

January 17, 2023

HOUSE HUMAN SERVICES COMMITTEE HB 1095
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CHAIRMAN WEISZ AND COMMITTEE MEMBERS:

My name is Jack McDonald. I'm appearing on behalf of America's Health Insurance Plans or, as it is commonly known, AHIP.

AHIP and AHIP members support the concept to ensure that North Dakotans have access to comprehensive medication management – that is a core function of a health insurance providers' role because we have the full picture of a patient's medications from various doctors/prescribers and are able to flag potential adverse reactions.

However, as drafted AHIP has strong concerns with the bill as proposed. Overall, this legislation is a benefit mandate and will increase health insurance costs for North Dakotans and will lead to consumer confusion.

There are number of problematic provisions in the bill and a number of issues that, at the very least, need refinements. These include –

- The list of services included in the definition of “comprehensive medication management” is vague.
  - Health plans need more specific guidance information regarding what is meant by each of these. In order to reimburse for each of these services, we need to ensure there is a coordinating CPT code, which is set by an independent body – if there is no CPT code for a given service, then billing and paying for that service becomes highly complicated.
- Concerned about requiring health plans to contract/credential pharmacists as providers. Currently insurers contract with pharmacies, not pharmacists, and is part of how health plans meet their national accreditation standards as required by North Dakota.
  - This bill would require a complicated provider contracting process to take place with a universe of providers who often have little history of contracting with health plans, submitting medical claims for reimbursement, etc. because these interactions have historically taken place between the health plan and the facility (pharmacy).
  - This will require that insurers have to separately contract with every pharmacist, which is going to take a lot of time and money.

- Network adequacy requirements based on time and/or distance should not be placed specifically in law as percentages may always change as city populations ebb and flow, size, but can be discussed with our regulators. We appreciate the bill allows these services to be provided by telehealth.
  - We generally oppose strict time or distance standards because they are difficult to meet and don't take into consideration things like geography and differing populations and telehealth, which this bill explicitly allows for.
- Similar to network adequacy, specific to plan directory requirements change over time.
  - There's no guarantee that every pharmacy in the existing network would want to provide services as described; and no guarantee that every pharmacist in all pharmacies would want to provide them.
  - It would be very difficult to explain who enrollees can go to for what services if all pharmacists don't contract to provide these services. This could be even more confusing in a directory – what if a pharmacist isn't taking new patients for these services but the pharmacy that they work for is accepting new patients for their usual medication dispensing services?
  - The effective date of the bill does not provide sufficient time for implementation. Health plans would have less than a year to create all of new contracts and provide these services.

In summary, HB 1095:

1. Requires health plans to implement new contracting and new credentialing standards that do not exist today – Significant costs and oversight would be needed to implement.
2. Network adequacy requirements: The bill creates two pharmacy networks for carriers (essentially creates a whole new pharmacy network) – The bill prohibits carriers from using their existing pharmacy network to meet the network standard.
3. Provider Directory: Health plans already have competing priorities from the federal government to implement new federal requirements for provider directories. The new requirements in the bill are a significant lift and would be very expensive.

Therefore, AHIP respectfully requests a DO NOT PASS on this bill as it is now written. However, AHIP and our member plans would appreciate continued conversations with the bill sponsors for possible revisions.

Thank you for your time and consideration. I'd be glad to answer any questions I can.