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BlueCross BlueShield of North Dakota

An independent licensee of the
Blue Cross & Blue Shield Association



Consulting Services Unit
4510 13th Avenue South
Fargo, North Dakota 58121-0001
(701) 282-1444

July 25, 2008

Mr. Sparb Collins, Executive Director
NDPERS
400 East Broadway, Suite 505
PO Box 1657
Bismarck, ND 58501

Dear Sparb

The following is our analysis of the bill drafts providing mandated insurance coverage for prosthetics.

Summary

LC # 90084.0100 relating to parity for health insurance coverage of prosthetics

Comments

In reviewing this bill we interpret the provisions to require that all health insurance policies, including PERS, include prosthetic coverage, as defined by the bill, which is at least equal to the coverage provided by Medicare. The bill also mandates that the reimbursement fee schedule for prosthetics may not be less than the Medicare reimbursement schedule. No lifetime or annual dollar maximum would be permitted for prosthetics. Determination on the decision to repair or replace a prosthetic and the prosthetic model would be limited to the treating physician.

Actuarial Cost

Based upon the above and interpretation of the bill draft, it is estimated that an additional cost to NDPERS of \$.90 per contract per month (spread over all contracts) for the 07/01/09-06/30/11 biennium. The estimate assumes that the services would be subject to current cost-sharing amounts. It also assumes that all of the current limits for these services would no longer apply.

If you have any questions, please feel free to call me at 701.282.1259.

Sincerely,

Larry Brooks, Manager
Blue Cross Blue Shield of ND

Cc: Rod St. Aubyn, BCBSND
Dan Ulmer, BCBSND

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Prosthetics

State of North Dakota Authorized FTE's

Department	07-09	Monthly	07-09 Funding Adj Sources		07-09 Funding Adjustments	
	FTE	Change	General	Other	General	Other
101 Office of the Governor	18	\$0.90	100.00%	0.00%	\$388.80	\$0.00
108 Office of the Secretary of State	27	\$0.90	95.88%	4.12%	\$559.16	\$24.04
110 Office of Management and Budget	132.5	\$0.90	80.48%	19.52%	\$2,303.35	\$558.65
112 Information Technology Department	312.2	\$0.90	6.28%	93.72%	\$423.43	\$6,320.09
117 Office of the State Auditor	54.8	\$0.90	69.40%	30.60%	\$821.52	\$362.16
120 Office of the State Treasurer	6	\$0.90	100.00%	0.00%	\$129.60	\$0.00
125 Office of the Attorney General	181.3	\$0.90	83.11%	16.89%	\$3,254.51	\$661.57
127 Office of the State Tax Commissioner	133	\$0.90	100.00%	0.00%	\$2,872.80	\$0.00
140 Office of Administrative Hearings	8	\$0.90	0.00%	100.00%	\$0.00	\$172.80
150 Legislative Assembly	125	\$0.90	100.00%	0.00%	\$2,700.00	\$0.00
160 Legislative Council	33	\$0.90	100.00%	0.00%	\$712.80	\$0.00
180 Judicial Branch	343	\$0.90	97.42%	2.58%	\$7,217.71	\$191.09
188 Legal Counsel of Indigents	29	\$0.90	100.00%	0.00%	\$626.40	\$0.00
190 Retirement and Investment Office	17	\$0.90	0.00%	100.00%	\$0.00	\$367.20
192 Public Employees Retirement System	33	\$0.90	0.00%	100.00%	\$0.00	\$712.80
201 Department of Public Instruction	98.25	\$0.90	29.95%	70.05%	\$635.68	\$1,486.52
226 State Land Department	18.75	\$0.90	0.00%	100.00%	\$0.00	\$405.00
250 State Library	29.75	\$0.90	86.36%	13.64%	\$554.92	\$87.68
252 School for the Deaf	48.44	\$0.90	95.13%	4.87%	\$995.40	\$50.91
253 N.D. Vision Services	27	\$0.90	76.89%	23.11%	\$448.42	\$134.78
270 Dept of Career and Technical Ed	27.5	\$0.90	92.70%	7.30%	\$550.66	\$43.34
301 North Dakota Department of Health	331.5	\$0.90	30.77%	69.23%	\$2,203.04	\$4,957.36
313 Veterans Home	90.97	\$0.90	29.87%	70.13%	\$586.91	\$1,378.04
316 Indian Affairs Commission	4	\$0.90	100.00%	0.00%	\$86.40	\$0.00
321 Department of Veterans Affairs	6	\$0.90	100.00%	0.00%	\$129.60	\$0.00
325 Department of Human Services	2085.68	\$0.90	63.14%	36.89%	\$28,431.62	\$16,619.07
360 Protection and Advocacy Project	27.5	\$0.90	19.64%	80.36%	\$116.67	\$477.33
380 Job Service North Dakota	308	\$0.90	0.45%	99.55%	\$29.71	\$6,623.09
401 Office of the Insurance Commissioner	46.5	\$0.90	0.00%	100.00%	\$0.00	\$1,004.40
405 Industrial Commission	55.37	\$0.90	89.61%	10.39%	\$1,071.77	\$124.22
406 Office of the Labor Commissioner	11	\$0.90	71.47%	28.53%	\$169.81	\$67.79
408 Public Service Commission	42	\$0.90	65.77%	34.23%	\$596.62	\$310.58
412 Aeronautics Commission	6	\$0.90	0.00%	100.00%	\$0.00	\$129.60
413 Department of Financial Institutions	27	\$0.90	0.00%	100.00%	\$0.00	\$583.20
414 Office of the Securities Commissioner	9	\$0.90	100.00%	0.00%	\$194.40	\$0.00
471 Bank of North Dakota	176.5	\$0.90	0.00%	100.00%	\$0.00	\$3,812.40
473 North Dakota Housing Finance Agency	43	\$0.90	0.00%	100.00%	\$0.00	\$928.80
475 North Dakota Mill & Elevator Association	131	\$0.90	0.00%	100.00%	\$0.00	\$2,829.60
485 Workforce Safety & Insurance	223.14	\$0.90	0.00%	100.00%	\$0.00	\$4,819.82
504 Highway Patrol	197	\$0.90	68.00%	34.00%	\$2,808.59	\$1,446.61
530 Department of Corrections and Rehabilitation	706.79	\$0.90	94.47%	5.53%	\$14,422.88	\$843.78
540 Adjutant General	232	\$0.90	35.00%	65.00%	\$1,753.84	\$3,257.36
601 Department of Commerce	73	\$0.90	73.19%	26.81%	\$1,153.99	\$422.81
602 Department of Agriculture	67	\$0.90	53.11%	46.89%	\$768.66	\$678.54
616 State Seed Department	30	\$0.90	0.00%	100.00%	\$0.00	\$648.00
627 Upper Great Plains Transportation Institute	43.4	\$0.90	10.75%	89.25%	\$100.75	\$836.69
628 Branch Research Centers	95.26	\$0.90	73.68%	26.32%	\$1,516.09	\$541.53
630 NDSU Extension Service	257.86	\$0.90	56.98%	43.02%	\$3,173.45	\$2,396.33
638 Northern Crops Institute	11.2	\$0.90	56.12%	43.88%	\$135.77	\$106.15
640 NDSU Main Research Center	348.08	\$0.90	68.32%	31.68%	\$5,136.58	\$2,381.94
649 Agronomy Seed Farm	3	\$0.90	0.00%	100.00%	\$0.00	\$64.80
670 Racing Commission	2	\$0.90	17.34%	82.66%	\$7.49	\$35.71
701 State Historical Society	60	\$0.90	88.90%	11.10%	\$1,152.20	\$143.80
709 Council on the Arts	5	\$0.90	100.00%	0.00%	\$108.00	\$0.00
720 Game & Fish Department	155	\$0.90	0.00%	100.00%	\$0.00	\$3,348.00
750 Department of Parks & Recreation	50.5	\$0.90	94.96%	5.04%	\$1,035.81	\$54.99
770 State Water Commission	84	\$0.90	90.85%	9.15%	\$1,648.37	\$166.03
801 Department Of Transportation	1052.5	\$0.90	0.00%	100.00%	\$0.00	\$22,734.00
Subtotal	8800.24	\$0.90	48.31%	51.69%	\$93,734.20	\$96,350.99
Higher Education	5970	\$0.90	0.00%	100.00%	\$0.00	\$128,952.00
State Total	14770.24	\$0.90			\$93,734.20	\$225,302.99
Political Sub Divisions						
Counties	1832	\$0.90	0.00%	100.00%	\$0.00	\$39,571.20
School Districts	1185	\$0.90	0.00%	100.00%	\$0.00	\$25,596.00
Cities	1023	\$0.90	0.00%	100.00%	\$0.00	\$22,096.80
Others	448	\$0.90	0.00%	100.00%	\$0.00	\$9,676.80
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SUGGESTED AMENDMENT

SECTION 2. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from other funds derived from federal funds and other income, to the following departments for the purpose of defraying the cost of additional health insurance premiums necessary to pay the cost of the provisions of this bill, for the biennium beginning July 1, 2009 and ending June 30, 2011 as follows:

Department	General	Other
101 Office of the Governor	\$388.80	\$0.00
108 Office of the Secretary of State	\$559.16	\$24.04
110 Office of Management and Budget	\$2,303.35	\$558.65
112 Information Technology Department	\$423.43	\$6,320.09
117 Office of the State Auditor	\$821.52	\$362.16
120 Office of the State Treasurer	\$129.60	\$0.00
125 Office of the Attorney General	\$3,254.51	\$661.57
127 Office of the State Tax Commissioner	\$2,872.80	\$0.00
140 Office of Administrative Hearings	\$0.00	\$172.80
150 Legislative Assembly	\$2,700.00	\$0.00
160 Legislative Council	\$712.80	\$0.00
180 Judicial Branch	\$7,217.71	\$191.09
188 Legal Counsel of Indigents	\$626.40	\$0.00
190 Retirement and Investment Office	\$0.00	\$367.20
192 Public Employees Retirement System	\$0.00	\$712.80
201 Department of Public Instruction	\$635.68	\$1,486.52
226 State Land Department	\$0.00	\$405.00
250 State Library	\$554.92	\$87.68
252 School for the Deaf	\$995.40	\$50.91
253 N.D. Vision Services	\$448.42	\$134.78
270 Dept of Career and Technical Ed	\$550.66	\$43.34
301 North Dakota Department of Health	\$2,203.04	\$4,957.36
313 Veterans Home	\$586.91	\$1,378.04
316 Indian Affairs Commission	\$86.40	\$0.00
321 Department of Veterans Affairs	\$129.60	\$0.00
325 Department of Human Services	\$28,431.62	\$16,619.07
360 Protection and Advocacy Project	\$116.67	\$477.33
380 Job Service North Dakota	\$29.71	\$6,623.09
401 Office of the Insurance Commissioner	\$0.00	\$1,004.40
405 Industrial Commission	\$1,071.77	\$124.22
406 Office of the Labor Commissioner	\$169.81	\$67.79
408 Public Service Commission	\$596.62	\$310.58
412 Aeronautics Commission	\$0.00	\$129.60
413 Department of Financial Institutions	\$0.00	\$583.20
414 Office of the Securities Commissioner	\$194.40	\$0.00
471 Bank of North Dakota	\$0.00	\$3,812.40
473 North Dakota Housing Finance Agency	\$0.00	\$928.80
475 North Dakota Mill & Elevator Association	\$0.00	\$2,829.60
485 Workforce Safety & Insurance	\$0.00	\$4,819.82
504 Highway Patrol	\$2,808.59	\$1,446.61
530 Department of Corrections and Rehabilitation	\$14,422.88	\$843.78
540 Adjutant General	\$1,753.84	\$3,257.36
601 Department of Commerce	\$1,153.99	\$422.81
602 Department of Agriculture	\$768.66	\$678.54
616 State Seed Department	\$0.00	\$648.00
627 Upper Great Plains Transportation Institute	\$100.75	\$836.69
628 Branch Research Centers	\$1,516.09	\$541.53
630 NDSU Extension Service	\$3,173.45	\$2,396.33
638 Northern Crops Institute	\$135.77	\$106.15
640 NDSU Main Research Center	\$5,136.58	\$2,381.94
649 Agronomy Seed Farm	\$0.00	\$64.80
670 Racing Commission	\$7.49	\$35.71
701 State Historical Society	\$1,152.20	\$143.80
709 Council on the Arts	\$108.00	\$0.00
720 Game & Fish Department	\$0.00	\$3,348.00
750 Department of Parks & Recreation	\$1,035.81	\$54.99
770 State Water Commission	\$1,648.37	\$166.03
801 Department Of Transportation	\$0.00	\$22,734.00
Total	\$93,734.20	\$96,350.99

Renumber accordingly