

HOUSE BILL NO. 1577

Introduced by

Representatives Keiser, Carlson, Boucher, Kasper, Monson, Onstad

(Approved by the Delayed Bills Committee)

- 1 A BILL for an Act to provide for a legislative council study of factors impacting the cost of health
2 insurance and health insurance company reserves.

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

4 **SECTION 1. LEGISLATIVE COUNCIL STUDY - HEALTH INSURANCE COST.**

- 5 1. During the 2009-10 interim, the legislative council shall consider studying:
- 6 a. The factors impacting the cost of health insurance. The factors considered in
7 the study must include:
- 8 (1) Minimum loss ratio;
 - 9 (2) Three tier rating bands;
 - 10 (3) The effect of the federal Employee Retirement Income Security Act,
11 Medicare, Medicaid, and the state children's health insurance program
12 on individual and small group pricing;
 - 13 (4) Options for self-funding, fully insured funding, and combinations of
14 these two methods of funding;
 - 15 (5) Prepaid coverage versus risk coverage;
 - 16 (6) Corporate structure of health insurance companies;
 - 17 (7) Health insurance company subsidiaries;
 - 18 (8) Rate, form, and reserve approval requirements;
 - 19 (9) Statutory barriers to competition and lower costs;
 - 20 (10) The role of health promotion versus risk coverage;
 - 21 (11) Transparency requirements based on tax incentive benefits;
 - 22 (12) Plan design or coverage options;
 - 23 (13) Health service mandates;
 - 24 (14) Uninsured and underinsured North Dakotans;

- 1 (15) Proposed federal changes in health care coverage;
- 2 (16) The business organization and tax status of health insurance
- 3 companies and the impact this has on premium rates and reserves; and
- 4 (17) Other health insurance cost and competition factors.
- 5 b. The impact of health insurance company board member compensation and
- 6 employee salaries, benefits, and severance packages on health insurance
- 7 rates and health insurance company reserves.
- 8 2. The legislative council shall report its findings and recommendations, together with
- 9 any legislation required to implement the recommendations, to the sixty-second
- 10 legislative assembly.