

**Insurance Commissioner, including Insurance Tax Payments to Fire Departments
Budget 401
Senate Bill No. 2010, House Bill No. 1399**

	FTE Positions	General Fund	Other Funds	Total
2003-05 legislative appropriation	45.50	\$100,000	\$11,790,779 ¹	\$11,890,779 ¹
2001-03 legislative appropriation	<u>45.50</u>	<u> </u>	<u>11,898,773</u>	<u>11,898,773</u>
2003-05 appropriation increase (decrease) to 2001-03 appropriation	0.00	\$100,000	(\$107,994)	(\$7,994)

¹Section 3 of House Bill No. 1505 requires the Office of Management and Budget to reduce the special funds appropriation authority for the Insurance Commissioner for the 2003-05 biennium by \$37,368 relating to an information technology reduction. The Office of Management and Budget is to transfer \$37,368 of special funds reduced from the Insurance Commissioner’s information technology budget to the Information Technology Department for funding a portion of the Information Technology Department’s operating budget.

Item Description

Analysis of proposed health coverage mandates - North Dakota Century Code Section 54-03-28 provides that if a legislative measure mandates health insurance coverage of services or payment for specified providers of services, the measure may not be acted on by any committee of the Legislative Assembly unless accompanied by a cost-benefit analysis. The cost-benefit analysis is to be conducted by a private entity contracted by the Legislative Council after receiving recommendations from the Insurance Commissioner. The 2003 Legislative Assembly provided the Insurance Commissioner a \$55,000 special funds appropriation for payment of the contract.

Insurance Fraud Unit - The 2003 Legislative Assembly provided the Insurance Commissioner with a \$150,000 special funds appropriation for marketing efforts associated with the Insurance Fraud Unit authorized in House Bill No. 1231.

Pharmaceutical manufacturers drug access program - House Bill No. 1399 provided the Insurance Commissioner a general fund appropriation of \$100,000 for the purpose of establishing a program to assist low-income individuals to gain access to prescription medications through prescription drug assistance programs offered by pharmaceutical manufacturers, including free discount and coverage programs.

Status/Result

The Insurance Commissioner recommended the Legislative Council contract with Milliman USA, Consultants and Actuaries, Minneapolis, Minnesota, for cost-benefit analyses of legislative measures mandating health insurance coverage of service or payment for specified providers of services. It was estimated that each analysis could be completed within two or three weeks at an estimated cost from \$5,000 to \$15,000 per analysis.

During the 2001-03 biennium, the Legislative Council contracted with Milliman USA for such analyses, and the Insurance Department paid Milliman USA approximately \$24,000 for conducting cost-benefit analyses relating to three bills considered by the 2003 Legislative Assembly.

The Insurance Department began marketing efforts relating to its newly established Insurance Fraud Unit in February 2004 and anticipates spending the \$150,000 special funds appropriation during the 2003-05 biennium.

The Insurance Department has implemented the Prescription Connection for North Dakota program that connects qualified, low-income individuals with discount prescription drugs direct from the pharmaceutical manufacturer. The goal of the program is to provide as much access to information on pharmaceutical assistance programs as possible to residents but also to provide one-on-one assistance, if necessary. Individuals can apply for the program on the Internet or call toll free to access assistance. The department estimates 4,000 individuals have received assistance from the program from inception of the program in December 2003 through the end of March 2004 resulting in savings of approximately \$2.2 million or \$550 per person. The department anticipates spending the entire \$100,000 general fund appropriation on program-related expenses during the 2003-05 biennium.