

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

14407

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1407

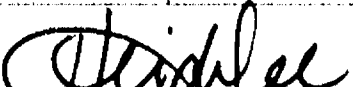
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1407

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 5, 2001

Tape Number	Side A	Side B	Meter #
2		X	0-36.9
3	X		16-22.25
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Rick Berg: I'm sponsoring this bill to take a proactive examination of health care packages in this state. The Insurance Commissioner would examine mandates to ensure that the benefits out weigh the cost. I'm providing a copy of the 22 mandates to be reviewed.

Rep Lemieux: How do you quantify a fiscal note to a medical procedure?

Rep Berg: You look at the total cost before and after the procedure.

Rep George Keiser: The intention is good business. We just want to overview these mandates, not necessarily eliminate them. If we don't do this, it will cause a trend of decreasing coverage. We need to find the intended purpose of these mandates and ensure that they do what's intended.

Rep Severson: Do we have a cost analysis and documentation?

Rep Keiser: We'll leave that up to Blue Cross Blue Shield.

Page 2
House Industry, Business and Labor Committee
Bill/Resolution Number HB 1407
Hearing Date Feb. 5, 2001

Dick Hedahl: *GND/A* We support this bill looking at identifying mandates with cost. All mandates limit options, this study will examine what's necessary and what's not.

Rod St. Aubyn: *BC/BS ND* **Written testimony in support of bill.**

Rep Kasper: Do you have the information needed for the study?

St. Aubyn: yes.

Chip Thomas: *WD/IA* An escalation of mandates will cause recourse by employers. This need to be reviewed and we support this.

Douglas Halloway: *Assistant Insurance Commissioner* Our office supports this fully.

David Meiers: *ND/F* We're neutral on this issue. Our main concern with identifying statistics is that important mandates may be thrown out yet are still needed, I.E. mental health.

Chairman Berg: We'll close the hearing on HB 1407.

Rep M. Klein: I move a do pass.

Rep Severson: I second.

11 yea, 2 nay, 2 absent **Carrier Rep Severson**


2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1407(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 13, 2001

Tape Number	Side A	Side B	Meter #
3	X		0-3.0
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Chairman Berg: Supplied amendments and explained.

Rep Johnson: I move to reconsider the bill.

Rep Froseth: I second.

Rep Froseth: I move to adopt the amendments.

Rep Johnson: I second.

Rep Froseth: I move a do pass as amended with rerefferal to appropriations.

Rep Johnson: I second

10 yea, 3 nay, 2 absent

Carrier Rep Severson

FISCAL NOTE
 Requested by Legislative Council
 04/20/2001

Bill/Resolution No.:

Amendment to: Reengrossed
 HB 1407

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$55,000	\$0	\$0
Appropriations	\$0	\$0	\$0	\$55,000	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Sections 1 and 3 of Second Engrossed HB 1407 with Conference Committee Amendments will impact the Insurance Regulatory Trust Fund.

Section 1 provides that the Insurance Department shall pay for a Legislative Council study of the impact of mandating health insurance coverage before the mandate becomes law. Each proposed mandate will require a separate study. The final impact to the Insurance Regulatory Trust Fund will depend on the number of mandates proposed. It is difficult to predict the number of benefits that will be proposed each session. Assuming at least two mandates per session, the cost of a study is estimated to be between \$10,000 and \$100,000 with the midpoint being \$55,000. A study will require the service of a consulting actuary. Section 4 appropriates \$55,000 from the Insurance Regulatory Trust Fund to cover the cost of the studies over the 2001-2003 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See above.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See above.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Insurance Regulatory Trust Fund - 2001-2003 biennium budget. See answer to No. 1.

Expense - \$55,000

No FTEs. Studies will be contracted with outside consultants.

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	04/20/2001

FISCAL NOTE
Requested by Legislative Council
03/23/2001

Bill/Resolution No.:

Amendment to: Reengrossed
 HB 1407

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$55,000	\$0	\$0
Appropriations	\$0	\$0	\$0	\$55,000	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Sections 1 and 3 of Second Engrossed HB 1407 with Senate amendments will impact the Insurance Regulatory Trust Fund.

Section 1 provides that the Insurance Department shall study the impact of mandating health insurance coverage before the mandate becomes law. Each proposed mandate will require a separate study. The final impact to the Insurance Regulatory Trust Fund will depend on the number of mandates proposed. It is difficult to predict the number of benefits that will be proposed each session. Assuming at least two mandates per session, the cost of a study is estimated to be between \$10,000 and \$100,000 with the midpoint being \$55,000. A study will require the service of a consulting actuary. Section 4 appropriates \$55,000 from the Insurance Regulatory Trust Fund to cover the cost of the studies over the 2001-2003 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See No. 2 above.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Insurance Regulatory Trust Fund - 2001-2003 biennium budget. See answer to No. 1

Expense - \$55,000

No FTEs. Studies will be contracted with outside consultants.

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	03/26/2001

FISCAL NOTE
 Requested by Legislative Council
 02/22/2001

Bill/Resolution No.:

Amendment to: Engrossed
 HB 1407

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Section 1 as amended will have no impact on the Insurance Department expenses or appropriation.

Section 2 as amended: It is estimated that the study required by Section 2 may cost roughly \$250,000 because of the large number of mandates and the wide variety of mandates that are to be included in the study and the large number of hours that will be necessary to complete the study. The Insurance Department anticipates that it will have an outside consulting actuary perform the study. The estimate is based on a recent study of mandated benefits performed for the Texas Insurance Department. The study involved 13 benefits and cost \$225,000.

There will be no fiscal impact on the General Fund or any special fund because spending for the study is restricted by Section 3 of the Second Engrossed House Bill No. 1407. The study is conditioned on excess moneys being available from income collected by the Insurance Department during the 1999-2001 biennium thus there will be no impact on any fund in any biennium.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See answer to No. 1.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

No impact on General Fund or Special Fund.

No FTEs. If money is available, a study will be contracted with outside consultants.

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	02/28/2001

FISCAL NOTE

Requested by Legislative Council

02/16/2001

Bill/Resolution No.:

Amendment to: HB 1407

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	(\$305,000)	\$0	(\$55,000)	\$0
Expenditures	\$0	\$0	\$0	\$305,000	\$0	\$55,000
Appropriations	\$0	\$0	\$0	\$305,000	\$0	\$55,000

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Both sections of HB 1407 will impact the Insurance Regulatory Trust Fund.

Section 1 provides that the Insurance Department shall study the impact of mandating health insurance coverage before the mandate becomes law. Each proposed mandate will require a separate study. The final impact to the general fund will depend on the number of mandates proposed. It is difficult to predict the number of benefits that will be proposed each session. Assuming at least two mandates per session, the cost of a study is estimated to be between \$10,000 and \$100,000 with the midpoint being \$55,000. A study will require the service of a consulting actuary. At present, consulting actuaries charge up to \$350 per hour. A study would require a minimum of 30 hours, but perhaps as many as 300 hours to address all of the issues set forth in Section 1.

Section 2: It is estimated that the study required by Section 2 may cost roughly \$250,000 because of the large number of mandates and the wide variety of mandates that are to be included in the study and the large number of hours that will be necessary to complete the study. The Insurance Department anticipates that it will have an outside consulting actuary perform the study. The estimate is based on a recent study of mandated benefits performed for the Texas Insurance Department. The study involved 13 benefits and cost \$225,000.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

In accordance with N.D. Cent. Code Section 26.1-01-07.1, any amount in excess of \$1,000,000 in the Insurance Regulatory Trust Fund at the end of each fiscal year must be transferred to the General Fund. Therefore, these additional expenditures of \$305,000 and \$55,000 for the 2001-2003 and 2003-2005 bienniums, respectively, will have a negative effect on the revenue side of the General Fund.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

\$305,000 for the 2001-2003 biennium, and \$55,000 for each biennium thereafter from the Insurance Regulatory Trust Fund.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Insurance Regulatory Trust Fund - 2001-2003 biennium budget. See answer to No. 1.

Expense - \$305,000

No FTEs. Studies will be contracted with outside consultants.

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	02/16/2001

FISCAL NOTE
 Requested by Legislative Council
 02/06/2001

REVISION

Bill/Resolution No.: HB 1407

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	(\$305,000)	\$0	(\$55,000)	\$0
Expenditures	\$0	\$0	\$0	\$305,000	\$0	\$55,000
Appropriations	\$0	\$0	\$0	\$305,000	\$0	\$55,000

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Both sections of HB 1407 will impact the Insurance Regulatory Trust Fund.

Section 1 provides that the Insurance Department shall study the impact of mandating health insurance coverage before the mandate becomes law. Each proposed mandate will require a separate study. The final impact to the general fund will depend on the number of mandates proposed. It is difficult to predict the number of benefits that will be proposed each session. Assuming at least two mandates per session, the cost of a study is estimated to be between \$10,000 and \$100,00 with the midpoint being \$55,000. A study will require the service of a consulting actuary. At present, consulting actuaries charge up to \$350 per hour. A study would require a minimum of 30 hours, but perhaps as many as 300 hours to address all of the issues set forth in Section 1.

Section 2: It is estimated that the study required by Section 2 may cost roughly \$250,000 because of the large number of mandates and the wide variety of mandates that are to be included in the study and the large number of hours that will be necessary to complete the study. The Insurance Department anticipates that it will have an outside consulting actuary

perform the study. The estimate is based on a recent study of mandated benefits performed for the Texas Insurance Department. The study involved 13 benefits and cost \$225,000.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

In accordance with N.D. Cent. Code Section 26.1-01-07.1, any amount in excess of \$1,000,000 in the Insurance Regulatory Trust Fund at the end of each fiscal year must be transferred to the General Fund. Therefore, these additional expenditures of \$305,000 and \$55,000 for the 2001-2003 and 2003-2005 bienniums, respectively, will have a negative effect on the revenue side of the General Fund.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

\$305,000 for the 2001-2003 biennium, and \$55,000 for each biennium thereafter from the Insurance Regulatory Trust Fund.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Insurance Regulatory Trust Fund - 2001-2003 biennium budget. See answer to No. 1.

Expense - \$305,000

No FTEs. Studies will be contracted with outside consultants.

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	02/16/2001

FISCAL NOTE
 Requested by Legislative Council
 02/02/2001

REVISION

Bill/Resolution No.: HB 1407

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$305,000	\$0	\$55,000
Appropriations	\$0	\$0	\$0	\$305,000	\$0	\$55,000

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Both sections of HB 1047 will impact the Insurance Regulatory Trust Fund.

Section 1 provides that the Insurance Department shall study the impact of mandating health insurance coverage before the mandate becomes law. Each proposed mandate will require a separate study. The final impact to the general fund will depend on the number of mandates proposed. It is difficult to predict the number of benefits that will be proposed each session. Assuming at least two mandates per session, the cost of a study is estimated to be between \$10,000 and \$100,00 with the midpoint being \$55,000. A study will require the service of a consulting actuary. At present, consulting actuaries charge up to \$350 per hour. A study would require a minimum of 30 hours, but perhaps as many as 300 hours to address all of the issues set forth in Section 1.

Section 2: It is estimated that the study required by Section 2 may cost roughly \$250,000 because of the large number of mandates and the wide variety of mandates that are to be included in the study and the large number of hours that will be necessary to complete the study. The Insurance Department anticipates that it will have an outside consulting actuary

perform the study. The estimate is based on a recent study of mandated benefits performed for the Texas Insurance Department. The study involved 13 benefits and cost \$225,000.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

\$305,000 for the 2001-2003 biennium, and \$55,000 for each biennium thereafter from the Insurance Regulatory Trust Fund.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Insurance Regulatory Trust Fund - 2001-2003 biennium budget. See answer to No. 1.

Expense - \$305,000

No FTEs. Studies will be contracted with outside consultants.

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	02/02/2001

FISCAL NOTE
 Requested by Legislative Council
 01/23/2001

Bill/Resolution No.: HB 1407

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$305,000	\$0	\$55,000	\$0
Appropriations	\$0	\$0	\$305,000	\$0	\$55,000	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Section 1 provides that the Insurance Department shall study the impact of mandating health insurance coverage before the mandate becomes law. Each proposed mandate will require a separate study. The final impact to the general fund will depend on the number of mandates proposed. It is difficult to predict the number of benefits that will be proposed each session. Assuming at least two mandates per session, the cost of a study is estimated to be between \$10,000 and \$100,00 with the midpoint being \$55,000. A study will require the service of a consulting actuary. At present, consulting actuaries charge up to \$350 per hour. A study would require a minimum of 30 hours, but perhaps as many as 300 hours to address all of the issues set forth in Section 1.

Section 2: It is estimated that the study required by Section 2 may cost roughly \$250,000 because of the large number of mandates and the wide variety of mandates that are to be included in the study and the large number of hours that will be necessary to complete the study. The Insurance Department anticipates that it will have an outside consulting actuary perform the study. The estimate is based on a recent study of mandated benefits performed for the Texas Insurance Department. The study involved 13 benefits and cost \$225,000.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

\$305,000 for the 2001-2003 biennium, and \$55,000 for each biennium thereafter.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Insurance Department - 2001-2003 biennium budget. See answer to No. 1.

Operating Expense - \$305,000

No FTEs. Studies will be contracted with outside consultants.

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	02/02/2001

Date: 2-5-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. ~~Click here to type Bill/Resolution No.~~ 1407

House Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Keiser Seconded By Severson

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorn		✓	Rep. Myron Koppang	✓	
Rep. Rod Froelich			Rep. Doug Lemieux		
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe		✓

Total (Yes) 11 No 2

Absent 2

Floor Assignment Rep Severson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 6, 2001 8:08 a.m.

Module No: HR-21-2436
Carrier: Severson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1407: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends
DO PASS (11 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1407 was placed
on the Eleventh order on the calendar.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1407

Page 1, line 2, remove "and" and after "study" insert "; and to provide an appropriation"

Page 2, after line 25, insert:

"SECTION 3. FUNDING AUTHORITY - APPROPRIATION. The insurance commissioner may accept, receive, and expend public and private moneys, not in excess of \$250,000, made available by grant or donation to accomplish the evaluations required under this section and those moneys are appropriated to the insurance commissioner for these purposes for the biennium beginning July 1, 2001, and ending June 30, 2003. Any unexpended general fund appropriation authority to and any excess income received by the insurance commissioner under chapter 32 of the 1999 Session Laws, in an amount not to exceed \$250,000, are not subject to section 54-44.1-11 and are available and may be expended by the insurance commissioner to accomplish the evaluations required under this section during the biennium beginning July 1, 2001, and ending June 30, 2003."

Renumber accordingly

Date: 2-13-01
 Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. HB1407

House Industry, Business and Labor Committee

Legislative Council Amendment Number 10360.0301 .0400

Action Taken Do pass w/ amend. w/ RR to Approp.

Motion Made By Froseth Seconded By Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser			Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm		✓	Rep. Myron Koppang	✓	
Rep. Rod Froelich			Rep. Doug Lemieux		✓
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe		✓

Total (Yes) 10 No 3

Absent 2

Floor Assignment Rep Severson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1407: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (10 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). HB 1407 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "and" and after "study" insert "; and to provide an appropriation"

Page 2, after line 25, Insert:

"SECTION 3. FUNDING AUTHORITY - APPROPRIATION. The insurance commissioner may accept, receive, and expend public and private moneys, not in excess of \$250,000, made available by grant or donation to accomplish the evaluations required under section 2 of this Act and those moneys are appropriated to the insurance commissioner for these purposes for the biennium beginning July 1, 2001, and ending June 30, 2003. Any unexpended general fund appropriation authority to and any excess income received by the insurance commissioner under chapter 32 of the 1999 Session Laws, in an amount not to exceed \$250,000, are not subject to section 54-44.1-11 and are available and may be expended by the insurance commissioner to accomplish the evaluations required under section 2 of this Act during the biennium beginning July 1, 2001, and ending June 30, 2003."

Renumber accordingly

2001 HOUSE APPROPRIATIONS

HB 1407

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1407

House Appropriations Committee

Conference Committee

Hearing Date February 19, 2001

Tape Number	Side A	Side B	Meter #
1		X	822 - 2722
Committee Clerk Signature <i>Z Z Osburn</i>			

Minutes:

HOUSE APPROPRIATIONS COMMITTEE HEARING ON HB1407.

Rep. Berg: HB1407 is really a longer term perspective on health care, health care mandates have cost almost a \$100 million in the last 12 months and the handout that I'm providing you is a handout that was presented in our committee. Basically, what this bill sets out to do is two things, first, if we had mandates that are introduced as legislation. Let be back up. Here is the problem as I see it. We have a special interest group that is providing medical services that gets together and organizes to lobby the legislature to include their services as a mandate, and that snowballs and starts rolling and we get out here as legislators and the pitch to us is that this is going to save us money, because its preventative health care, and without anything of tangible assessment of it we end up acting on that legislation, and if your voting for the mandate, well your doing something good for those people, and if your voting against the mandate you don't care about health care, you don't care about the people in North Dakota. It kind of dawned on me

this interim, when we deal with Workers Compensation legislation we always have a third party take a look at the costs of any change to our Workers Compensation legislation, and that third party can fairly accurately determine what this cost is going to be on the fund. So this bill really sets out to accomplish two things, the first thing would be as we move forward, as mandates are presented to this legislative chamber for its approval that we would have a third party analysis done on that mandate so we could see the cost to all premium policy holders and we can weigh that against the benefit of the mandate and make a decision based on that information. The second part of the bill, says lets go back and take a look at the mandates that we have imposed, and if you look at the handout, and I don't want to take a lot of your time, but we have never asked the question is the \$7 million dollars that were spending on health care for Chiropractors has that lowered the cost overall for health insurance, what this bill would attempt to do is this interim to take a look at those mandates that are currently on the books, and there are 23 of them and weigh out the cost benefit of those mandates and present recommendations to the next legislative assembly.

Rep. Timm: The first part of that, your intent of that is to look at a mandate before the legislature acts on it? Is that right?

Rep. Berg: When a bill is introduced that provides a mandated health care coverage, the legislative council would have a third party actuary say this is the estimated cost on premiums in the state.

Rep. Timm: The bill is introduced and then things go along pretty fast, would an actuary be able to do that in a week or two week period?

Rep. Berg: This would be the same as a fiscal note, and I will use the example of Workers Compensation, generally the turn around is 24 to 48 hours for what I would call a fiscal note,

and the fiscal impact on the fund, so I think part of this is preparing to help us deal with the issues as they come up and be able to weigh the benefits of the mandate against the cost to the premium holders.

Rep. Aarsvold: What constitutes a health and hospitalization policy? What services would be assumed in a health and hospitalization policy?

Rep. Berg: That's a pretty broad question, and one way of addressing that, is that you might be able to say, and if you look at the minimum stay in maternity, there saying the mandate costs \$5 million dollars, and in the normal course of business primary care physicians take a look at the patient and the elements of the disease and then make decisions and recommendations as a physician, generally those decisions are the most appropriate care for that patient. When we put a mandate in that says this is what you have to do, then if that's not consistent with what would be the most appropriate care in terms of cost savings and the cost and expense, then were imposing an additional cost.

Rep. Timm: The appropriation is the insurance company can accept and receive public and private moneys and not in excess of \$250,000, but then you go on to say, if he could some of his own funds if he doesn't spend it on what he intended to spend it on when he asked for it. Is that Right?

Rep. Berg: There are groups like the Dakota Medical Foundation which the medical foundation would invest in this type of study. I don't know to what degree they would and I certainly did not make and commitments, but there are some private groups that would be willing to invest in this type of study.

Rep. Wald: Rep. Aarsvold asked the question about the definition of a health insurance policy and I think if you just used the federal guidelines as it relates to when you get to be 65. The

definition is basically covered in part A and Part B of the Medicare law, would be in hospital services, board and room, and auxiliary, and then part B which would be medical or doctor in or out of the hospital, that would be the basic definition of a health insurance policy.

Rep. Glassheim: You say we would save about \$100 million dollars, do you know what percentage that is of the total expenditures, are we talking about \$100 million out of a billions or are we talking about \$300 million that is spent for all medical coverage? What size is this problem is what I'm trying to get at?

Rep. Berg: I can't answer that.

Rep. Wald: Rep. Glassheim raises some very good questions, but that is the whole purpose of the bill in front of us, is to find out exactly what these things cost, who benefits from it, is it something that benefits the greater good, there is some mandates on here, and I can see where I voted against a whole lot of them that are here, good or bad, but I think we ought to find out because health insurance keeps escalating, and every time you throw more benefits into the wagon its going to be harder to pull.

Rep. Delzer: In section one of the bill you want and go ahead and get a fiscal note kind of deal, if I understood you correctly, you said your not sure how your going to do this, but if this is not a government entity that you would ask to prepare these, would we have to pay and how would it be done?

Rep. Berg: I guess I'm looking at, first of all we need a third party that we feel is indeed a third party, not get the information from Blue Cross/Blue Shield and what a mandates going to do or not. Would our Insurance Commissioner be able to give that or not? I don't know. There would obviously be a cost to do this analysis, again I don't know that it would be a major expense.

Page 5

House Appropriations Committee

Bill/Resolution Number HB1407

Hearing Date February 19, 2001

Rep. Timm: Any other questions for Rep. Berg? Any other testimony in support of HB1407?

Any opposition for HB1407? If not we will close the hearing on HB1407.

House committee on appropriations closed the hearing on HB1407.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1407

House Appropriations Committee

Conference Committee

Hearing Date February 20, 2001

Tape Number	Side A	Side B	Meter #
02-20-01 tape #1		254 - 1948	
Committee Clerk Signature <i>Robert Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1407.

Chairman Timm: House Bill 1407 is a bill that provides for a study on mandated health insurance coverage.

Rep. Kempenich: Moves to adopt amendment .0401. Seconded by Rep. Wald.

Rep. Rick Berg: The amendments do several things. He explains the proposed amendments. One issue was the funding. The insurance commissioner is funded by all special funds. But every year the insurance commissioner pays about \$1 million to the general fund. So the general fund budget is based on approximately \$2 million in the next biennium from the insurance commissioner's office. These amendments say that funding would come from the insurance commissioner's office as long as the revenue exceeded what we budgeted for in the general fund. So there would be no fiscal impact on the general fund with the amendments. The study is subject to adequate funding.

Rep. Wald: When you have a bill requesting a study it has to be done, there is no choice, as in contrast to a resolution requesting a study. (Confirmed by LC staff).

Rep. Delzer: Since this issue has come up now, if the \$250,000 does not become available from the insurance commissioner, we still have the shall in there. We should consider changing the shall to may.

Rep. Kerzman: Question to Rep. Berg, he seems to recall a challenge a few years ago to Blue Cross Blue Shield to come up with a no-frills policy. They did that, and the premium didn't seem to change. What happened to that, are they still offering it?

Rep. Berg: We should have followed up on that, we did authorize them to do a bare-bones policy that had no mandates, and that policy went nowhere. No one purchased it. It really wasn't marketed well.

Rep. Wald: There is a standard policy that is a guarantee issue, with waiting periods on preexisting. Gave some info on the policy. We added so much to it, we no longer have a bare-bones policy in ND.

Rep. Kerzman: If we are going to study this, we will still need to put mandates in this to sell it.

Rep. Berg: It is not his intention to get to a bare-bones policy with zero mandates. Its is just to determine of some of them are cost effective and some are not. The Senate did just pass a bare-bones for small groups, of 2-50 employees.

Voice vote to adopt amendment passed. Amendments are adopted.

Rep. Glassheim: Would like to further amend and add to the list items j & k to be included, to have an objective evaluation. Rep. Aarsvold seconded.

Rep. Delzer: Thinks the bill already covers these items.

Page 3
House Appropriations Committee
Bill/Resolution Number HB 1407
Hearing Date February 20, 2001

Rep. Glassheim: Argues to support his amendment for the study to look at both positive and negative aspects.

Voice vote to adopt this amendment was close. A roll call vote on the motion to further amend failed, 8 to 13.

Rep. Delzer: Moves to adopt further to change shall to may on page 2, line 13. Seconded by Rep. Skarphol.

(General discussion as to changing which "shall"s to "may"s).

Voice vote adopted the amendment.

Rep. Delzer: Moved DO PASS AS AMENDED. Seconded by Rep. Carlisle.

Vote on Do Pass as Amended: 17 yes, 4 no.

Rep. Carlisle is assigned to carry the bill to the floor.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1407

Page 1, line 9, replace "insurance commissioner" with "legislative council"

Page 2, line 11, replace "insurance commissioner" with "legislative council"

Page 2, line 16, after "evaluate" insert ", subject to receipt of adequate funding under section 3 of this Act,"

Page 2, line 31, remove "general fund"

Page 3, line 4, after the period insert "The unexpended appropriation authority may only be spent to the extent that the expenditure does not reduce the projected transfers to the general fund under section 26.1-01-07.1 as projected by the fifty-seventh legislative assembly revenue forecast for the 2001-03 biennium."

Re-number accordingly

Date: 2-20-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1407

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 10360.0401

Action Taken to adopt amendment .0401

Motion Made By Rep. Kempenich Seconded By Rep. Wald

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman					
Wald - Vice Chairman					
Rep - Aarsvold			Rep - Koppelman		
Rep - Boehm			Rep - Martinson		
Rep - Byerly			Rep - Monson		
Rep - Carlisle			Rep - Skarphol		
Rep - Delzer			Rep - Svedjan		
Rep - Glassheim			Rep - Thoreson		
Rep - Gulleason			Rep - Warner		
Rep - Huether			Rep - Wentz		
Rep - Kempenich					
Rep - Kerzman					
Rep - Kliniske					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

adopted

Date: 2-20-01
 Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HR 1407

House APPROPRIATIONS Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number ~~2001-0000~~

Action Taken to further amend

Motion Made By Rep Glassheim Seconded By Rep. Aarsvold

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman		✓			
Wald - Vice Chairman		✓			
Rep - Aarsvold	✓		Rep - Koppelman		✓
Rep - Boehm		✓	Rep - Martinson		✓
Rep - Byerly		✓	Rep - Monson		✓
Rep - Carlisle		✓	Rep - Skarphol		✓
Rep - Delzer		✓	Rep - Svedjan		✓
Rep - Glassheim	✓		Rep - Thoreson		✓
Rep - Gullerson	✓		Rep - Warner	✓	
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich		✓			
Rep - Kerzman	✓				
Rep - Kliniske	✓				

Total (Yes) 8 No 13

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
to add j & k to list - to look at positive and negative.

fails

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1407

Page 1, line 9, replace "insurance commissioner" with "legislative council"

Page 2, line 11, replace "insurance commissioner" with "legislative council"

Page 2, line 12, after the dash insert "**REPORT BY INSURANCE COMMISSIONER ON**"

Page 2, line 13, replace "study" with "consider studying"

Page 2, line 16, after "evaluate" insert ", subject to receipt of adequate funding under section 3 of this Act,"

Page 2, line 21, replace "interim committee conducting the study required by this section during the course of the" with "before July 1, 2002."

Page 2, remove lines 22 through 25

Page 2, line 31, remove "general fund"

Page 3, line 4, after the period insert "The unexpended appropriation authority may only be spent to the extent that the expenditure does not reduce the projected transfers to the general fund under section 26.1-01-07.1 as projected by the fifty-seventh legislative assembly revenue forecast for the 2001-03 biennium."

Renumber accordingly

Date: 2-20-01
Roll Call Vote #: 3

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1407

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 10360.0402

Action Taken to further amend.

Motion Made By Rep. Delzer Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman					
Wald - Vice Chairman					
Rep - Aarsvold			Rep - Koppelman		
Rep - Boehm			Rep - Martinson		
Rep - Byerly			Rep - Monson		
Rep - Carlisle			Rep - Skarphol		
Rep - Delzer			Rep - Svedjan		
Rep - Glassheim			Rep - Thoreson		
Rep - Gulleason			Rep - Warner		
Rep - Huether			Rep - Wentz		
Rep - Kempenich					
Rep - Kerzman					
Rep - Kliniske					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Pg 2. line 13. change shall to may
2

PASS

Date: 2-20-01
 Roll Call Vote #: 4

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1407

House APPROPRIATIONS Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number 10360.0402

Action Taken Do Pass As Amended.

Motion Made By Rep. Delzer Seconded By Rep. Carlisle

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold		✓	Rep - Koppelman	✓	
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer	✓		Rep - Svedjan	✓	
Rep - Glassheim		✓	Rep - Thoreson	✓	
Rep - Gulleson	✓		Rep - Warner	✓	
Rep - Huether	✓		Rep - Wentz		✓
Rep - Kempenich	✓				
Rep - Kerzman		✓			
Rep - Kliniske	✓				

Total (Yes) 17 No 4

Absent _____

Floor Assignment Rep. Carlisle

If the vote is on an amendment, briefly indicate intent:

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1407

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1407

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date March 07, 2007.

Tape Number	Side A	Side B	Meter #
1		x	4.3 to 23.9
2	x		46.7 to 50.4
(March 14/01) 1	x		5.7 to 20.1
(March 21/01) 1	x		0 to 14.5
Committee Clerk Signature <i>Dois & Perez</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on HB 1407 to provide for a cost-benefit analysis of mandated health insurance coverage of services; to provide for a legislative council study; and to provide an appropriation.

Representative Rick Berg, District 45, cosponsor. This bill evolves from trying to address health care costs. It does two things: first, let's look at the twenty existing mandates. The insurance commissioner will initiate study and review of mandates, process outlined in page one. The commissioner will report to interim legislative committee, which will evaluate which mandates are cost effective and which are not. They will present that report at the next legislative session. The second part is that in the future, before a committee acts on a health mandate, we would have a third party evaluate impact on premiums. Basically there is no fiscal effect because the bill will allow for excess funds to be used for the study, up to 250 thousand dollars. You see

words "can" and "may" because if he doesn't have the money then won't be able to do study.
Insurance commissioner will be allowed to receive money from other parties.

Senator Mutch: Why this route and not a study resolution?

Rep Berg: Because it covers two things, the study and that in the future there has to be a study done before voting on mandates. Also this will cost some money, it will have an appropriation.

Senator Every: Isn't there the potential of swaying the study by contributing money to it?

Rep Berg: The issue is out there. The interim committee will make sure it isn't like that. In the current situation groups always come for mandates because of special interests.

Rod St Aubyn, Blue Cross/Blue Shield. We have opposed the establishment of mandates. Supplied chart of costs of mandates. Ultimately the cost will be covered by the subscribers. In favor of this bill. Written testimony attached.

Arnold Thomas, Pres. ND Healthcare Assn. In favor. This bill will allow full discussion and exploration on the impact of mandates on premiums. This process will make policy decisions more objective, since it will study all the possible implications. There is nothing to fear in reviewing the mandates already in place.

David Peske, ND Medical Assn. In favor of this bill as a reasonable way to look at mandates.

Vance Magnuson, ND Insurance Department. No objection to participating in or guiding the study, support the bill. We will not be influenced by any contributions, if strings are attached we won't accept the funds. The benefits of this study will outweigh the cost. Verbiage of the bill is good.

Senator Mathern: Some mandates are required by federal law?

V Magnuson: Yes. Some of those mandates will have to be left in there.

No opposing testimony. Hearing concluded.

Page 3
Senate Industry, Business and Labor Committee
Bill/Resolution Number HB 1407
Hearing Date March 07, 2001.

March 14/01. Tape 2-A-5.7 to 20.1

Committee reconvened. All members present.

Senator Every: I have a problem with source of money for the study, I think it might influence the study. Submitted amendment that would assess insurance companies equally, it would be part of the cost of doing business in the state. It would no longer be a grant or donation.

Senator Klein: I think assessment would defeat the purpose of the bill because it would create another cost that will be passed on to the consumer.

Discussion held.

Senator Every: Motion: adopt amendment. **Senator Mathern:** Second.

Roll call vote: 1 yes; 6 no. Motion failed.

Senator Espegard: Motion: do pass. **Senator Krebsbach:** Second.

Roll call vote: 5 yes; 2 no. Motion carried. Floor assignment: **Senator Espegard**

Page 4

Senate Industry, Business and Labor Committee

Bill/Resolution Number HB 1407

Hearing Date March 07, 2001.

March 21/01. Tape 1-A- 0 to 14.5

Committee reconvened. All members present. Committee studied proposed amendment, submitted by the Insurance Department, to reengrossed bill.

Senator Mutch: We are reconsidering the bill to replace the legislative council with the insurance commissioner.

Senator Every: I don't think the way the money will be appropriated is going to be fair to everybody.

Discussion held.

Senator Mathern: Motion to reconsider. **Senator Krebsbach:** Second.

Roll call vote: 6 yes; 1 no. Motion carried.

Senator Espegard: Move adoption of amendments. **Senator Krebsbach:** Second.

Roll call vote: 6 yes; 1 no. Motion carried.

Senator Espegard: Motion: do pass as amended. **Senator Krebsbach:** Second.

Roll call vote: 5 yes; 2 no. Motion carried. Floor assignment: **Senator Espegard.**

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1407

Page 2, replace lines 23 through 31 with:

"SECTION 3. HEALTH INSURANCE MANDATED COVERAGE OF SERVICES ASSESSMENT - APPROPRIATION. During the biennium beginning July 1, 2001, and ending June 30, 2003, the insurance commissioner shall calculate, assess, and collect from every accident and health insurer doing business in the state an annual health insurance mandated coverage of services assessment. The first \$250,000 of the moneys collected under this section are appropriated to the insurance commissioner for the purpose of accomplishing the evaluations required under section 2 of this Act for the biennium beginning July 1, 2001, and ending June 30, 2003."

Page 3, remove lines 1 through 4

Renumber accordingly

Date: 3/14/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1407

Senate Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Adopt amendment

Motion Made By Sen Every Seconded By Sen Mathern

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman		✓	Senator Every	✓	
Senator Klein - Vice Chairman		✓	Senator Mathern		✓
Senator Espegard		✓			
Senator Krebsbach		✓			
Senator Tollefson		✓			

Total (Yes) 1 No 6

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 3/14/01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1407

Senate Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen Espeland Seconded By Sen Krebsbach

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every		✓
Senator Klein - Vice Chairman	✓		Senator Mathern		✓
Senator Espeland	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 5 No 2

Absent _____

Floor Assignment Sen Espeland

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 15, 2001 8:37 a.m.

Module No: SR-45-5656
Carrier: Espegard
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1407, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **DO PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1407 was placed on the Fourteenth order on the calendar.

Date: 3/21/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1407

Senate Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Motion to Reconsider

Motion Made By Sen Mathern Seconded By Sen. J. G. Juck

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every		✓
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espegard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 6 No 1

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1407

Page 1, line 2, replace "for a legislative council" with "an insurance commissioner" and replace "an appropriation" with "appropriations"

Page 1, line 9, replace "legislative council" with "insurance commissioner"

Page 2, line 11, replace "legislative council" with "insurance commissioner"

Page 3, after line 4, insert:

"SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, the sum of fifty-five thousand dollars, or so much of the sum as may be necessary, to the insurance commissioner for the purpose of carrying out the provisions of section 1 of this Act, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Renumber accordingly

Date: 3/21/01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1487

Senate Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Adoption of amendments

Motion Made By Sen Espigard Seconded By Sen Lubrache

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every		✓
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espigard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 6 No 1

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 3/21/01
Roll Call Vote #: 3

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1407

Senate Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken No proposed amendments

Motion Made By Sen Espgaard Seconded By Sen Krebsbach

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every		✓
Senator Klein - Vice Chairman	✓		Senator Mathern		✓
Senator Espgaard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 5 No 2
Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1407, as reengrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1407 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "legislative council"

Page 1, line 9, replace "legislative council" with "insurance commissioner"

Page 2, line 11, replace "legislative council" with "insurance commissioner"

Page 3, after line 4, insert:

"SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, the sum of \$55,000, or so much of the sum as may be necessary, to the insurance commissioner for the purpose of carrying out the provisions of section 1 of this Act, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Re-number accordingly

2001 SENATE APPROPRIATIONS

HB 1407


2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1407

Senate Appropriations Committee

Conference Committee

Hearing Date March 30, 2001

Tape Number	Side A	Side B	Meter #
2	X		5.5-11.0
Committee Clerk Signature 			

Minutes:

Senator Solberg opened the hearing on HB 1407.

Representative Rick Berg, District #45, spoke in favor of the Bill. There is no fiscal affect of this bill on the biennium 01-03. Every year the insurance department puts a \$1 million into the general fund. If there is money in excess of this \$1 million, that money can be used to do this study. If there is not money in access the money would not be there for the study. The amendments change the number from \$250,000 to \$55,000.

Senator Dugine Espegard, District #43, testified in support of the bill. The amendment changed calls for the insurance commissioner to be in charge of the study and not the legislative council. In Section 4, the appropriation that comes out of the regulatory insurance trust fund of \$55,000 to be used and in Section 3 indicates that to do the other studies by mandated insurance companies that they can go out for private funds for another \$250,000. Basically that the Insurance

Page 2
Senate Appropriations Committee
Bill/Resolution Number HB 1407
Hearing Date March 30, 2001

Commissioner to study with existing mandates there and also any new mandates that may be required would not be possible unless there is a study.

Commissioner Poolman, spoke to address fiscal note. We had this moved back to the Insurance Commissioner and compromised for \$55,000 for this study for mandated benefits.

Senator Solberg: That \$55,000 would be a straight amount.

Commissioner Poolman: Exactly, we think that we will still turn back the \$1 million other than the \$55,000 we appropriated in this bill.

With no further testimony, the hearing was closed.

Senator Grindberg made a motion for Do Pass; seconded by Senator Solberg.

No further discussion. 11 yes, 3 absent.

Tape #1, Side A, meter 11.0.

Date: 3-30-01

Roll Call Vote #: _____

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. S.B. 1407

Senate Appropriations Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken To Pass

Motion Made By Senator Grindberg Seconded By Senator Solberg

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman					
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaa	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac	.				
Joel C. Heitkamp	✓				
Tony Grindberg	✓				
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg	.				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 11 No 0

Absent 3

Floor Assignment Senator ESPOGARD

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 30, 2001 11:21 a.m.

Module No: SR-56-7269
Carrier: Espegard
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1407, as engrossed and amended: Appropriations Committee (Sen. Nething, Chairman) recommends **DO PASS** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). Engrossed HB 1407, as amended, was placed on the Fourteenth order on the calendar.

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

CONFERENCE COMMITTEE

HB 1407

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1407

House Industry, Business and Labor Committee

Conference Committee

Hearing Date April 18, 2001

Tape Number	Side A	Side B	Meter #
1	X		0-4.89
Committee Clerk Signature <i>Heidi J. ...</i>			

Minutes: **Sen. Espgaard, Sen. Mutch, Sen. Every, Rep. Berg, Rep. Kasper, Rep. Lemieux**

Chairman Berg: We'll call the conference committee on HB 1407 to order and the roll.

All present.

Chairman Berg: Explained amendment 10360.0505 and explained new subsection. Included some of the Senate amendments and brings the Insurance Commissioners recommendations into consideration.

Sen. Espgaard: That is only for the services that would be required in Section 1, right?

Chairman Berg: Correct.

Sen. Espgaard: In section 2 when they look at the mandate, there they have to raise the money and do whatever.

Chairman Berg: Correct. Section 2 on page 2 really talks about preparation the Insurance Commissioner would do for the Interim study. Lines 18-20 are the scope of the background the Insurance Commissioner going to do for the Interim. That is review each existing health care

Page 2
House Industry, Business and Labor Committee
Bill/Resolution Number HB 1407
Hearing Date April 18, 2001

coverage mandate on the base of cost and fiscal effects and insurance premium and how to relate the benefits and are they reducing the need for future health care services. The basic change from the bill would be to bring more focus into the analysis and two, put the control of legislative counsel on the ongoing basis which we as legislators control. Does anyone have any questions on the amendments to the bill?

Sen. Espegard: My only question as I look at this proposed amendments, you're saying that's how Legislative Counsel get by with getting rid of some of these things in here. All of this means this. Why don't they just say that?

Chairman Berg: Correct. Where it says page 1 remove lines 11-19, I highlighted what the amendments actually do in part change.

Sen. Espegard: I move to recede the Senate amendments and further amend.

Sen. Mutch: I second.

6 yea, 0 nay, 0 absent Carrier Rep. Berg, Sen. Espegard

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1407

That the Senate recede from its amendments printed on pages 1289 and 1290 of the House Journal and page 910 of the Senate Journal and that Reengrossed House Bill No. 1407 be amended as follows:

Page 1, line 4, remove the underscore under "Health insurance mandated coverage of services - Cost-benefit"

Page 1, remove the underscore under lines 5 through 8

Page 1, line 9, remove the underscore under "analysis", replace "prepared" with "provided", and remove the underscore under "by the legislative council. Factors to consider in this analysis"

Page 1, line 10, remove the underscore

Page 1, remove lines 11 through 19

Page 1, line 20, replace "f." with "a." and remove the underscore under "The extent to which the proposed mandate would increase or decrease the"

Page 1, line 21, remove the underscore

Page 1, line 22, replace "g." with "b." and remove the underscore under "The extent to which the proposed mandate would increase the appropriate"

Page 1, line 23, remove the underscore

Page 2, line 1, replace "h." with "c." and remove the underscore under "The extent to which the proposed mandate would increase or decrease the"

Page 2, remove the underscore under lines 2 and 3

Page 2, line 4, replace "i." with "d." and remove the underscore under "The impact of the proposed mandate on the total cost of health care."

Page 2, remove the underscore under lines 5 through 10

Page 2, line 11, remove the underscore under "analysis", replace "prepared" with "provided", and remove the underscore under "by the legislative council."

Page 2, after line 11, insert:

- "4. The legislative council shall contract with a private entity, after receiving one or more recommendations from the insurance commissioner, to provide the cost-benefit analysis required by this section. The insurance commissioner shall pay the cost of the contracted services to the entity providing the services."

Page 3, after line 4, insert:

"SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, the sum of \$55,000, or so much of the sum as may be necessary, to the insurance commissioner for the purpose of paying for the services contracted for under section 1 of this Act, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Renumber accordingly

Date: 4-18-01
Roll Call Vote # 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1407

House Industry, Business, & Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Senate recede from Senate amend.
and further amend
Motion Made By _____ Seconded By _____

Representatives	Yes	No	SENATORS	Yes	No
✓ Rep Berg	✓		✓ Sen Espgaard	✓	
✓ Rep Kasper	✓		✓ Sen Mutch	✓	
✓ Rep Lemieux	✓		✓ Sen Every	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment Rep Berg, Sen Espgaard

If the vote is on an amendment, briefly indicate intent:

REPORT OF CONFERENCE COMMITTEE

HB 1407, as reengrossed: Your conference committee (Sens. Espgaard, Mutch, Every and Reps. Berg, Kasper, Lemleux) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1289-1290, adopt further amendments as follows, and place HB 1407 on the Seventh order:

That the Senate recede from its amendments printed on pages 1289 and 1290 of the House Journal and page 910 of the Senate Journal and that Reengrossed House Bill No. 1407 be amended as follows:

Page 1, line 4, remove the underscore under "Health Insurance mandated coverage of services - Cost-benefit"

Page 1, remove the underscore under lines 5 through 8

Page 1, line 9, remove the underscore under "analysis", replace "prepared" with "provided", and remove the underscore under "by the legislative council. Factors to consider in this analysis"

Page 1, remove the underscore under line 10

Page 1, remove lines 11 through 19

Page 1, line 20, replace "f." with "a." and remove the underscore under "The extent to which the proposed mandate would increase or decrease the"

Page 1, remove the underscore under line 21

Page 1, line 22, replace "g." with "b." and remove the underscore under "The extent to which the proposed mandate would increase the appropriate"

Page 1, remove the underscore under line 23

Page 2, line 1, replace "h." with "c." and remove the underscore under "The extent to which the proposed mandate would increase or decrease the"

Page 2, remove the underscore under lines 2 and 3

Page 2, line 4, replace "i." with "d." and remove the underscore under "The impact of the proposed mandate on the total cost of health care."

Page 2, remove the underscore under lines 5 through 10

Page 2, line 11, remove the underscore under "analysis", replace "prepared" with "provided", and remove the underscore under "by the legislative council."

Page 2, after line 11, insert:

"4. The legislative council shall contract with a private entity, after receiving one or more recommendations from the insurance commissioner, to provide the cost-benefit analysis required by this section. The insurance commissioner shall pay the cost of the contracted services to the entity providing the services."

Page 3, after line 4, insert:

"SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, the sum of \$55,000, or so much of the sum as may be necessary, to the insurance commissioner for the purpose of paying for the services contracted for under section 1 of this Act, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Renumber accordingly

Reengrossed HB 1407 was placed on the Seventh order of business on the calendar.

(Bill Number) HB 1407 (, as (re)engrossed):

Your Conference Committee

For the Senate:

Sen Espgaard
Sen Mutch
Sen Every

For the House:

Rep Berg
Rep Kasper
Rep Lemieux

recommends that the (SENATE) (HOUSE) (ACCEDE to) (RECEDE from)
723/724 725/726 8724/M726 8723/M725
the (Senate/House) amendments on (S/J/H/J) page(s) 1289 - 1290

and place _____ on the Seventh order.
727

, adopt (further) amendments as follows, and place
HB 1407 on the Seventh order:

having been unable to agree, recommends that the committee be discharged
and a new committee be appointed. 690/525

((Re)Engrossed) _____ was placed on the Seventh order of business on the
calendar.

=====
DATE: 4/18/01
CARRIER: Berg / Espgaard
LC NO. 10360 . 0505 of amendment
LC NO. 10360 . 0500 of engrossment
Emergency clause added or deleted _____
Statement of purpose of amendment _____
=====

(1) LC (2) LC (3) DESK (4) COMM.

*amend second engrossment
of reengrossed HB 1407*

2001 TESTIMONY

HB 1407

Testimony for HB 1407
House Industry Business & Labor Committee
February 5, 2001

Mr. Chairman and committee members, for the record I represent Blue Cross Blue Shield of North Dakota. Representatives from our company have appeared before this committee and several other committees in the past opposing the establishment of new insurance mandates. Even though BCBSND may have already provided coverage for the service, the establishment a new mandate restricts our ability to market in a free competitive environment.

We recently provided each legislator a CD entitled the "Electronic Blue Book of Healthcare Issues & Facts". In that CD was a section called Mandate – This won't cost much". I have supplied a printed copy of two of those charts (back to back) for your review. You will note that the total cost for all of these mandates cost our premium payers over \$99 million dollars each year. During the last legislative session, there was a new mandate for licensed professional counselors. One of the arguments given was that the implementation of this mandate would actually save money, since some of the other counseling mandates would probably reduce. In reality, we found that all other areas actually increased close to the average utilization and this new mandate cost an additional \$512,000.

During this legislative session, we are once again faced with several new insurance mandates – newborn hearing screening, augmentative communication devices, and the expansion of coverage by any "licensed medical professional" for children under the age of 21. If these mandates are approved, it is estimated that insurance companies could be faced with additional costs in the millions of dollars. Our subscribers are at the breaking point. Many employers are looking for relief in their high insurance costs. It has been said that we are one recession away from a major health care crisis. When the job market is tight, employers often feel compelled to offer benefits, such as health insurance. However, when this job market changes, the pressures to offer this benefit could rapidly change. ♦

We all understand how hard it is to vote against some of the new mandates. I have also voted for some of them when I was in the legislature. However, we are often left making a decision strictly on emotion, void of the real analysis, which should be presented. This bill provides a reasoned approach for looking at all current and future mandates by an independent source, giving the legislature the real facts for these current and proposed mandates.

As I mentioned before, BCBSND covered many of these services as standard benefits before there were mandated by the legislature. We anticipate that we will also still cover many of them after the independent analysis. However, we feel that this is any excellent process for separating emotions from the facts you as legislators need in reviewing all mandates in the future. Mr. Chairman, I would be willing to try to answer any questions the committee may have.

Dan Ulmer and Rod St. Aubyn
Government Relations
Blue Cross Blue Shield of North Dakota

This won't cost much.

Alcohol/Drug Abuse Treatmnt
\$4,176,377

This won't cost much.

Breast Reconstruction
\$523,856

This won't cost much.

Dental Anesthesia
\$76,252

This won't cost much.

Minimum Maternity Stay
\$5,506,438

This won't cost much.

Emergency Services
\$45,804,202

The Cost of Health Insurance Mandates

This won't cost much.

Mammography Screening
\$1,290,844

This won't cost much.

TMJ Disorders
\$745,644

This won't cost much.

Prostate Cancer Screening
\$81,466

This won't cost much.

Lic. Addiction Counselors
\$879,991

This won't cost much.

Mental Health
\$21,223,744

This won't cost much.

Chiropractors
\$6,735,257

This won't cost much.

Nurse Practitioners
\$2,304,480

This won't cost much.

Psychiatric Nurses
\$408,210

This won't cost much.

Psychologists
\$4,459,820

This won't cost much.

Social Workers
\$992,354

This won't cost much.

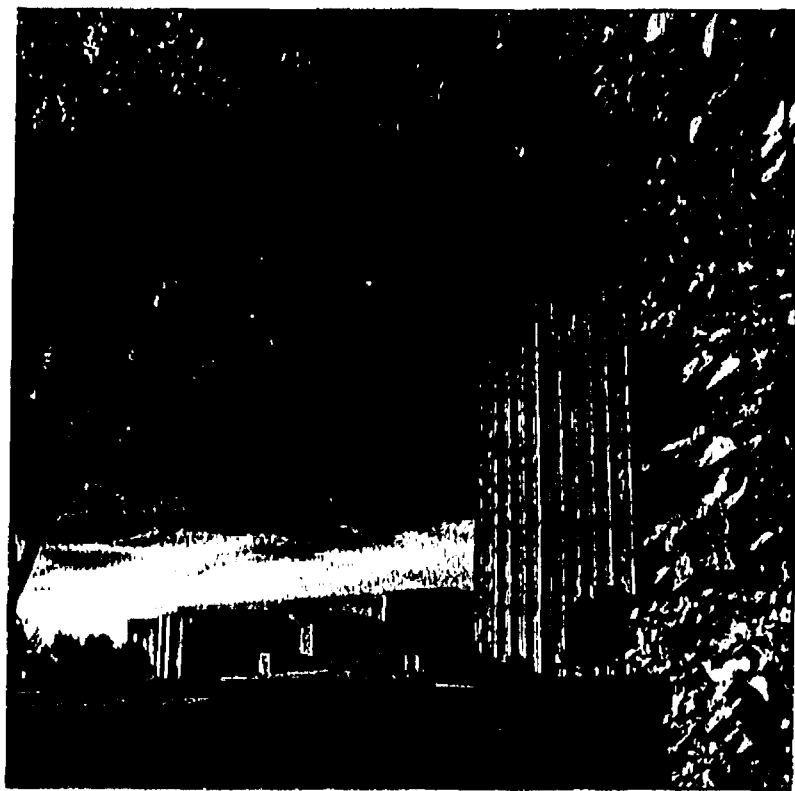
Nurse Anesthetists
\$3,916,399

This won't cost much.

Nurse Midwives
\$345,121

This won't cost much.

Professional Counselors
\$512,902



The Cost of Health Insurance Mandates

While FHCISND does not necessarily oppose many of these mandated benefits and providers, it is important to note the true costs of establishing mandates.

<u>Benefits</u>	<u>Professional</u>	<u>Institutional</u>
Alcohol/Drug Abuse Treatment	\$ 1,171,665	\$ 3,004,712
Breast Reconstruction	\$ 285,996	\$ 237,860
Dental Anesthesia	\$ 35,323	\$ 40,929
Emergency Services	\$ 3,055,963	\$42,748,239
Mammography Screening	\$ 1,290,844	\$ 0
Mental Health (General)	\$11,119,984	\$10,103,790
Minimum Maternity Stays	\$ 0	\$ 5,506,438
Prostate Cancer Screening	\$ 81,466	\$ 0
TMJ Disorders	\$ 57,325	\$ 688,319
	<u>\$17,098,566</u>	<u>\$62,330,287</u>

<u>Providers</u>	<u>Professional</u>
Chiropractors	\$ 6,735,257
Nurse Midwives	\$ 345,121
Nurse Anesthetists	\$ 3,916,399
Nurse Practitioners	\$ 2,304,480
Nurse, Psychiatric	\$ 408,210
Professional Counselors	\$ 512,902
Psychologists	\$ 4,459,820
Licensed Addiction Counselors	\$ 879,991
Social Workers	\$ 992,354
	<u>\$20,554,534</u>

TOTAL \$99,983,387

(*Dollar amounts are based on claims incurred 8/1/1999 - 7/31/2000 paid through 10/31/2000)

Testimony for HB 1407
Senate Industry Business & Labor Committee
March 7, 2001

Mr. Chairman and committee members, for the record I represent Blue Cross Blue Shield of North Dakota. Representatives from our company have appeared before this committee and several other committees in the past opposing the establishment of new insurance mandates. Even though BCBSND may have already provided coverage for the service, the establishment a new mandate restricts our ability to market in a free competitive environment.

We recently provided each legislator a CD entitled the "Electronic Blue Book of Healthcare Issues & Facts". In that CD was a section called Mandate -- "This won't cost much". I have supplied a printed copy of two of those charts (back to back) for your review. You will note that the total cost for all of these mandates cost our premium payers over \$99 million dollars each year. During the last legislative session, there was a new mandate for licensed professional counselors. One of the arguments given was that the implementation of this mandate would actually save money, since some of the other counseling mandates would probably reduce. In reality, we found that all other areas actually increased close to the average utilization and this new mandate cost an additional \$512,000.

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We all understand how hard it is to vote against some of the new mandates. I have also voted for some of them when I was in the legislature. However, we are often left making a decision strictly on emotion, void of the real analysis, which should be presented. This bill provides a reasoned approach for looking at all current and future mandates by an independent source, giving the legislature the real facts for these current and proposed mandates.

As I mentioned before, BCBSND covered many of these services as standard benefits before there were mandated by the legislature. We anticipate that we will also still cover many of them after the independent analysis. However, we feel that this is any excellent process for separating emotions from the facts you as legislators need in reviewing all mandates in the future. Mr. Chairman, I would be willing to try to answer any questions the committee may have.

Dan Ulmer and Rod St. Aubyn
Government Relations
Blue Cross Blue Shield of North Dakota

NORTH DAKOTA HEALTH INSURANCE MANDATES

as of August 1, 1999

<u>Section</u>	<u>Summary</u>
26.1-36-03.1	Requires a written disclosure of the terms and conditions of the policy or contract to all covered persons plus additional information upon request.
26.1-36-06	Requires the offer of prescription drug and chiropractic coverage for which an additional premium may be charged. (Group Only)
26.1-36-06.1	Coverage required for off-label use of drugs when the drug is recognized for treatment in one of the standard reference compendia or medical literature.
26.1-36-07	Requires the coverage of newborn and adopted children for the first 31 days, after which an additional premium may be required to maintain coverage.
26.1-36-08	Requires substance abuse coverage for 60 days of hospitalization, 120 days of partial hospitalization and 20 visits of outpatient care per year. (Group Only)
26.1-36-09	Requires mental health coverage for 45 days of hospitalization, 120 of partial hospitalization, 120 days of residential treatment and 30 hours of outpatient care per year. (Group Only)
26.1-36-09.1	Requires coverage for mammograms: 1 between ages 35-39 and 1 annually at age 40 and above, or more or more frequently if requested by a physician.
26.1-36-09.2	Requires coverage for involuntary complications of pregnancy.
26.1-36-09.3	Requires coverage for TMJ and CMJ up to a lifetime surgical maximum of \$10,000 and a non-surgical maximum of \$2,500.
26.1-36-09.4	Limits cost-sharing on the Standard plan for pre-natal and well child/immunizations to \$5 and \$2 co-payments respectively.

- .1-36-09.5 Requires direct reimbursement for a licensed advanced nurse practitioner for services performed within the scope of practice.
- 26.1-36-09.6 Coverage required for an annual PSA test for males age 50 and over, 40 and over if high risk for prostate cancer.
- 26.1-36-09.7 Requires coverage for food and food products for inherited metabolic disease (PKU) in plans which provide prescription coverage.
- 26.1-36-09.8 Mothers and Newborn coverage required for 48 hours for a normal delivery, 96 hours for a c-section.
- 26.1-36-09.9 Requires benefits for dental anesthesia and hospitalization for dental care provided to a covered individual who is a child under age nine, is severely disabled, or who has a medical condition and requires hospitalization or anesthesia.
- 26.1-36-09.10 Requires contracts providing ambulance benefits to use an emergency medical condition prudent person definition.
- 26.1-36-12.2 Requires freedom of choice for pharmacy services. Any willing pharmacy provider allowed as a preferred provider.
- 26.1-36-20 Requires the continuation of coverage of a juvenile in the custody of a public institution or agency.
- 26.1-36-21 Requires the continuation of coverage of a prisoner during incarceration under state supervision.
- 26.1-36-22 If offered, requires coverage of dependents when financially dependent on the insured up to age 22; up to age 26 if a full-time student; indefinitely if mentally retarded or physically handicapped. Dependents of dependents are also covered if they are financially dependent on the insured.
- 26.1-36-23 Requires up to 39 weeks continuation of coverage after termination of employment or membership.
(Group Only)
- 26.1-36-23.1 Requires up to 36 months continuation of coverage of a former spouse's and dependent children's coverage pursuant to a divorce or annulment. (Group Only)
- 43-13-31 Prohibits payment discrimination for optometric services by licensed practitioners of optometry and physicians if covered.