

**Fifty-sixth Legislative Assembly, State of North Dakota, begun in the Capitol in the City of Bismarck, on Tuesday, the fifth day of January, one thousand nine hundred and ninety-nine**

HOUSE BILL NO. 1333  
(Representatives Keiser, Berg)

AN ACT to amend and reenact sections 65-02-08, 65-02-20, and 65-02-21 of the North Dakota Century Code, relating to workers' compensation medical and hospital fee schedules and workers' compensation managed care; and to repeal sections 65-02-19 and 65-05-07.1 of the North Dakota Century Code, relating to workers' compensation medical and hospital fee schedules and workers' compensation managed care.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 65-02-08 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**65-02-08. Rulemaking power of the bureau - Fees prescribed by bureau.** The bureau shall adopt rules necessary to carry out this title. All fees on claims for ~~legal,~~ medical, and hospital ~~goods and services rendered provided~~ under this title to an injured employee must be in accordance with schedules of fees adopted by the bureau. ~~Fee schedules for medical and hospital services must incorporate cost saving measures and must be submitted to and approved by the committee on administrative rules before submission to the legislative council for publication. Before the effective date of any adoption of, or change to, a fee schedule, the bureau shall hold a public hearing, which is not subject to chapter 28-32.~~ The bureau shall establish, by administrative rule, costs payable, maximum costs, a reasonable maximum hourly rate, and a maximum fee to compensate an injured employee's attorney for legal services following issuance of an administrative order reducing or denying benefits. The bureau shall issue a decision within sixty days of the date when all elements of initial filing or notice of reapplication of claim have been satisfied or a claim for additional benefits over and above benefits previously awarded has been made. Satisfaction of elements of filing must be defined by administrative rule. The bureau shall pay an injured employee's attorney's fees and costs from the bureau general fund. Except for an initial determination of compensability, an attorney's fee may not exceed twenty percent of the amount awarded, subject to a maximum fee set by administrative rule. The bureau shall pay an attorney's fees and costs when:

1. The employee has prevailed in binding dispute resolution under section 65-02-20.
2. The employee has prevailed after an administrative hearing under chapter 28-32.

An injured employee has prevailed only when an additional benefit, previously denied, is paid. An injured employee does not prevail on a remand for further action or proceedings unless that employee ultimately receives an additional benefit as a result of the remand. This section does not prevent an injured employee or an employer from hiring or paying an attorney; however, the employee's attorney may not seek or obtain costs or attorney's fees from both the bureau and the employee relative to the same claim. All disputes relating to payment or denial of an attorney's fee or costs must be submitted to the hearing officer or arbitrator for decision, but a hearing officer or arbitrator may not order that the maximum fee be exceeded.

**SECTION 2. AMENDMENT.** Section 65-02-20 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**65-02-20. Bureau to establish managed care program.** The bureau shall establish a managed care program ~~with a third party administrator, including utilization review and bill review, to effect the best medical solution for an injured employee. The managed care system must allow for a third party administrator to direct the program for medical care of the injured employee in a cost-effective manner~~ upon a finding by the bureau that the employee suffered a compensable injury.

~~The managed care administrator program shall operate according to guidelines adopted by the bureau to ensure that an injured employee receives appropriate medical treatment in a cost effective manner. The managed care administrator and shall assist the bureau in the provide for~~ medical management of claims within the bounds of workers' compensation law. Information compiled and analysis performed pursuant to a managed care program which relate to patterns of treatment, cost, or outcomes by health care providers are confidential and are not open to public inspection to the extent the information and analysis identify a specific health care provider, except to the specific health care provider, bureau employees, or persons rendering assistance to the bureau in the administration of this title. If an employee, employer, or medical provider disputes ~~the recommendation of the a~~ managed care administrator decision, the employee, employer, or medical provider ~~may~~ shall request binding dispute resolution on the ~~recommendation~~ decision. The bureau shall make rules providing for the procedures for dispute resolution. Dispute resolution under this section is not subject to chapter 28-32 or section 65-01-16 or 65-02-15. A dispute resolution decision under this section requested by a medical provider concerning payment for medical treatment already provided or a request for diagnostic tests or treatment is not reviewable by any court. A dispute resolution decision under this section requested by an employee is reviewable by a court only if medical treatment has been denied to the employee. A dispute resolution decision under this section requested by an employer is reviewable by a court only if medical treatment is awarded to the employee. The dispute resolution decision may be reversed only if the court finds that there has been an abuse of discretion ~~by in~~ the dispute resolution ~~panel~~ process. Any person providing binding dispute resolution services under this section is exempt from civil liability relating to the binding dispute resolution process and decision.

**SECTION 3. AMENDMENT.** Section 65-02-21 of the North Dakota Century Code is amended and reenacted as follows:

**65-02-21. Contract for administration of managed care program.** The bureau ~~shall~~ may contract for the services of a third-party administrator to implement ~~the a~~ managed care program. ~~The bureau shall solicit by soliciting bids for these administrative services. The solicitation must include including a description of the program and the services expected of the managed care administrator.~~ The bureau shall award an administrative services contract to the bidder who will best serve the interests of the bureau and the employees under this title. The contract must be for the period of a biennium. The bureau may renew, renegotiate, or rebid a contract based upon contract performance, cost, and the best interests of an employee who suffers a compensable injury. ~~The bureau shall rebid the contract for the biennium beginning July 1, 1995, and shall rebid subsequent contracts at least every four years.~~

**SECTION 4. REPEAL.** Sections 65-02-19 and 65-05-07.1 of the North Dakota Century Code are repealed.

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Speaker of the House

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President of the Senate

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Chief Clerk of the House

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Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-sixth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1333.

House Vote:      Yeas    93          Nays    1          Absent    4

Senate Vote:      Yeas    46          Nays    0          Absent    3

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Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 1999.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 1999.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 1999,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

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Secretary of State