recognize the concerns of the bill's sponsors with the timelines. I do not believe the intention of Legislative Management was to prevent legislation from being introduced, but rather to give adequate time for a proper cost benefit analysis to be completed prior to legislators having to vote. Blue Cross is supportive of working together to adjust those timelines and the processes associated with health insurance mandates to meet the needs of legislators, PERS and the actuaries conducting the studies.

During debate on the House side, the bill sponsor and others talked about extending PERS' trial to two biennia to collect more than one year of data and determine efficacy of the proposed additions. Blue Cross is supportive of that amendment and proposes you include commercial coverage expansion in that extension as it is today, before passage of HB 1248.

North Dakotans are already struggling to afford health insurance. While it is easy to place blame on health carriers, we have to remember that North Dakota is a rate and file state, which means all premium increases must be reviewed and approved (generally after they are cut) by the Insurance Commissioner. We submit three to five years of data to the Insurance Department to justify the rates we request. Yet the costs of healthcare in North Dakota are not low. The US Department of Commerce Bureau of Economic Analysis ranks North Dakota third in the nation in healthcare expenditures per capita. As evidence, from 2022 to 2024, Blue Cross Blue Shield of North Dakota spent \$845,233,023.79 on North Dakota State Legislature imposed health insurance mandates. We anticipate that with the addition of the 2025 numbers that will be over \$1 billion. If we remove the PERS study for new mandates, we are eliminating an important and thoughtful step which requires the gathering of impact and outcome data before potentially saddling North Dakotans with additional costs and pricing people out of the health insurance marketplace.

This legislative session there have been just under a dozen mandates proposed: infertility, cryopreservation, insulin caps, ground ambulance reimbursement, step therapy bills, copay coupons, PBM regulation/state regulation of self-funded plans, dental insurance reform and two different bills to require coverage of GLP1 medications for weight loss. Each legislative session we see more, not less, mandates introduced. If all of the proposed bills passed due to pressure from advocacy and special interest groups went directly to the commercial market, policyholders would be facing consequences of spur of the moment public policy decisions costing hundreds of millions of dollars, with little or no ability to unwind the impacts.

With that, Madam Chair, I am happy to share some amendments to HB 1248 to leave the PERS trial intact and stand for any questions.

Proposed amendment:

A committee of the legislative assembly may not act on a legislative measure the legislative management or committee determines mandates health insurance coverage of services or payment for specified providers of services for a health benefit plan as defined in section 26.1-36.3-01 or for the health and retiree health plans of state employees or employees of any political subdivision unless the measure as recommended by the committee provides:

- a. For a health benefit plan as defined in section 26.1-36.3-01:
 - i. The measure is effective through the first renewal date of a policy subsequent to the date the mandate becomes law and is effective for a period of two years, and after that date, the measure is ineffective.

- ii. The application of the mandate begins on the first renewal date of the policy subsequent to the date the mandate becomes law and is effective for a period of two years, and after that date, the mandate is no longer applicable.
- b. For the health and retiree health plans of state employees or employees of any political subdivision:
 - i. The measure is effective through June thirtieth of the second odd - numbered year following the year in which the legislative assembly enacted the measure, and after that date the measure is ineffective.
 - ii. The application of the mandate begins with the contract for health insurance which becomes effective after June thirtieth of the year in which the measure becomes effective.
 - iii. For the second legislative assembly following the year in which the legislative assembly enacted the measure, the public employees retirement system may prepare and request introduction of a bill to repeal the expiration date and to extend the mandated coverage or payment on the system's health insurance programs.
 - iv. If the public employees retirement system introduces a bill to repeal the expiration date under subdivision c, the public employees retirement system shall append to the bill a report regarding the effect of the mandated coverage or payment on the system's health insurance programs. The report must include information on the utilization and costs relating to the mandated coverage or payment.