

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; to provide a penalty; and to declare an emergency.

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

6 **SECTION 1.** A new chapter to title 23 of the North Dakota Century Code is created and
7 enacted as follows:

8 **Definitions.**

9 As used in this chapter:

- 10 1. "Board" means the North Dakota vaccine group purchasing board.
- 11 2. "Department" means the state department of health.
- 12 3. "Director" means the director of the North Dakota vaccine group purchasing program.
- 13 4. "Fund" means the North Dakota vaccine fund.
- 14 5. "Health insurance coverage" and "insurer" have the same meaning as provided under
15 section 26.1-08-01: means any hospital and medical expense-incurred policy, nonprofit
16 health care service plan contract, health maintenance organization subscriber
17 contract, or any other health care plan or arrangement that pays for or furnishes
18 benefits that pay the costs of or provide medical, surgical, or hospital care or, if
19 selected by the eligible individual, chiropractic care.
- 20 a. Health insurance coverage does not include any one or more of the following:
- 21 (1) Coverage only for accident, disability income insurance, or any combination
22 of the two;
- 23 (2) Coverage issued as a supplement to liability insurance;

1 (3) Liability insurance, including general liability insurance and automobile
2 liability insurance;

3 (4) Workforce safety and insurance or similar insurance;

4 (5) Automobile medical payment insurance;

5 (6) Credit-only insurance;

6 (7) Coverage for onsite medical clinics; and

7 (8) Other similar insurance coverage, specified in federal regulations, under
8 which benefits for medical care are secondary or incidental to other
9 insurance benefits.

10 b. Health insurance coverage does not include the following benefits if the benefits
11 are provided under a separate policy, certificate, or contract of insurance or are
12 otherwise not an integral part of the plan:

13 (1) Limited scope dental or vision benefits;

14 (2) Benefits for long-term care, nursing home care, home health care,
15 community-based care, or any combination of this care; and

16 (3) Other similar limited benefits specified under federal regulations issued
17 under the Health Insurance Portability and Accountability Act of 1996
18 [Pub. L. 104-191; 110 Stat. 1936; 29 U.S.C. 1181 et seq.].

19 c. Health insurance coverage does not include any of the following benefits if the
20 benefits are provided under a separate policy, certificate, or contract of insurance;
21 there is no coordination between the provision of the benefits; any exclusion of
22 benefits under any group health insurance coverage maintained by the same
23 plan sponsor; and the benefits are paid with respect to an event without regard to
24 whether benefits are provided with respect to such an event under any group
25 health plan maintained by the same sponsor:

26 (1) Coverage only for specified disease or illness; and

27 (2) Hospital indemnity or other fixed indemnity insurance.

28 d. Health insurance coverage does not include the following if offered as a separate
29 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 ~~8.9.~~ "North Dakota immunization information system" is the population-based
15 computerized information system established under section 23-01-05.3.

16 ~~9.10.~~ "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 ~~10.11.~~ "Plan of operation" means the plan of operation of the fund as established by the
20 board.

21 ~~11.12.~~ "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 ~~12.14.~~ "Vaccine" means any vaccine recommended by the federal advisory committee on
28 immunization practices of the centers for disease control and prevention.

29 ~~13.15.~~ "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 ~~d.~~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

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

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

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

~~9. Notwithstanding any other provision of this section, if the market share of an insurer or third-party administrator changes by more than ten percent because of merger, withdrawal, or any other reason or the assessments are insufficient to pay for the costs for that year, the board may adjust the assessments of all insurers and third-party administrators for that year.~~

North Dakota vaccine fund.

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

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

23-01-05.3. Immunization data.

1. The state department of health may establish an immunization information system and may require the childhood immunizations specified in subsection 1 of section 23-07-17.1 and other information be reported to the department. The state department of health may only require the reporting of childhood immunizations and other data upon completion of the immunization information reporting system. A health care provider who administers a childhood immunization shall report the patient's identifying information, the immunization that is administered, and other required

1 information to the department. The report must be submitted using electronic media,
2 and must contain the data content and use the format and codes specified by the
3 department.

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

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

15 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.