

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

22/10

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2210

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2210

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date January 22, 2001

Tape Number	Side A	Side B	Meter #
1		x	34.3 to end
2	x		0 to 10.9
(Jan 30/01) 2	x		33.7 to 47
(March 14/01) 1	x		22.4 to 34
Committee Clerk Signature <i>Doris E. Perez</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on SB2210 relating to health insurance utilization reports.

DAN ULMER, Blue Cross/Blue Shield ND, In favor of this bill. Employer insured, company left ND, employer could not get utilization data . This would allow employer data on money spent on deductibles and coinsurance; this money could be credited. Provided sample of utilization report.

BRENDA BLAZER, Atty. Health Insurance Assn. of America, Against this bill: It will increase the cost of doing business in ND; we are not sure if the purpose of having the utilization information is for the employer to reduce employee coverage; succeeding insurance company would not need to provide credit for coinsurance and deductibles; this bill appears like an excessive reaction to one instance. Written testimony attached.

SENATOR KLEIN: Why would the assn. oppose subsection 1?

BRENDA BLAZER: Objection is more to this becoming legislative requirement, not everybody prepares data the same way.

SENATOR ESPEGARD: I would need this information to adequately provide for my employees.

BRENDA BLAZER: Would purpose be monitoring expenses or decreasing benefits?

REPRESENTATIVE FRANK WALD: I recommend do pass. It only applies to companies with 50 plus employees, so 90% of the market not affected. Past experience indicates frequency and severity important in quotations. Time frame can be changed. Most carriers will give you credit for deductibles and co-payments.

Committee hearing concluded. Action delayed.

January 30, 2001. Tape 2-A- 33.7 to 47. Committee reconvened. All members present.

BRENDA BLAZER: Oppose bill, however if committee inclined to pass this bill, there are some amendments we worked out. Changed would be section 2 which requires insurer to provide information within 15 days be changed to 30 to allow more time. Section 4, providing deductible and coinsurance payment information only if change of insurance company before end of benefit period, otherwise this would not be acceptable. I believe end of benefit period is the same as anniversary date.

DAN ULMER: After end of benefit period start fresh with new deductibles and copayments. We have no problem with the amendment.

SENATOR KLEIN: Are we legislating because of only one incident?

DAN ULMER: This happens quite often. This allows employer to look at their utilization and the insurer accurate rate baseline. We give utilization numbers annually.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number SB2210

Hearing Date January 22, 2001

SENATOR ESPEGARD: Motion: approve amendment as proposed. SENATOR TOLLEFSON:

second. Roll call vote: 7 yes; 0 no. Motion carried.

SENATOR ESPEGARD: Motion: do pass as amended. SENATOR KREBSBACH: Second.

Roll call vote: 7 yes; 0 no. Carrier: SENATOR MUTCH.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number SB2210

Hearing Date January 22, 2001

March 19, 2001. Tape 1-A-22.4 to 34.

Committee reconvened. All members, except Senator Espegard, present. Committee studied

House amendments. Discussion held.

Senator Tollefson: Fifty is a cutoff number, up to fifty is one category, fifty-one up is another.

Senator Tollefson: Motion: accede to amendments. **Senator Krebsbach:** Second.

Roll call vote: 6 yes; 0 no; 1 absent not voting. Floor assignment: **Senator Mutch.**

PROPOSED AMENDMENTS TO SENATE BILL 2210

Page 1, line 13, replace "fifteen" with "thirty"

Page 1, line 16, after "insurance" insert "before the end of a benefit period"

Renumber accordingly

Date: 1/30/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2210

Senate Industry, Business and Labor

Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Approve amendment as proposed

Motion Made By Sen Espgaard Seconded By Sen Tollefson

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) 7 No 0

Absent _____

Floor Assignment _____

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

To change 15 days to 30
To provide convenience and deductible information only
if change of company within benefit period

Date: 1/30/01

Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2210

Senate Industry, Business and Labor

Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken DPA

Motion Made By Sen. Espy Seconded By Sen. Krebsbach

[illegible]

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Mutch

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

REPORT OF STANDING COMMITTEE (410)
January 31, 2001 2:23 p.m.

Module No: SR-17-2014
Carrier: Mutch
Insert LC: 10473.0101 Title: .0200

REPORT OF STANDING COMMITTEE

SB 2210: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2210 was placed on the Sixth order on the calendar.

Page 1, line 13, replace "fifteen" with "thirty"

Page 1, line 16, after "insurance" insert "before the end of a benefit period"

Renumber accordingly

Date: 3/19/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2210

Senate Industry, Business and Labor

Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Accede to House amendments

Motion Made By Sen Tollefson Seconded By Sen Krebsbach

[illegible]

Total	(Yes)	No
100	100	0

Absent

Floor Assignment Sen Mitch

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

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2210

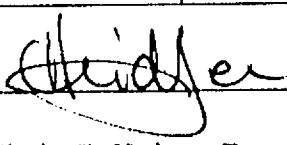
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2210

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date March 6, 2001

Tape Number	Side A	Side B	Meter #
2	X		0-18.3
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. P. Severson, Rep. E. Thorpe.

Chairman Berg: We'll open up the hearing on SB 2210.

Sen. Harvey Tallackson: Sponsor of bill to require insurers to provide to employers of over 50 people to give a report to them on their claims and experiences.

Dan Ulmer: *Blue Cross/Blue Shield* We asked for this bill to be introduced. We like to look at the companies history especially if there is an extreme reason such as they are leaving in the middle of a contract. This gives us a heads up to any problems that may occur. This would be a good idea for all employers. Employers of 50 or more employees are required at least a once a calendar year to get the most recent 24 month period of experience of what we've paid out to that particular client. We would give that to them within 30 days and it would not identify specific employee claims. That's why we left it at 50 or more employees. Number 4 says if upon the

allocation of termination before the end of the benefit period then they would be required to also supply the succeeding insurer with where each one of these particular people are in terms of there CO-payments and deductibles so we can make that application to them. Normally what we do is if you're halfway through \$2,500 annual stop loss we would like to give you credit to that.

Rep M. Klein: Wasn't there an interim study that requested this data?

Ulmer: I'm not sure. We track it all the time for our people, it's fairly proprietary too.

Vice-Chairman Keiser: If you have 50 or more employees you have the right to request this information annually, if you have less than 50 employees but you're current insurer is leaving the state, you can request the history?

Ulmer: Yes, under this it would be 50 or more but if it were less than 50 it won't apply.

Vice-Chairman Keiser: Subsection 4 is not independent of subsection 1?

Ulmer: I think probably you're right, but that's fine with me.

Rep Kasper: Line 19, report of all deductibles and coinsurance payments by the employer.

Wouldn't that be for each employee?

Ulmer: Yes

Rep Kasper: Should we maybe be adding for each employee?

Ulmer: Probably we should.

Vice-Chairman Keiser: Is it really 50 employees we're concerned with or 50 covered employees?

Ulmer: It depends on your level of participation. Normally when we're talking about 50 employees we're talking about 50 full-time employees, covered or not.

Rep Froseth: What does the employer do with this information?

Ulmer: They would pass it on to the new insurer who would do some actuarial analysis to give them a closer rate to their actual experience rather than guessing.

Rep Jensen: This information would go from an insureds insuring company to the employer and than that employer would decide if they wanted to share it with another company or not.

Ulmer: Exactly. It's the employers information, not the insurance companies.

Chairman Berg: We'll close the hearing on SB 2210.

Rep. Kasper: I think that on line 19 after the word employer, we should insert the words "for each covered employee" that will give those employees their deductible and contract breakdowns that they need so they don't have to pay more. I move that amendment.

Rep M. Klein: I second.

Amendment carries.

Rep. M. Klein: I move a do pass as amended.

Rep. Kasper: seconds.

Rep N. Johnson: In section 4, this says now that I as an employer get this report. I am now then required to give this information to a new insurance company?

Chairman Berg: Maybe we want to change that to may.

Rep Kasper: That would be the only place that that information would go because the insurance company that is taking over the risk would need that to properly administer the payouts of the CO-pay's and deductibles. It would make no benefit to the employer if they are not going to have coverage that extends beyond the old take over and it does say at the request of the employer. So you need that for the new insurance company so they can judge the risk and know how to properly put the employees information into their databank to administer their claims properly.

Chairman Berg: Do we necessarily want to require this information to be turned over to the new insurer. Although this may benefit the employer, it's still a mandate.

Rep Kasper: How the process works, the new insurance company is going to ask the employer if they are aware of any 'shock' claims that are in process, like cancer, heart attack, and the employer will share that information and could say yes but the employer is terminated, they're not on CO-pay, they died or whatever. The more information you can give the succeeding insurance company the better it is to get a rate that is fair for your group. If you can't give the information to the new insurance company, they may give you rate which is totally unfair and could hurt your employees.

Rep Jensen: I have a problem with requiring an employer to do that, I'd be more comfortable using 'may'.

Rep Johnson: This applies to only when you've found a new insurance company to cover anything mid-term that you allow a now covered employee to maintain their rates.

Rep Severson: Can you show this information to a few insurance companies to see who I can get a better rate from?

Ulmer: The first part is your overall utilization data which would help you find your new insurer. And the next part is when you've found the insurer and you're going to apply wherever your employers are at.

Chairman Berg: Would there be a circumstance where it may not be in the employers best interest not to share all that information.

Rep Kasper: I think we may need to amend section 1.

Vice-Chairman Keiser: I move to reconsider the amendments to SB 2210

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House Industry, Business and Labor Committee

Bill/Resolution Number SB 2210

Hearing Date March 6, 2001

Rep M. Klein; I second.

Motion carries.

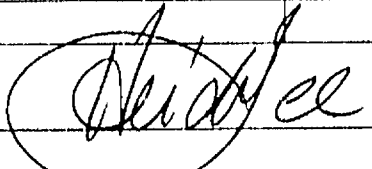
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2210(B)

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date March 7, 2001

Tape Number	Side A	Side B	Meter #
3		X	0-2.4
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 N. Johnson: Explained amendments and made motion.

Vice-Chairman Keiser: Second.

Rep N. Johnson: I move a do pass as amended.

Rep Severson: I second.

14 yea, 1 nay, 0 absent Carrier Rep N. Johnson

PROPOSED AMENDMENTS TO SENATE BILL NO. 2210

Page 1, line 7, replace "fifty" with "fifty-one", after "more" insert "eligible", after "employees" insert "or upon termination of health insurance coverage for any employer, the employer"

Page 1, line 19, after "payments" insert "for each employee covered", replace "employer" with "employer's health insurance plan"

Date: 3-7-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2210

House Industry, Business and Labor Committee

Legislative Council Amendment Number _____

Action Taken do pass as amended

Motion Made By ~~Rep. Kasper~~ Johnson Seconded By ~~Rep. Kasper~~ Severson

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) 14 No 1

Absent 0

Floor Assignment Rep N. Johnson

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

REPORT OF STANDING COMMITTEE (410)
March 9, 2001 8:55 a.m.

Module No: HR-41-5166
Carrier: N. Johnson
Insert LC: 10473.0201 Title: .0300

REPORT OF STANDING COMMITTEE

SB 2210, as engrossed: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (14 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed SB 2210 was placed on the Sixth order on the calendar.

Page 1, line 7, replace "fifty" with "fifty-one", after "more" insert "eligible", and after "employees" insert "or upon termination of health insurance coverage for any employer, the employer"

Page 1, line 19, after "payments" insert "for each employee covered" and replace "employer" with "employer's health insurance plan"

Renumber accordingly

2001 TESTIMONY

SB 2210

GROUP EXPERIENCE SUMMARY

BLUE CROSS BLUE SHIELD OF NORTH DAKOTA

Group Name:

Location: BISMARCK

ND

Group Number:

Current Enrollment: Single: 7
SPD: 3
Family: 14

Anniversary Month: January

RATE HISTORY

Benefit Plan: Institutional: COMP MAJOR MED-PLAN 250
Professional: COMP MAJOR MED-PLAN 250

Effective Date		Single	SPD	Family
January 1, 1993*	COMP MAJOR MED-PLAN 250	161.20	268.00	425.60
January 1, 1994*	COMP MAJOR MED-PLAN 250	162.70	285.70	423.00
January 1, 1995*	COMP MAJOR MED-PLAN 250	166.60	292.00	433.30
January 1, 1996*	COMP MAJOR MED-PLAN 250	165.10	290.60	429.20

INCOME AND CLAIMS EXPERIENCE SUMMARY 1

Period	Income	Premium Tax	Allowed Claims	Adjustment to IBNR Claims	Admin. Cost, Conv. & Reserve	Net Gain (Loss)	Most Recent 3 Yrs. Net Gain/(Loss)
10-01-93/ 9-30-94	114,513	2,003	91,478	(528)	10,546	11,012	11,012
10-01-94/ 9-30-95	103,784	1,816	38,850	(1,745)	11,875	52,987	64,000
10-01-95/ 9-30-96	99,769	1,745	126,270	(650) ²	11,417	(39,014)	24,986

1. Includes Major Medical income and claims experience.
2. Estimated outstanding claims liability as of 9-30-96 = 16,221

Income does not reflect the 1994 premium credit.

Brenda L. Blazer on behalf of the
Health Insurance Association of
America

STATEMENT IN OPPOSITION TO SENATE BILL 2210

Heath Insurance Utilization Data
Senate Industry, Business and Labor Committee

The Health Insurance Association of America submits this statement in opposition to Senate Bill 2210 regarding the provision of health insurance utilization data. HIAA respectfully submits this legislation is unnecessary, overly broad in scope, and likely to be problematic under existing federal, and future state, privacy laws. Specific issues with SB 2210 are as follows:

Section 1: This section allows an employer with fifty or more employees to receive a yearly report of aggregate utilization data from the employer's employee health plan. HIAA believes the information mandated to be produced in Section 1 is routinely and voluntarily shared with an employer by health insurance carriers. If an employer does not want to share this information with a potential succeeding health insurance carrier, nothing in this bill would require the employer to do so.

The proponents of this bill indicate the bill is in response to one incident involving one employer and one health insurance carrier leaving the state. Section 1 does not address only the carrier who is leaving the market. No other information has been provided that any employer has not been given aggregate utilization data except in this one instance. Why legislate more broadly than necessary to address one, isolated

incident? If legislation is deemed necessary to address the incident that prompted this bill, then the legislation should require only that a carrier who is leaving the market must provide the aggregate utilization data 90 days before the policy terminates or at the time of the termination notice if it is less than 90 days. This would enable the employer to seek quotes from other carriers and would address the situation where a carrier leaving the market may lack sufficient business incentive to provide the information.

Section 2: If SB 2210 is limited to address the situation which prompted the bill, this section, and the remaining sections, would be unnecessary. If Section 1 is not limited to address the carrier leaving the market, the 15 day time frame should be lengthened to at least 45 days. While the aggregate utilization data is likely already submitted to the employer voluntarily, if a request is necessary to obtain the data, 45 days would be a more reasonable time frame. An employer would certainly know well in advance of 15 days whether the data would be wanted or needed.

Section 3: This section is unnecessary. Section 1 only refers to aggregate data not specific claims data or other confidential information.

Section 4: This section requires the provision of personally identifiable information and is, therefore, subject to confidentiality restrictions. This section may cause problems under federal privacy laws, model state privacy laws, and possible privacy legislation introduced in this legislative session.

Regardless, the deductible and coinsurance information in this section should not be provided except in situations where there is an essential and limited purpose for the

information. The only reason to produce the information is in the situation of carryover deductibles and out-of-pocket limits. If this situation is not present, the information should not be required to be produced. The deductible and coinsurance information should only be supplied if the information is necessary to administer the benefit provisions of the existing plan in the next policy year.

HIAA submits that SB 2210 is an unnecessary response to an isolated situation. If some legislation is deemed necessary, it should address only the situation which gave rise to the bill — the carrier leaving the market. If broader legislation is desired, the suggestions above for possible amendments should be considered for practical and legal reasons.