

# **TESTIMONY OF SCOTT MILLER**

## **House Bill 1095 – Comprehensive Medication Management Services Mandate**

Good Morning, my name is Scott Miller. I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I am here to testify in a neutral position regarding House Bill 1095.

This bill creates a mandate regarding health insurance plan coverage of comprehensive medication management services. Assuming this is a health insurance plan coverage or payment mandate, this bill does not appear to comply with the statutory requirement in NDCC section 54-03-28(3) that health insurance plan mandates first apply to NDPERS. Further, I am unaware that a cost-benefit analysis has been provided. NDCC 54-03-28 requires both of those problems to be corrected before this Committee can act on SB 2140.

Deloitte, the health plan consultant for NDPERS, has reviewed the bill and provided the following comments:

The financial impact of comprehensive medication management services cannot be estimated without additional clarification of the details of the bill and potential costs from service providers. Deloitte Consulting recommends further study to estimate potential costs. Preliminary areas of consideration include:

1. The bill does not limit the comprehensive medication management services to the enrollees in the NDPERS uniform group insurance program. The financial impact on the uniform group insurance program will be influenced by how much of the cost of the services is born by the uniform group insurance program, the health plan/insurer, or other parties.
2. Sanford Health Plan, the current insurer, does not have comprehensive medication management as described in the bill. Sanford Health Plan will require additional staff and enhancement of pharmacist administered services to meet the requirements. The costs of these program enhancements will be dependent on additional information.
3. Sanford Health Plan provides drug utilization review services under the existing uniform group insurance program to monitor drug safety and gaps in care. Sanford Health Plan includes the cost of this program in the insured rate, it is not charged extra, and costs \$0.16 per member per month. These drug utilization review services may be duplicative with the comprehensive medication management program or could potentially be used as a tool for providers as a component of the program.

4. Under the modified fully-insured arrangement, Sanford Health Plan will determine the adjustment to the insured rates due to the requirements of the program. The insured rates determined by Sanford Health Plan may not be equal to the administrative and claims costs estimated prior to the establishment of the services depending on Sanford's business strategy and underwriting and risk requirements.
5. Costs are dependent on the volume of services provided as part of comprehensive medication management. The volume of services will be variable based on the number of eligible members, the engagement rate of members, the members access to participating providers, and the frequency of services provided. NDPERS may have access to health care data through Sanford Health Plan to be able to estimate eligible members as part of further study on potential cost.
6. The bill requires an adequate number of pharmacists to deliver comprehensive medication management and specifically provides that "the participation of pharmacies in the health carriers network's drug benefit does not satisfy the requirement" (page 3, lines 24-25). Sanford Health Plan does not currently credential pharmacists as providers. If pharmacist credentialing is required by the health insurance provider, Sanford Health Plan would need to implement the processes and requirements to do so.
7. Provider reimbursement rates will be a key component of cost (along with volume of services, as discussed in (5) above. Reimbursement rates may depend on varying qualifying criteria including member need, setting of the visit (pharmacy, clinic, hospital, in-person, telehealth), encounter type (first encounter, follow up), etc.
8. The legislation allows for telehealth (page 3, lines 20-21). The proportion of care delivered via telehealth compared to in-person could impact cost to the extent that telehealth services are billed at a different rate than in-person services.
9. Comprehensive medication management may result in a change in clinical outcomes that will have an effect on cost. For example, medication management services may result in more frequent low-cost encounters that increases cost while avoiding adverse clinical outcomes that result in decreased cost.
10. The legislation establishes regulation for the directory of pharmacists participating and eligible to provide services. The provider directory must be publicly accessible without an account (or being enrolled in the insurance plan), the directory must be audited regularly such that at least 25% of provider entries are audited quarterly and 100% are audited annually, and the directory must have search functionality on fields including name, gender, location, facility affiliation, language spoken, and availability to accept new enrollees (page 4, line 17-30 and page 5, lines 1-10). Health carriers may not have provider directories that meet the requirements of these provisions today, which would necessitate time and investment to establish compliant directories.

11. The legislation establishes an advisory committee to implement the medication management services and assist in rulemaking and other topics. The advisory committee is responsible for delivering, by June 20, 2024, best-practice recommendations to the insurance commissioner and the department of health and human services (page 5, lines 14-31 and page 6, lines 1-8). There may be costs associated with developing initial best-practices report to the extent outside experts are required to conduct research in collaboration with, or on behalf of, the advisory committee and the scope of work required.