

Sixty-second  
Legislative Assembly  
of North Dakota

REENGROSSED SENATE BILL NO. 2276

Introduced by

Senators J. Lee, Dever, Heckaman

Representatives Kaldor, Weisz

1 A BILL ~~for an Act to create and enact a new chapter to title 23 of the North Dakota Century~~  
 2 ~~Code, relating to creating a state vaccine fund and a North Dakota vaccine group purchasing~~  
 3 ~~board; to amend and reenact section 23-01-05.3 of the North Dakota Century Code, relating to~~  
 4 ~~reporting immunization data; and to provide a penalty.~~ for an Act to create and enact a new  
 5 section to chapter 23-01 of the North Dakota Century Code, relating to the North Dakota  
 6 immunization program; to amend and reenact section 23-01-05.3 of the North Dakota Century  
 7 Code, relating to reporting immunization data; and to provide an appropriation.

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

9 ~~SECTION 1. A new chapter to title 23 of the North Dakota Century Code is created and~~  
 10 ~~enacted as follows:~~

11 ~~Definitions.~~

12 ~~As used in this chapter:~~

13 ~~1. "Board" means the North Dakota vaccine group purchasing board.~~

14 ~~2. "Department" means the state department of health.~~

15 ~~3. "Director" means the director of the North Dakota vaccine group purchasing program.~~

16 ~~4. "Fund" means the North Dakota vaccine fund.~~

17 ~~5. "Health insurance coverage" means any hospital and medical expense incurred policy,~~  
 18 ~~nonprofit health care service plan contract, health maintenance organization~~  
 19 ~~subscriber contract, or any other health care plan or arrangement that pays for or~~  
 20 ~~furnishes benefits that pay the costs of or provide medical, surgical, or hospital care or,~~  
 21 ~~if selected by the eligible individual, chiropractic care.~~

22 ~~a. Health insurance coverage does not include any one or more of the following:~~

23 ~~(1) Coverage only for accident, disability income insurance, or any combination~~  
 24 ~~of the two;~~

- 1 ~~————— (2) Coverage issued as a supplement to liability insurance;~~  
2 ~~————— (3) Liability insurance, including general liability insurance and automobile-~~  
3 ~~liability insurance;~~  
4 ~~————— (4) Workforce safety and insurance or similar insurance;~~  
5 ~~————— (5) Automobile medical payment insurance;~~  
6 ~~————— (6) Credit-only insurance;~~  
7 ~~————— (7) Coverage for onsite medical clinics; and~~  
8 ~~————— (8) Other similar insurance coverage, specified in federal regulations, under-~~  
9 ~~which benefits for medical care are secondary or incidental to other-~~  
10 ~~insurance benefits.~~  
11 ~~————— b. Health insurance coverage does not include the following benefits if the benefits-~~  
12 ~~are provided under a separate policy, certificate, or contract of insurance or are-~~  
13 ~~otherwise not an integral part of the plan:~~  
14 ~~————— (1) Limited scope dental or vision benefits;~~  
15 ~~————— (2) Benefits for long-term care, nursing home care, home health care,-~~  
16 ~~community-based care, or any combination of this care; and~~  
17 ~~————— (3) Other similar limited benefits specified under federal regulations issued-~~  
18 ~~under the Health Insurance Portability and Accountability Act of 1996-~~  
19 ~~[Pub. L. 104-191; 110 Stat. 1936; 29 U.S.C. 1181 et seq.].~~  
20 ~~————— c. Health insurance coverage does not include any of the following benefits if the-~~  
21 ~~benefits are provided under a separate policy, certificate, or contract of insurance;-~~  
22 ~~there is no coordination between the provision of the benefits; any exclusion of-~~  
23 ~~benefits under any group health insurance coverage maintained by the same-~~  
24 ~~plan sponsor; and the benefits are paid with respect to an event without regard to-~~  
25 ~~whether benefits are provided with respect to such an event under any group-~~  
26 ~~health plan maintained by the same sponsor;~~  
27 ~~————— (1) Coverage only for specified disease or illness; and~~  
28 ~~————— (2) Hospital indemnity or other fixed indemnity insurance.~~  
29 ~~————— d. Health insurance coverage does not include the following if offered as a separate-~~  
30 ~~policy, certificate, or contract of insurance;~~

- 1 ~~\_\_\_\_\_ (1) Coverage supplemental to the coverage provided under chapter 55 of~~  
2 ~~United States Code title 10 [10 U.S.C. 1071 et seq.] relating to armed forces~~  
3 ~~medical and dental care; and~~
- 4 ~~\_\_\_\_\_ (2) Similar supplemental coverage provided under a group health plan.~~
- 5 ~~6. "Health officer" means the state health officer.~~
- 6 ~~7. "Insurer" means any insurance company, nonprofit health service organization,~~  
7 ~~fraternal benefit society, health maintenance organization, and any other entity~~  
8 ~~providing or selling health insurance coverage or health benefits that are subject to~~  
9 ~~state insurance regulation.~~
- 10 ~~8. "North Dakota immunization advisory committee" means the group of private health~~  
11 ~~care providers, local public health units, department staff, and other applicable~~  
12 ~~individuals which makes immunization and vaccine selection recommendations to the~~  
13 ~~North Dakota immunization program.~~
- 14 ~~9. "North Dakota immunization information system" is the population-based~~  
15 ~~computerized information system established under section 23-01-05.3.~~
- 16 ~~10. "North Dakota immunization program" means the program administered by the~~  
17 ~~department to provide vaccinations to North Dakota children consistent with state and~~  
18 ~~federal law.~~
- 19 ~~11. "Plan of operation" means the plan of operation of the fund as established by the~~  
20 ~~board.~~
- 21 ~~12. "Program-eligible child" means any child, who is under nineteen years of age, whose~~  
22 ~~custodial parent or legal guardian resides in this state, who receives vaccinations from~~  
23 ~~a North Dakota provider, and who is not eligible for the federal vaccines for children~~  
24 ~~program.~~
- 25 ~~13. "Third-party administrator" means a person that administers payments for health care~~  
26 ~~services on behalf of a client health plan in exchange for an administrative fee.~~
- 27 ~~14. "Vaccine" means any vaccine recommended by the federal advisory committee on~~  
28 ~~immunization practices of the centers for disease control and prevention.~~
- 29 ~~15. "Vaccines for children program" is a federally funded program that provides vaccines~~  
30 ~~at no cost to eligible children pursuant to section 1928 of the Social Security Act~~  
31 ~~[42 U.S.C. 1396s].~~

1 ~~— **State department of health – Duties.**~~

2 ~~— 1. There is established in the department a vaccine group purchasing program.~~

3 ~~— 2. The health officer shall appoint the director of the North Dakota vaccine group~~  
4 ~~purchasing program who may be an employee of the department.~~

5 ~~— 3. The health officer, or the health officer's designee, in consultation with the North~~  
6 ~~Dakota immunization advisory committee shall determine which brands of vaccines~~  
7 ~~are purchased under this chapter.~~

8 ~~— **North Dakota vaccine group purchasing board.**~~

9 ~~— 1. There is created in the department the North Dakota vaccine group purchasing board,~~  
10 ~~which shall operate as a governmental authority as defined in subsection 7 of section~~  
11 ~~32-12.2-01.~~

12 ~~— 2. The board consists of nine members:~~

13 ~~— a. Six members must be appointed by the health officer and serve at the pleasure of~~  
14 ~~the health officer. In selecting the members of the board, the health officer shall~~  
15 ~~appoint:~~

16 ~~— (1) Three members representing insurers, one of whom shall represent~~  
17 ~~administrators or third-party administrators;~~

18 ~~— (2) One member representing business managers of private health care~~  
19 ~~practices;~~

20 ~~— (3) One member representing local public health units; and~~

21 ~~— (4) One member representing the North Dakota business community involved~~  
22 ~~in biotechnology with an emphasis in immunization vaccine research;~~

23 ~~— b. The department's immunization program manager;~~

24 ~~— c. One member designated by the insurance commissioner; and~~

25 ~~— d. The health officer, or the director as the health officer's designated~~  
26 ~~representative, shall serve as an ex officio, nonvoting member of the board.~~

27 ~~— 3. Board members appointed by the health officer pursuant to subdivision a of~~  
28 ~~subsection 2 shall serve for terms of three years, except the initial board members~~  
29 ~~appointed by the health officer pursuant to subdivision a of subsection 2 must be~~  
30 ~~appointed as follows:~~

1 ~~a. Two members, as determined by the health officer, shall serve an initial term of~~  
2 ~~two years;~~

3 ~~b. Two members, as determined by the health officer, shall serve an initial term of~~  
4 ~~three years; and~~

5 ~~c. Two members, as determined by the health officer, shall serve an initial term of~~  
6 ~~four years.~~

7 ~~4. The health officer shall fill any vacancy on the board appointed by the health officer~~  
8 ~~pursuant to subdivision a of subsection 2.~~

9 ~~5. Members of the board who are not state employees or employees of a political~~  
10 ~~subdivision are entitled to receive reimbursement for their necessary mileage and~~  
11 ~~travel expenses as provided in sections 44-08-04 and 54-06-09 while attending board~~  
12 ~~meetings.~~

13 ~~**Plan of operation:**~~

14 ~~1. Annually, the board shall submit a plan of operation to the director. Amendments to the~~  
15 ~~plan may be made as needed. The plan of operation, and any amendments to the~~  
16 ~~plan, become effective upon board approval.~~

17 ~~2. The plan of operation must:~~

18 ~~a. Identify methodology and procedures for determining assessments that are fair~~  
19 ~~and equitable for insurers and third-party administrators, including a third-party~~  
20 ~~administrator for a self-insurance plan. The board may assess a subgroup of the~~  
21 ~~insurers and third-party administrators to be assessed based on immunization~~  
22 ~~volume or other factors as approved by the board;~~

23 ~~b. Establish and approve procedures for the director to collect assessments from~~  
24 ~~insurers and third-party administrators as identified in the plan of operation to~~  
25 ~~fund vaccine purchases by the state;~~

26 ~~c. Establish a policy for conducting a reconciliation process to ascertain that~~  
27 ~~assessments were fair and equitable and to consider adjustments to future~~  
28 ~~assessments;~~

29 ~~d. Identify the frequency of board meetings; and~~

30 ~~e. Provide for any additional matters necessary for the implementation and~~  
31 ~~administration of the fund.~~

1 ~~3. Administrative costs associated with establishing and operating the fund must be paid~~  
2 ~~out of the fund.~~

3 ~~**Power and liability of the board.**~~

4 ~~1. The board may:~~

5 ~~a. Enter contracts necessary or proper to carry out this chapter;~~

6 ~~b. Determine the method and frequency of assessment and assess insurers and~~  
7 ~~third-party administrators in accordance with rules adopted by the board;~~

8 ~~c. Require insurers and third-party administrators to provide to the board all~~  
9 ~~statements and reports the board considers necessary to fulfill the board's duties~~  
10 ~~under this chapter; and~~

11 ~~d. Establish policies and procedures as necessary or proper for the implementation~~  
12 ~~of this chapter and the collection and use of the assessments authorized by this~~  
13 ~~chapter.~~

14 ~~2. Neither the board nor any member of the board is liable for any obligations of the~~  
15 ~~vaccine assessments. A member or employee of the board is not liable, and a cause~~  
16 ~~of action of any nature may not arise against the member or employee of the board,~~  
17 ~~for any act or omission related to the performance of the member's or employee of the~~  
18 ~~board's powers and duties under this chapter, unless the act or omission constitutes~~  
19 ~~willful or wanton misconduct. Participation by an insurer or third-party administrator in~~  
20 ~~the assessments authorized by this chapter or on the board under this chapter is not~~  
21 ~~grounds for any legal action, criminal or civil liability, or penalty against the fund or any~~  
22 ~~of its insurers, third-party administrators, or board members, either jointly or~~  
23 ~~separately.~~

24 ~~3. The board is exempt from the requirements of chapter 28-32 if the board provides~~  
25 ~~notice and the opportunity to comment to any health insurer or third-party~~  
26 ~~administrator, subject to an assessment under this chapter, except that an insurer or~~  
27 ~~third-party administrator may appeal any assessment or rule of the board as provided~~  
28 ~~under section 28-32-47.~~

29 ~~**Assessments.**~~

30 ~~1. Annually, the department shall report to the board the total number of program-eligible~~  
31 ~~children in the North Dakota immunization information system who received vaccines.~~

1           ~~the doses administered, and the total cost of vaccines purchased through the North-~~  
2           ~~Dakota vaccine fund for the previous state fiscal year.~~

3     ~~2. Each insurer's or third-party administrator's proportion of the assessment and the~~  
4     ~~dates upon which the insurer or third-party administrator must pay the assessment into~~  
5     ~~the fund must be determined by the board based on annual statements and other~~  
6     ~~reports considered necessary by the board. In making the assessment determination,~~  
7     ~~the board also shall consider such factors as the number of vaccine doses~~  
8     ~~administered in the pertinent time period and the number of program-eligible children~~  
9     ~~in the pertinent time period, as well as any necessary costs and expenses to~~  
10    ~~administer the fund and discharge the duties of the board.~~

11    ~~3. Each insurer or third-party administrator shall pay the insurer's or third-party~~  
12    ~~administrator's annual assessment in at a minimum of quarterly installments on the~~  
13    ~~date specified by the board.~~

14    ~~4. An insurer or third-party administrator shall pay an assessment made by the board~~  
15    ~~within sixty days of the notice of assessment being sent to the insurer or third-party~~  
16    ~~administrator.~~

17    ~~5. For late or nonpayment of assessments by an insurer or third-party administrator, the~~  
18    ~~board shall impose interest at the rate of one percent of the unpaid assessment due~~  
19    ~~for each month or fraction of a month during which the assessment remains unpaid,~~  
20    ~~computed from the due date of the assessment to the date paid, excepting the month~~  
21    ~~in which the assessment was required to be paid or the assessment became due. If an~~  
22    ~~insurer's or third-party administrator's assessment remains partly or fully unpaid for~~  
23    ~~more than ninety days from the due date, the board may impose a penalty of up to two~~  
24    ~~times the amount of the unpaid assessment. In addition, the board may refer the~~  
25    ~~insurer or third-party administrator to the insurance commissioner who may use any~~  
26    ~~sanctions available to penalize for nonpayment of the assessment.~~

27    ~~6. For good cause, an insurer or third-party administrator may seek from the board a~~  
28    ~~deferment from all or part of an assessment imposed by the board. The board may~~  
29    ~~defer all or part of the assessment if the board determines that the payment of the~~  
30    ~~assessment would place the insurer or third-party administrator in a financially~~  
31    ~~impaired condition, as provided in title 26.1. If all or part of an assessment against an~~

1 ~~insurer or third-party administrator is deferred, the amount deferred may be assessed~~  
2 ~~against the other insurers and third-party administrators in a manner consistent with~~  
3 ~~the basis for assessment provided under this section. The insurer or third-party~~  
4 ~~administrator receiving the deferment remains liable to the fund for the amount~~  
5 ~~deferred and may be referred to the insurance commissioner who may use any~~  
6 ~~sanctions available.~~

7 ~~7. The initial assessments as determined by the board must be paid to the fund before~~  
8 ~~October 1, 2011.~~

9 ~~8. The moneys raised by the assessment authorized in this section must be used solely~~  
10 ~~for the purposes expressly authorized by this chapter.~~

11 ~~**North Dakota vaccine fund.**~~

12 ~~There is created in the state treasury the North Dakota vaccine fund. Moneys in the fund~~  
13 ~~must be appropriated by the legislative assembly solely for purposes established by this~~  
14 ~~chapter. All interest and earnings of the fund must be retained in the fund. Any entity subject to~~  
15 ~~this assessment is not entitled to a credit for this assessment against tax due under section~~  
16 ~~26.1-03-17.~~

17 ~~**SECTION 2. AMENDMENT.** Section 23-01-05.3 of the North Dakota Century Code is~~  
18 ~~amended and reenacted as follows:~~

19 ~~**23-01-05.3. Immunization data.**~~

20 ~~1. The state department of health may establish an immunization information system and~~  
21 ~~may require the childhood immunizations specified in subsection 1 of section~~  
22 ~~23-07-17.1 and other information be reported to the department. The state department~~  
23 ~~of health may only require the reporting of childhood immunizations and other data~~  
24 ~~upon completion of the immunization information reporting system. A health care~~  
25 ~~provider who administers a childhood immunization shall report the patient's~~  
26 ~~identifying information, the immunization that is administered, and other required~~  
27 ~~information to the department. The report must be submitted using electronic media,~~  
28 ~~and must contain the data content and use the format and codes specified by the~~  
29 ~~department.~~

1 ~~2. A health care provider that fails to submit a required immunization report within four~~  
2 ~~weeks of vaccination may not order or receive any vaccines from the North Dakota~~  
3 ~~immunization program until the provider submits all reports required by this section.~~

4 ~~3. Notwithstanding any other provision of law, a health care provider, elementary or~~  
5 ~~secondary school, early childhood facility, public or private postsecondary educational~~  
6 ~~institution, city or county board of health, district health unit, and the state health officer~~  
7 ~~may exchange immunization data in any manner with one another. Immunization data~~  
8 ~~that may be exchanged under this section is limited to the date and type of~~  
9 ~~immunization administered to a patient and may be exchanged regardless of the date~~  
10 ~~of the immunization.~~

11 **SECTION 1. AMENDMENT.** Section 23-01-05.3 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **23-01-05.3. Immunization data.**

14 1. The state department of health may establish an immunization information system and  
15 may require the childhood immunizations specified in subsection 1 of section  
16 23-07-17.1 and other information be reported to the department. The state department  
17 of health may only require the reporting of childhood immunizations and other data  
18 upon completion of the immunization information reporting system. A health care  
19 provider who administers a childhood immunization shall report the patient's  
20 identifying information, the immunization that is administered, and other required  
21 information to the department. The report must be submitted using electronic media,  
22 and must contain the data content and use the format and codes specified by the  
23 department.

24 2. If a health care provider fails to submit an immunization report required under this  
25 section within four weeks of vaccination:

26 a. That health care provider may not order or receive any vaccine from the North  
27 Dakota immunization program until that provider submits all reports required  
28 under this section.

29 b. The state department of health shall make a report to that health care provider's  
30 occupational licensing entity outlining that provider's failure to comply with the  
31 reporting requirements under this section.

1 3. Notwithstanding any other provision of law, a health care provider, elementary or  
2 secondary school, early childhood facility, public or private postsecondary educational  
3 institution, city or county board of health, district health unit, and the state health officer  
4 may exchange immunization data in any manner with one another. Immunization data  
5 that may be exchanged under this section is limited to the date and type of  
6 immunization administered to a patient and may be exchanged regardless of the date  
7 of the immunization.

8 **SECTION 2.** A new section to chapter 23-01 of the North Dakota Century Code is created  
9 and enacted as follows:

10 **Immunization program - Provider choice - Purchasing.**

11 1. As used in this section:

12 a. "Department" means the state department of health.

13 b. "North Dakota immunization advisory committee" means the group of private  
14 health care providers, local public health units, department staff, and other  
15 applicable individuals which makes immunization and vaccine selection  
16 recommendations to the North Dakota immunization program.

17 c. "North Dakota immunization program" means the program administered by the  
18 department to provide vaccinations to North Dakota children consistent with state  
19 and federal law.

20 d. "Program-eligible child" means any child, who is under nineteen years of age,  
21 whose custodial parent or legal guardian resides in this state.

22 e. "Vaccine" means any vaccine recommended by the federal advisory committee  
23 on immunization practices of the centers for disease control and prevention.

24 f. "Vaccines for children program" is a federally funded program that provides  
25 vaccines at no cost to eligible children pursuant to section 1928 of the Social  
26 Security Act [42 U.S.C. 1396s].

27 2. As part of the North Dakota immunization program:

28 a. The department shall implement a provider choice system as part of the state's  
29 implementation of the vaccines for children program. This provider choice system  
30 must provide a health care provider participating in the state's vaccines for  
31 children program or in any other immunization program for children, adolescents,

1 or adults which is administered through the state using federal or state funds,  
2 may select any licensed vaccine, including combination vaccines, and any  
3 dosage forms that have in effect a recommendation from the federal advisory  
4 committee on immunization practices. This subsection does not apply in the  
5 event of a disaster, public health emergency, terrorist attack, hostile military or  
6 paramilitary action, or extraordinary law enforcement emergency.

7 b. The department shall establish a program through which the department  
8 purchases vaccines through the federal vaccine purchasing contract.

9 (1) The department shall supply public health units with the purchased  
10 vaccines. A public health unit that receives vaccines under this subdivision  
11 shall administer the vaccines to program-eligible children.

12 (2) A public health unit that receives vaccines under this purchasing program  
13 may not bill an insurer for the cost of the vaccine but may charge an  
14 administration fee.

15 (3) The department shall fund this purchasing program through participation in  
16 the vaccines for children program, the federal section 317 vaccine program,  
17 and state funds appropriated for this purpose. If it appears there will be  
18 inadequate funds to fund this purchasing program, the department shall  
19 petition the emergency commission for a transfer from the state contingency  
20 fund. The emergency commission may grant the transfer request, or so  
21 much thereof as may be necessary, to fund this purchasing program.

22 **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the general  
23 fund in the state treasury, not otherwise appropriated, the sum of \$1,500,000, or so much of the  
24 sum as may be necessary, to the state department of health for the purpose of funding the  
25 program through which the department purchases vaccines through the federal vaccine  
26 purchasing contract, for the biennium beginning July 1, 2011, and ending June 30, 2013.