

2025 SENATE HUMAN SERVICES

SB 2249

2025 SENATE STANDING COMMITTEE MINUTES

Human Services Committee Fort Lincoln Room, State Capitol

SB 2249
1/29/2025

Relating to step therapy protocol exceptions; to provide for a report to the legislative assembly; to provide for application; and to provide an expiration date.

10:59 a.m. Chairman Lee opened the hearing.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

Discussion Topics:

- Emotional Stress
- Patient centered care
- Due diligence
- Impact of study

10:59 a.m. Senator Barta introduced the bill.

11:11 a.m. Arik Spencer, President of Greater ND Chamber, testified in opposition and submitted testimony #32595.

11:13 a.m. Rebecca Fricke, Executive Director of ND Public Employees Retirement System, testified in neutral and submitted testimony #32212

11:18 a.m. Chrystal Bartuska, North Dakota Insurance Department, testified in neutral.

11:21 a.m. Megan Ruby, Vice President of Government Affairs Blue Cross Blue Shield of North Dakota, testified in neutral.

Additional written testimony:

Sarah Lanford, Associate Director for The for Clinical Oncology, submitted testimony in favor #31271.

Sam Miller, Advocacy Associate for The National Infusion Center Association, submitted testimony in favor #31899.

Sam Miller, Advocacy Associate for Infusion Access Foundation, submitted testimony in favor #31900.

Olivia Perry, Vision Health Advocacy Coalition, submitted testimony in favor #32283.

Kayla Roddey, Alliance for Gout Awareness, submitted testimony in favor #32284.

Stephanie Hu, Movement Disorders Policy Coalition, submitted testimony in favor #32288.

Ryan Crump, Alliance for Patient Access, submitted testimony in favor #32309.

Courtney Koebele, Executive Director of the North Dakota Medical Association, submitted testimony in favor #32345.

Abby Kasprowicz submitted testimony in favor #32400.

Michelle Mack, Pharmaceutical Care Management Association, submitted testimony in opposition #32472.

11:33 a.m. Chairman Lee closed the hearing.

Andrew Ficek, Committee Clerk



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January 23, 2025

Senator Judy Lee, Chair
Senate Committee on Human Services
Fort Lincoln Room
State Capitol
600 East Boulevard Avenue
Bismarck, ND 58505

Dear Chair Lee and Members of the Senate Committee on Human Services,

The Dakota Oncology Society and Association for Clinical Oncology (ASCO) are pleased to support **SB 2249**, which would update and clarify existing statute related to step therapy procedures.

The Dakota Oncology Society is a professional society representing healthcare professionals in North Dakota and South Dakota who specialize in oncology. ASCO is the world's leading professional society representing physicians who care for people with cancer. With over 50,000 members, our core mission is to ensure that cancer patients have meaningful access to high quality, equitable cancer care.

The Dakota Oncology Society and ASCO are committed to supporting policies that reduce cost while preserving quality of cancer care; it is critical that such policies be developed and implemented in a way that does not undermine patient access. Payer utilization management approaches like step therapy protocols are of particular concern because they represent greater likelihood of raising barriers to appropriate care for individuals with cancer. While many treatments preferred by payers cost less, they may not be the best treatment available for the patient.

Step therapy or fail first policies can be particularly problematic for patients with cancer because they can significantly delay a patient's access to the best treatment available for their condition. While waiting to complete a "step," a patient with cancer may experience disease progression and irreversible damage to their overall health.

The Dakota Oncology Society and ASCO are pleased that SB 2249 would place guardrails around step therapy by:

- Updating the clinically justified circumstances for a patient and provider to override a step therapy protocol when the medicine required under that protocol is likely to cause an adverse reaction, is expected to be ineffective, or if the patient is experiencing positive outcomes on a different drug; and

- Ensuring timely access to care by requiring that a step therapy exemption request must be answered within 72 hours under urgent circumstances and within five calendar days under normal circumstance.

The Dakota Oncology Society and ASCO appreciate the steps that SB 2249 takes toward improving step therapy procedures in North Dakota, and we urge the Committee to pass this measure. Please contact Sarah Lanford at ASCO at Sarah.Lanford@asco.org if you have any questions or if we can be of assistance.

Sincerely,

Matthew Tinguely, MD
President
Dakota Oncology Society

Eric P. Winer, MD, FASCO
Chair of the Board
Association for Clinical Oncology



The Nation's Advocacy Voice for In-Office Infusion

3307 Northland Dr, Ste 160 ▪ Austin, TX 78731
www.infusioncenter.org ▪ info@infusioncenter.org

North Dakota Senate
Human Services Committee
600 East Boulevard Avenue
Bismarck, ND 58505

January 27, 2025

Re: Support for SB 2249

Dear Committee Members:

On behalf of the infusion providers we represent in your state, thank you for your service and commitment to the people of North Dakota. As a nonprofit trade association that provides a national voice for non-hospital, community-based infusion providers; we ask that you please support SB 2249.

The National Infusion Center Association (NICA) is a nonprofit organization formed to support non-hospital, community-based infusion centers caring for patients in need of infused and injectable medications. To improve access to medical benefit drugs that treat complex, rare, and chronic diseases, we work to ensure that patients can access these drugs in high-quality, non-hospital care settings. NICA supports policies that improve drug affordability for beneficiaries, increase price transparency, reduce disparities in quality of care and safety across care settings, and enable care delivery in the highest-quality, lowest-cost setting.

When dealing with complex diseases, conventional drugs are not always effective, and infusions are often the only hope for patients suffering from autoimmune diseases or other chronic illnesses. However, it can take several years for a patient to exhaust conventional treatments before starting a biologic or infusion. When patients are subjected to step therapy or "fail first" policies that require them to try and fail a medication before taking the medication their doctor prescribed, insurance companies create yet another hoop to jump through before patients can reach clinical stability.

Onerous step therapy protocols essentially allow insurers to practice medicine by dictating what medication a patient can take. Step therapy protocols, especially those that diverge from widely



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accepted clinical guidelines, can lead to prolonged under-management of debilitating conditions and unnecessary clinical risk. As I'm sure you know, it is more important than ever for patients to avoid preventable hospital visits, not only in terms of capacity but also in an effort to keep patients with pre-existing complex conditions away from potential exposure to other illnesses.

The passage of SB 2249 would put clinical decisions back in the hands of patients and their doctors, rather than insurance companies. On behalf of the providers we serve, tending to patients battling chronic conditions for the rest of their lives, we sincerely request your support for SB 2249.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Brian Nyquist". The signature is written in a cursive, flowing style.

Brian Nyquist, MPH
President & CEO
National Infusion Center Association



Infusion Access Foundation

North Dakota Senate
Human Services Committee
600 E. Boulevard Ave.
Bismarck, ND 58505

January 29th, 2025

Re: Support for SB2249

Dear Committee Members,

Representing the interests of infusion therapy patients in the state, the Infusion Access Foundation extends its gratitude for your service and dedication to the people of North Dakota and strongly encourages your support for SB2249 at the January 27th AFI Committee hearing.

The Infusion Access Foundation is a nonprofit advocacy organization dedicated to protecting access to infusions and injections. We support patients across all disease states and advocate for expanding access to the therapies that help patients live their best, healthiest lives. In conjunction with our grassroots advocacy work, we advocate for individual patients who face significant barriers to care.

Thank you for your dedication to improving the lives of North Dakota residents. On behalf of patients across the state who rely on lifesaving and life-enhancing treatments, I urge you to support SB2249.

Patients facing complex, rare, or chronic diseases often require infused or injectable medications when conventional therapies are ineffective. These treatments offer hope and a pathway to stability for individuals managing conditions such as autoimmune diseases, yet the journey to accessing them is often fraught with unnecessary barriers.

Step therapy, or "fail first" policies, force patients to try and fail medications before being allowed access to the treatment originally prescribed by their doctor. These policies not only delay the start of effective treatment but also subject patients to prolonged periods of suffering, preventable disease progression, and increased clinical risk. For many, this means enduring years of ineffective care before finally receiving the medication that can truly make a difference in their health and quality of life.



When insurers dictate treatment protocols, they undermine the vital decision-making process between patients and their healthcare providers. These decisions should be based on widely accepted clinical guidelines and the individual needs of each patient, not cost-saving measures imposed by insurance companies. Step therapy policies that deviate from evidence-based practices can exacerbate patients' conditions, increase their reliance on emergency care, and ultimately raise healthcare costs.

In passing SB2249, North Dakota can take a critical step toward putting medical decisions back where they belong—in the hands of patients and their trusted healthcare providers. This legislation would help ensure that patients receive timely, appropriate, and effective care while reducing the emotional and physical toll of unnecessary treatment delays.

On behalf of the countless patients who face chronic and complex conditions every day, we sincerely request your support for SB2249. This bill is not just about improving access to care—it's about empowering patients to regain control over their health and their lives.

Thank you for your time, attention, and commitment to the well-being of North Dakota residents.

Sincerely,

A handwritten signature in grey ink, appearing to read "Alicia B.", with a long, sweeping horizontal line extending to the right.

Alicia Barron, LGSW
Executive Director
Infusion Access Foundation

TESTIMONY OF REBECCA FRICKE

Senate Bill 2249 – Step Therapy Protocol Exceptions

Good Morning, Madame Chair, and members of the committee. My name is Rebecca Fricke and I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I appreciate the committee taking the time to analyze Senate Bill 2249, which relates to step therapy protocol exceptions. I am here today on behalf of the NDPERS Board to provide information in a neutral capacity so the policy makers are able to make an informed decision regarding the bill.

Senate Bill 2249 does the following:

- Adds new section to NDCC 19-02.1 for “step therapy protocol” and “step therapy protocol exceptions”
- Sets criteria & timeframe for review and approval of a request for a step therapy protocol exception
- Complies with NDCC section 54-03-28(3) that health insurance plan mandates first apply to NDPERS.

Our consultant estimates that the bill would not have a financial impact on the NDPERS health insurance plan and therefore, a fiscal note is not provided.

A possible amendment that we ask be considered is to exclude the NDPERS Medicare Part D Plan. This amendment is attached to my testimony. Medicare Part D Plans are regulated by the Centers for Medicare and Medicaid Services and have specific step therapy protocols that must be adhered to.

Senate Bill 2249 was a bill introduced during the interim, with the analysis provided to the Employee Benefits Programs Committee, which gave the bill a favorable recommendation. The consultant and federal legal analysis provided to the committee is included as an attachment in my testimony (please note this was draft bill 138 during the interim session).

Madame Chair, I appreciate the committee taking the time to learn more about the impact this bill will have to our state. This concludes my testimony, and I'd be happy to answer any questions the committee may have.

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2249

Introduced by

Senators Barta, Sickler

Representatives Bahl, Karls, McLeod

1 A BILL for an Act to create and enact a new section to chapter 54-52.1 of the North Dakota
2 Century Code, relating to step therapy protocol exceptions; to provide for a report to the
3 legislative assembly; to provide for application; and to provide an expiration date.

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

5 **SECTION 1.** A new section to chapter 54-52.1 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Step therapy protocol exceptions.**

8 1. As used in this section:

9 a. "Step therapy protocol" has the same meaning as in section 19-02.1-16.3.

10 b. "Step therapy protocol exception" means a step therapy protocol is overridden in
11 favor of coverage of the prescription drug selected by a health care professional
12 as provided in subsection 2.

13 2. A health carrier, health benefit plan, pharmacy benefits manager, or utilization review
14 agent, shall approve a request for a step therapy protocol exception if:

15 a. The prescription drug required under the step therapy protocol is contraindicated
16 according to the drug manufacturer's prescribing information for the drug.

17 b. Due to a documented adverse event with previous use or a documented medical
18 condition, including a comorbid condition, the prescription drug is likely to:

19 (1) Cause an adverse reaction to a covered individual;

20 (2) Decrease the ability of a covered individual to achieve or maintain
21 reasonable functional ability in performing daily activities; or

22 (3) Cause physical or mental harm to a covered individual.

- 1 c. The prescription drug required under the step therapy protocol is expected to be
2 ineffective based on the known clinical characteristics of the covered individual,
3 including the individual's adherence to or compliance with the plan of care, and:
4 (1) The known characteristics of the prescription drug regimen as described in
5 peer-reviewed literature or in the manufacturer's prescribing information for
6 the drug;
7 (2) The health care professional's medical judgment based on clinical practice
8 guidelines or peer-reviewed journals; or
9 (3) The covered individual's documented experience with the prescription drug
10 regimen.
11 d. While under the covered individual's current or previous health benefit plan, for a
12 period of time to allow for a positive treatment outcome, the covered individual
13 had a trial of a therapeutically equivalent dose of the prescription drug under a
14 step therapy protocol, and that trial was discontinued by the covered individual's
15 health care professional due to lack of effectiveness.
16 e. While under the covered individual's current or previous health benefit plan, the
17 covered individual received a positive therapeutic outcome on a prescription drug
18 selected by the covered individual's health care professional for the medical
19 condition under consideration.
20 3. A health carrier, health benefit plan, pharmacy benefits manager, or utilization review
21 agent, shall:
22 a. If the prescription drug is a covered prescription drug under the covered
23 individual's health benefit plan, upon approval of a request supporting a step
24 therapy protocol exception, authorize coverage for the prescription drug selected
25 by the covered individual's health care professional.
26 b. Except as provided in subdivision c, within five calendar days after the receipt of
27 a request supporting a step therapy protocol exception, make a determination to
28 approve or deny the request.
29 c. Within seventy-two hours after the receipt of an emergency or urgent care
30 request supporting a step therapy protocol exception, make a determination to
31 approve or deny the request.

1 4. If a health carrier, health plan, pharmacy benefits manager, or utilization review agent
2 fails to respond to a request supporting a step therapy protocol exception as provided
3 in subdivisions b or c of subsection 3, the request is deemed approved.

4 5. This section does not apply to the Medicare Part D prescription drug coverage plan.

5 **SECTION 2. PUBLIC EMPLOYEES RETIREMENT SYSTEM - STEP THERAPY**

6 **PROTOCOL EXCEPTIONS - REPORT TO LEGISLATIVE ASSEMBLY.** Pursuant to section
7 54-03-28, the public employees retirement system shall prepare and submit for introduction a
8 bill to the seventieth legislative assembly to repeal the expiration date for this Act and to extend
9 step therapy protocol exception requirements to all group and individual health insurance
10 policies. The public employees retirement system shall append a report to the bill regarding the
11 effect of the step therapy protocol exception requirements on the system's health insurance
12 programs, information on the utilization and costs relating to the requirements, and a
13 recommendation regarding whether the coverage should be continued.

14 **SECTION 3. APPLICATION.** This Act applies to health benefits coverage that begins after
14 June 30, 2025, and which does not extend past June 30, 2027.

15 **SECTION 4. EXPIRATION DATE.** This Act is effective through June 30, 2027, and after that
16 date is ineffective.

Memo

Date: June 14, 2024

To: Rebecca Fricke - Executive Director, North Dakota Public Employees Retirement System
Representative Austen Schauer - Chair, Legislative Employee Benefits Programs
Committee, North Dakota State Government

From: Tim Egan, Dan Plante, Ford Edgerton, and Karno Sarkar - Deloitte Consulting LLP

Subject: **FINANCIAL REVIEW OF PROPOSED BILL 25.0138.01000**

Deloitte Consulting LLP (Deloitte 'I') was engaged to review the proposed legislation and the potential financial impact to the Uniform Group Insurance Program (Program) administered by the North Dakota Public Employees Retirement System (NDPERS), as well as other considerations that may contribute to the evaluation of the legislation.

The information included in the review relies on data provided by NDPERS, as well as publicly available data and industry studies. From the data provided by NDPERS, some of these data sources were developed by NDPERS, while others were prepared or created by third parties and delivered to NDPERS.

As part of the review, all data was reviewed for reasonableness, but an audit was not performed on the data. To the extent the data contains errors or anomalies that were unknown at the time the data was provided, the analysis may be affected by those issues.

OVERVIEW OF PROPOSED BILL

The Bill would create and enact a new section to chapter 19-02.1 of the North Dakota Century Code relating to step therapy protocol exceptions. The legislation does the following:

- Defines "step therapy protocol" and "step therapy protocol exception"
- Regulates that health plans will approve an exception for step therapy if:
 - The drug required by the step therapy program would cause a contraindication
 - Comorbidities would render the recommended drug to be ineffective or cause harm
 - The recommended drug is discontinued by provider
 - The recommended drug has been tried and tested but with no positive outcomes
- Establishes the timeline for how step therapy programs shall authorize drugs and appeals
 - Sets up automatic triggers for approval if timeline is not maintained

Subject: FINANCIAL REVIEW OF PROPOSED BILL 25.0138.01000

Date: June 14, 2024

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ESTIMATED FINANCIAL IMPACT

Based on the current offerings and the stipulations within the current legislation, it is anticipated the proposed legislation will have no impact on the Uniform Group Insurance Program.

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January 28, 2025

The Honorable Judy Lee
Chair, Senate Human Services Committee
600 East Boulevard Avenue
Bismarck, ND 58505

The Honorable Kent Weston
Vice Chair, Senate Human Services Committee
600 East Boulevard Avenue
Bismarck, ND 58505

RE: Bill SB 2249 – Step Therapy Reform

Members of the Senate Human Services Committee:

On behalf of the Vision Health Advocacy Coalition, I am writing to support Bill SB 2249. This legislation would protect North Dakota resident's access to treatment by establishing a transparent and time-appropriate step therapy process. The proposed bill would support better access to medically appropriate treatments for patients with vision conditions.

The [Vision Health Advocacy Coalition](https://www.visionhealthadvocacy.org/) (VHAC) promotes patient-centered policies that make life-changing treatments, services, and devices more accessible for people with vision conditions such as thyroid eye disease, glaucoma, Sjögren's, dry eye, macular degeneration, and diabetic retinopathy. Through our network of member organizations, VHAC encourages the advancement of ocular science and innovation, educates patients, healthcare providers, and policymakers about access challenges, promotes better vision care delivery, and advocates for access to prevention and appropriate treatment for all patients.

Inappropriate Step Therapy Protocols in North Dakota Can be Dangerous for Vision Patients

Step therapy is a tactic used by health insurance plans to contain costs by requiring patients to try and fail one or more medications before accessing the medication prescribed by their clinician. This practice, sometimes called “fail first,” often prioritizes insurer cost savings over an individualized care approach and access to clinician-prescribed care. Step therapy is especially burdensome to vision patients, who are then required to simultaneously manage their complex condition(s) and treatment regimens while also attempting to navigate the complexities of the health care system. They can be especially burdensome to those with severe vision impairment as they are more likely also to have type 2 diabetes, depression, stroke, hearing loss, and chronic kidney disease.¹

In North Dakota, it has been found that more than 14,400 people have reported blindness or severe difficulty seeing, even with glasses.² Unnecessary challenges placed on North Dakota residents to access medically appropriate treatment for their vision condition(s) can lead to further vision damage and irreversible vision loss and further exacerbate their overall health. Interference and limitations on the part of health plans in this process put the patient's overall health at risk.

Patient-Centric Care for Vision Patients in North Dakota is Essential

¹ “Looking Ahead: Improving Our Vision for the Future.” Centers for Disease Control and Prevention, Centers for Disease Control and Prevention, 7 Nov. 2022, <https://www.cdc.gov/visionhealth/resources/infographics/future.html>.

² <https://nfb.org/resources/blindness-statistics>

Step therapy protocols interfere with access to appropriate care and significantly impact the core foundation of a patient-provider relationship. According to a 2022 survey conducted by the Alliance for Patient Access, 98% of physicians identify step therapy as a significant barrier to proper care for their patients.³ Treatment decisions for vision patients should be based on the health care provider's expertise on the unique challenges of their patients, as opposed to a one-size-fits-all insurer-driven step therapy protocol. Vision patients require uninterrupted access to appropriate clinician-prescribed treatment(s) proven to manage their vision condition and to ensure quality of life and effective condition management.

Bill SB 2249 Protects North Dakota Residents Against Unnecessary Step Therapy Protocols

Bill SB 2249 would require the insurer to implement comprehensive guidelines, including an exemption process and a clear, timely response requirement for insurers to respond to these exemption requests. Establishing and implementing a more streamlined process will benefit all North Dakota residents. Importantly, while this bill streamlines the step therapy process, it does not prohibit step therapy or the number of steps an insurer can require.

It is estimated that by 2050, without adequate interventions, vision impairment and blindness will increase by 150%. The overall cost of vision problems will increase by 157% to \$373 billion.⁴ Legislation to protect vision patients and ensure appropriate access to care is imperative to improve overall vision health and lower future costs to the system. We urge you to support this legislation to protect North Dakota residents with vision conditions.

On behalf of the Vision Health Advocacy Coalition, we urge your support for Bill SB 2249 to protect patients with vision conditions. If we can provide further details or answer any questions, please get in touch with Olivia Perry operry@allianceforpatientaccess.org.

Sincerely,

Olivia Perry

Olivia Perry
Coalition Director
Vision Health Advocacy Coalition

Cc:

Senator David Clemens

Senator Kathy Hogan

Senator Kristin Roers

Senator Desiree Van Oosting

³ Alliance for Patient Access. Physician Burnout & Utilization Management Survey https://allianceforpatientaccess.org/wp-content/uploads/2024/11/AfPA_Physician-Burnout-Utilization-Management_Tri-fold_DIGITAL_November-2024.pdf

⁴ "Looking Ahead: Improving Our Vision for the Future." Centers for Disease Control and Prevention, Centers for Disease Control and Prevention, 7 Nov. 2022, <https://www.cdc.gov/visionhealth/resources/infographics/future.html>.



January 28, 2025

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Chair, Senate Human Services Committee
600 East Boulevard Avenue
Bismarck, ND 58505

The Honorable Kent Weston
Vice Chair, Senate Human Services Committee
600 East Boulevard Avenue
Bismarck, ND 58505

RE: Bill SB 2249 – Reform to Step Therapy Protocols

Dear Members of the Senate Human Services Committee,

On behalf of the Alliance for Gout Awareness, I am writing in support of Bill SB 2249. This legislation is necessary to ensure that patients living with gout in North Dakota have timely access to provider-prescribed treatments by providing clear guidelines around step therapy protocols.

About Gout and The Alliance for Gout Awareness

Gout is a chronic form of inflammatory arthritis affecting more than 12 million Americans.¹ Gout occurs due to a buildup of uric acid in the body. When excess uric acid builds up in the body, it deposits around joints and can lead to swollen joints and sudden, intensely painful attacks that can be debilitating.² It is a chronic medical condition that, left untreated, can result in more frequent and painful attacks and joint damage.³ It can also increase patients' risk for other severe medical conditions such as kidney disease, cardiovascular disease, diabetes, and stroke.⁴

The [Alliance for Gout Awareness](https://goutalliance.org) (AGA) aims to reduce stigma and empower patients by improving public understanding of gout. AGA collaborates with our network of member organizations to heighten public awareness, address common misconceptions, and encourage patients to acknowledge the disease's impact and seek appropriate treatment.

Step Therapy Protocols Can Harm Patients Living with Gout

Insurers use a variety of approaches to manage their costs—often at the expense of gout patients' health.⁵ Step therapy, also known as “fail first,” is an approach that requires patients to try and fail insurer-preferred medications before they can access the medication(s) prescribed by their provider. The insurer-preferred medications are often older therapies that are less expensive to the insurer. However, these may not offer relief to patients, and delays in accessing provider-prescribed medications may lead to more frequent and painful gout attacks, increased trips to the ER/Urgent Care, and increased health risks.⁶ According to a 2022 survey conducted by the Alliance

¹ [Trends in Prevalence of Gout Among US Asian Adults, 2011-2018 | Rheumatology | JAMA Network Open | JAMA Network](https://www.jama.com/doi/full/10.1001/jama.2019.10000)

² Alliance for Gout Awareness. What is Gout? <https://goutalliance.org/what-is-gout/>

³ Alliance for Gout Awareness. When Gout Goes Untreated. <https://goutalliance.org/resources/when-gout-goes-untreated/>

⁴ Arthritis Foundation Comorbid Conditions and Gout. <https://www.arthritis.org/health-wellness/about-arthritis/related-conditions/other-diseases/five-conditions-linked-with-gout>

⁵ Alliance for Gout Awareness. A Roadmap to Better Care for Gout. <https://goutalliance.org/resources/a-roadmap-to-better-care-for-gout/>

⁶ Alliance for Gout Awareness. Step Therapy & Gout. <https://goutalliance.org/resources/step-therapy-gout/>

for Patient Access, 98% of physicians identify step therapy as a significant barrier to proper care for their patients.⁷

While gout is not curable, it is treatable when approached from a holistic view of managing acute gout flares and addressing the root cause of chronic gout. Gout is a systemic disease that requires providers to utilize therapies to relieve flare symptoms and decrease the amount of uric acid in the blood. In addition to the severe physical pain associated with gout attacks, the condition can affect a patient's social, emotional, and mental health and well-being, which can threaten the overall quality of life for patients.⁸

Treatment decisions should be determined by the patient and provider as opposed to by an insurer's step therapy protocols that can delay appropriate access to treatment and inhibit a patient-centered approach to care.

Bill SB2249 Supports Patient Access to Provider-Prescribed Treatment in North Dakota

Bill SB 2249 would support patient-centered gout care by reforming step therapy practices. The legislation requires insurers to enact transparent and efficient processes for patients and providers to request step therapy protocol exemptions. This legislation does not prohibit step therapy protocols or limit the number of steps required by an insurer but defines circumstances that would allow for exemptions. With these processes in place, patients living with gout in North Dakota would be able to better access treatment prescribed by their provider in a timely and appropriate manner. As a result, patients are able to proactively and effectively manage their condition.

On behalf of the Alliance for Gout Awareness, thank you for your leadership on this important issue and for supporting patient access. If we can provide further details or answer any questions, please contact Kayla Roddey at kroddey@allianceforpatientaccess.org.

Sincerely,

The Alliance for Gout Awareness

Cc:

Senator David Clemens

Senator Kathy Hogan

Senator Kristin Roers

Senator Desiree Van Oosting

⁷ Alliance for Patient Access. Physician Burnout & Utilization Management Survey https://allianceforpatientaccess.org/wp-content/uploads/2024/11/AfPA_Physician-Burnout-Utilization-Management_Tri-fold_DIGITAL_November-2024.pdf

⁸ Alliance for Gout Awareness. The Journey Toward Disease Management: A National Survey of Gout Patients. <https://goutalliance.org/resources/the-journey-toward-disease-management-a-national-survey-of-gout-patients/>



January 28, 2025

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The Honorable Kent Weston
Vice Chair, Senate Human Services Committee
600 East Boulevard Avenue
Bismarck, ND 58505

RE: Bill SB 2249 – Step Therapy Protocol Reform

To the Members of the Senate Human Services Committee,

On behalf of the Movement Disorders Policy Coalition, I am writing in support of Bill SB 2249. This legislation is critical in ensuring patients – including those with movement disorders – can access the therapies their health care provider prescribes, in a timely and appropriate manner, by providing clear exemptions and approval timelines when step therapy is required.

The [Movement Disorders Policy Coalition](#) (MDPC) serves as a platform from which stakeholders, including health care providers and patients, can provide input on policy decisions impacting patient-centered care for those living with movement disorders. As a coalition of stakeholder groups across the movement disorders space, MDPC advocates at the federal, state, and health plan levels for key health reforms that increase access to personalized care for patients with movement disorders including Parkinson’s disease, essential tremor, tardive dyskinesia, Tourette Syndrome, dystonia, ataxia and Huntington’s disease.

Step therapy is a utilization management tool used by health insurance plans to contain health care costs. Sometimes called “fail first,” step therapy protocols require a patient to try and fail one or more medications, often at lower cost to the insurer, before he or she can access the medication prescribed by their healthcare provider. According to a 2022 survey conducted by the Alliance for Patient Access (AfPA), 98% of physicians identify step therapy as a significant barrier.¹ These step therapy protocols interfere with the physician-patient relationship, delaying accessing appropriate care, and in turn leading to increased burden on both patients and their health care providers.

People living with movement disorders manage complex conditions and treatment regimens, and already experience significant challenges in everyday life. Timely and effective therapy is paramount to ensuring these patients can successfully manage their disease and have quality of life. Therefore, treatment decisions for these patients should be considered on an individual basis, based on the patient’s health care status and clinician’s expertise, rather than based on insurer step therapy protocols. Patients with movement disorders need direct, continuous access

¹ Alliance for Patient Access. Physician Burnout & Utilization Management Survey
https://allianceforpatientaccess.org/wp-content/uploads/2024/11/AfPA_Physician-Burnout-Utilization-Management_Tri-fold_DIGITAL_November-2024.pdf

to the medications that have been demonstrated to treat both the physical and mental health symptoms of their condition.

The course of care prescribed by physicians and other healthcare providers is the foundation of patient-centric care. When health care plans interfere with that process and limit the course of treatment, it jeopardizes the patient's overall health.

Bill SB 2249 would improve patient access by requiring insurance companies to establish a clear and convenient process for patients and providers to request exceptions from step therapy protocols. While the bill does not prohibit the use of step therapy or limit the number of steps that an insurer can require, it does outline specific instances where an exception to step therapy protocols would be granted. Clear guidelines, improved accessibility, and more efficient response times to step therapy appeals will aid in improving access to medications and protecting the provider-patient relationship that is critical to successful care.

On behalf of the Movement Disorders Policy Coalition and our membership, we ask that you support Bill SB 2249 and thank you for your leadership on this important issue. If we can provide further details or answer any questions, please reach out to Stephanie Hu at shu@allianceforpatientaccess.org.

Sincerely,

Stephanie Hu
Director
Movement Disorders Policy Coalition

Cc:

Senator David Clemens

Senator Kathy Hogan

Senator Kristin Roers

Senator Desiree Van Oosting



January 28, 2025

The Honorable Judy Lee
Chair, Senate Human Services Committee
600 East Boulevard Avenue
Bismarck, ND 58505

The Honorable Kent Weston
Vice Chair, Senate Human Services Committee
600 East Boulevard Avenue
Bismarck, ND 58505

Re: Support for SB 2249 – Improving Step Therapy Protocols

Dear Chair Lee and Vice Chair Weston:

On behalf of the Alliance for Patient Access (AfPA), I am writing in support of SB 2249. This legislation will protect the clinician-patient relationship by providing clear guidelines on the use of step therapy, one of the most common health insurer utilization management tools.

Founded in 2006, AfPA is a national network of policy-minded health care providers who advocate for patient-centered care. AfPA supports health policies that reinforce clinical decision making, promote personalized care and protect the clinician-patient relationship. Motivated by these principles, AfPA members participate in clinician working groups, advocacy initiatives, stakeholder coalitions and the creation of educational materials.

Step therapy is a utilization management tool used by insurers to dictate a specific course of care, often to contain health care costs. Sometimes referred to as “fail first,” step therapy protocols require patients to try and fail on one or more medications that are typically lower cost, before the patient can access the medication prescribed by their health care provider. This leads to delays in accessing treatment and can prevent patients from getting the medications prescribed to them. Delays in care produce more negative health outcomes and an increased burden on both patients and clinicians. You can learn more about step therapy best practices that respect the clinician-patient relationship in AfPA’s step therapy [position paper](#).

SB 2249 would improve patient access through the establishment of a clear and accessible process ensuring patients and providers can understand how to secure an exemption from the formulary step requirements. Importantly, the legislation would require exception requests (to override the step protocol) to be granted in a timely manner when the formulary-preferred medicine: (1) is contraindicated, (2) is expected to be ineffectual based on a specific patient, (3) is not in the best interest of the patient based on medical necessity, (4) has already been tried and found ineffective, or (5) when the patient is stable on another medicine.

The bill would also require step therapy protocols be based on clinical review criteria and practice guidelines developed by a multi-disciplinary panel of experts. Step therapy rooted in clinical guidelines would still be permitted - the bill does not prevent insurance companies from using step therapy, nor does it limit the number of steps required by the insurer. However, by requiring clinically based requirements and a clear, timely exception process, this legislation would reduce the burden on patients and providers and support a patient-centered system of care.

*Alliance for Patient Access
2020 K St. NW | Suite 505
Washington, DC 20006*

A recent American Journal of Managed Care study including over 500 physicians based across the country found that 79% reported step therapy as a major or significant barrier to clinical and patient care.¹ More than half (52%) of the physicians reported spending between 6 to 21 hours per week on paperwork related to health insurance utilization management, 67% had experienced burnout at some point in their career, and 64% indicated that utilization management practices such as step therapy had been a contributing factor to burnout. Finally, 73% of physicians favored requiring step therapy to be based on science. These findings indicate that utilization management practices such as step therapy have a significant detrimental impact on physicians and the patients they care for.

On behalf of North Dakota patients and the Alliance for Patient Access, we urge your support for SB 2249 to ensure patients can have timely access to the treatments they need.

Sincerely,

A handwritten signature in cursive script that reads "Josie Cooper".

Josie Cooper
Executive Director
Alliance for Patient Access

Cc:

Sen. David A. Clemens
Sen. Kathy Hogan
Sen. Kristin Roers
Sen. Desiree Van Oosting

¹ <https://doi.org/10.37765/ajmc.2024.89626>



Senate Human Services Committee
SB 2249
January 29, 2025

Good morning, Chair Lee and Committee Members. I am Courtney Koebele and I serve as executive director of the North Dakota Medical Association. The North Dakota Medical Association is the professional membership organization for North Dakota physicians, residents, and medical students.

NDMA is supports SB 2249. This bill puts an exception in place when step therapy would be detrimental to patient care.

Step Therapy necessitates the "fail first" drug therapy requirements, in which patients are forced by insurers to try, and fail, with one or more medications before the cost of the medication originally prescribed will be covered. This process ultimately wastes critical time in treatment, which some patients simply cannot afford to lose.

SB 2249 remove unnecessary barriers and allow patients to gain access to the medication they need at a faster pace. These important provisions would expedite the treatment process for patients who cannot afford to lose valuable time to adhere to insurance policies' procedures and would allow physicians, who are most in-tune with the patients' specific needs, to make the ultimate and best decision on the best possible course of medical treatment.

NDMA urges a do pass on SB 2249. Thank you for your time today. I would be happy to answer any questions you may have.

Abby Kasproicz's Testimony

I was diagnosed at the age of 6 years old with juvenile rheumatoid arthritis. It's progressed to include uveitis, psoriatic arthritis, ankylosing spondylitis. Over the past 37 years, I have had to change medication several times because they lose their effectiveness typically after 2 to 3 years. Every time I have to start a new medication it takes approximately six months or longer to see if the results are effective or not. If they're not I have to start over again with another medication and play the waiting game again. During that time period to see how effective the medication will be, damage continues in my joints.

I've also had to deal with medical insurance companies switching to other plans that I had no control over. Those new plans require prior authorization for the medications that I am on and it's a struggle to find medications that work when they don't approve the authorizations. As a result all of my forms of arthritis will experience flare ups when my medication regimen is disrupted. I have a team of eleven doctors who need to work together and communicate to keep the medications and treatment balanced to avoid my tendency to form blood clots. All of this costs me time and travel for appointments.

When an insurance company denies a medication that I'm currently on and wants the doctor to prescribe a medication that I have already tried and failed, it becomes so frustrating to experience flare ups that I know are causing damage to my joints. When I start a new medication and it takes at least 3 months to see if it's effective and when it's not effective my joints are being damaged more. It's the wrong medication that also causes flare ups and when I have flare ups it means going to the doctor more and being put on more medication that works to stop the flare ups. However, when the insurance company wants to put me on the wrong medication that both my doctor and I know that doesn't work for me it causes the insurance company to pay more money in the long run. Please pass this bill for the state of North Dakota so others don't have to suffer the way I have.



January 29, 2025

The Honorable Judy Lee, Chair Senate Human Services Committee
The Honorable Kent Weston, Vice Chair Senate Human Services Committee
North Dakota Senate Human Services Committee
North Dakota State Capitol
600 East Boulevard
Bismarck, ND 58505-0360

Re: **SB 2249 – Relating to Step Therapy Protocol Exceptions**
PCMA Testimony in Opposition to SB 2249

Dear Chair Lee, Vice Chair Weston, and Members of the Committee:

My name is Michelle Mack, and I represent the Pharmaceutical Care Management Association, commonly referred to as PCMA. PCMA is the national trade association for pharmacy benefit managers (PBMs), which administer prescription drug plans for more than 275 million Americans with health coverage provided by large and small employers, health insurers, labor unions, and federal and state-sponsored health programs.

PBMs exist to make drug coverage more affordable by aggregating the buying power of millions of enrollees through their plan sponsor/payer clients. PBMs help consumers obtain lower prices for prescription drugs through price discounts from retail pharmacies, rebates from pharmaceutical manufacturers, and using lower-cost dispensing channels. Though employers, health plans, and public programs are not required to use PBMs, they do so because PBMs help lower the costs of prescription drug coverage.

PCMA appreciates the opportunity to provide testimony on SB 2249, a bill that would create various step therapy protocol exceptions. PCMA respectfully opposes SB 2249.

Step therapy is a process that ensures that the patient gets the safest, most cost-effective drug by requiring the patient to try proven, more affordable therapies before drugs that cost more. Generic drugs are typically much less expensive than their brand name counterparts. The FDA indicates that prices fall when there are multiple generic competitors. When there are six or more generic competitors, prices fall by more than 95%.¹ Step therapy is designed to capture those savings while achieving the medically desired outcome.

¹ Estimating Cost Savings from New Generic Drug Approvals in 2018, 2019, and 2020. Ryan Conrad, PhD; Kristin Davis, JD; Lukas Glos, MA; William Liu, PhD. U.S. FDA. Aug. 2022. Generic Competition and Drug Prices: New Evidence Linking Greater Generic Competition and Lower Generic Drug Prices. Ryan Conrad, PhD, and Randall Lutter, PhD. U.S. FDA. Dec. 2019.



According to the National Academies of Sciences, Engineering, and Medicine (NASEM): “Every plan, whether Part D or an employer-sponsored pharmacy benefit, has an exception process that permits coverage of a drug not on formulary or reduces out-of-pocket cost if a physician provides information about side effects the patient has experienced from a lower tiered drug or offers another medical reason for switching.”² This process safeguards against the use of step therapy from being too restrictive.

Plans and PBMs rely on independent Pharmacy and Therapeutics (P&T) Committees, comprised of physicians, pharmacists, and other medical professionals to develop evidence-based guidelines used in drug management programs, ensuring these controls do not impair the quality of care and safety is of utmost importance.

The language in SB 2249 is expanding upon the exceptions already in place in current law and removes a tool that puts downward pressure on the rising cost of prescription drugs. In addition, this adds more government involvement in plan design and healthcare matters.

Whether it is a large employer, or a state regulated health plan negotiating for the services offered by a PBM, they are making decisions based on a finite amount of money. The employer wants to provide the benefit package that best suits his employees and allows him to retain a productive workforce while still preserving the capital needed to operate his business. The health plan must be able to balance the cost of the benefit with the amount of premium that must be charged in order to remain competitive in the marketplace.

It is for these problematic provisions noted above that we must respectfully oppose SB 2249.

Thank you for your time and consideration. Please contact me should you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michelle Mack".

Michelle Mack
Senior Director, State Affairs
Phone: (202) 579-3190
Email: mmack@pcmanet.org

² "Making Medicines Affordable: A National Imperative." National Academies of Sciences, Engineering, and Medicine (NASEM), Nov. 2017.



GREATER NORTH DAKOTA CHAMBER
SB 2249
Senate Human Services Committee
Chair Judy Lee
January 29, 2025

Mr. Chairman and members of the Committee, my name is Arik Spencer, and I am the President and CEO of the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **opposition to Section 2 of SB 2249.**

In our 2024 ND Economics and Employer Survey of our membership, when asked to name one thing the state government could do to help your business, the top answer was to make healthcare more affordable, not more expensive, which SB 2249 may do.

Last fall, the Insurance Commissioner approved small group insurance premium increases between 6.3 and 15.3 percent for the 2025 plan year. Healthcare and prescription drug coverage mandates, like SB 2249, increase business burdens and costs. These increases leave employers with hard decisions. Do they continue offering employer-sponsored health insurance, or do they provide cost-of-living raises to help employees pay for rent and groceries?

The bill's lack of a fiscal note is concerning as increases in benefits should be weighed by the costs employers will bear. If this bill were only applicable to state employees, we would not have an issue. We will be the first to say that employers should have autonomy in developing compensation packages. However, this bill specifically includes a requirement that PERS draft a bill for the next legislative session, applying this to the private sector.

As drafted, rather than making healthcare more affordable, this will increase business costs by shifting them to the employer, especially when you consider that there are eight other bills this session that include healthcare and drug mandates that would or could be applied in the future. These costs add up, and they don't go away.



2025 SENATE STANDING COMMITTEE MINUTES

Human Services Committee Fort Lincoln Room, State Capitol

SB 2249
1/29/2025

Relating to step therapy protocol exceptions; to provide for a report to the legislative assembly; to provide for application; and to provide an expiration date.

3:11 p.m. Chairman Lee opened the hearing.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

Discussion Topics:

- Previous mandates
- Insurance coverage

3:12 p.m. Megan Ruby, Vice President, Blue Cross Blue Shield, answered committee questions.

3:17 p.m. Senator Hogan moved to adopt the amendment LC# 25.0138.02001.

3:17 p.m. Senator Weston seconded the motion.

Senators	Vote
Senator Judy Lee	Y
Senator Kent Weston	Y
Senator David A. Clemens	Y
Senator Kathy Hogan	Y
Senator Kristin Roers	Y
Senator Desiree Van Oosting	Y

Motion passed 6-0-0.

3:19 p.m. Chairman Lee closed the hearing.

Andrew Ficek, Committee Clerk

January 29, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2249

Introduced by

Senators Barta, Sickler

Representatives Bahl, Karls, McLeod

JB 1-29-25
1084

1 A BILL ~~for an Act to create and enact a new section to chapter 54-52.1 of the North Dakota~~
2 ~~Century Code, relating to step therapy protocol exceptions; to provide for a report to the~~
3 ~~legislative assembly; to provide for application; and to provide an expiration date.~~ for an Act to
4 provide for a legislative management study relating to health care mandates.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

6 ~~SECTION 1. A new section to chapter 54-52.1 of the North Dakota Century Code is created~~
7 ~~and enacted as follows:~~

8 ~~Step therapy protocol exceptions.~~

9 ~~1. As used in this section:~~

10 ~~a. "Step therapy protocol" has the same meaning as in section 19-02.1-16.3.~~

11 ~~b. "Step therapy protocol exception" means a step therapy protocol is overridden in~~
12 ~~favor of coverage of the prescription drug selected by a health care professional~~
13 ~~as provided in subsection 2.~~

14 ~~2. A health carrier, health benefit plan, pharmacy benefits manager, or utilization review~~
15 ~~agent, shall approve a request for a step therapy protocol exception if:~~

16 ~~a. The prescription drug required under the step therapy protocol is contraindicated~~
17 ~~according to the drug manufacturer's prescribing information for the drug.~~

18 ~~b. Due to a documented adverse event with previous use or a documented medical~~
19 ~~condition, including a comorbid condition, the prescription drug is likely to:~~

20 ~~(1) Cause an adverse reaction to a covered individual;~~

pg 2 of 4

- 1 ~~————— (2) Decrease the ability of a covered individual to achieve or maintain~~
- 2 ~~reasonable functional ability in performing daily activities; or~~
- 3 ~~————— (3) Cause physical or mental harm to a covered individual.~~
- 4 ~~————— c. The prescription drug required under the step therapy protocol is expected to be~~
- 5 ~~ineffective based on the known clinical characteristics of the covered individual,~~
- 6 ~~including the individual's adherence to or compliance with the plan of care, and:~~
- 7 ~~————— (1) The known characteristics of the prescription drug regimen as described in~~
- 8 ~~peer-reviewed literature or in the manufacturer's prescribing information for~~
- 9 ~~the drug;~~
- 10 ~~————— (2) The health care professional's medical judgment based on clinical practice~~
- 11 ~~guidelines or peer-reviewed journals; or~~
- 12 ~~————— (3) The covered individual's documented experience with the prescription drug~~
- 13 ~~regimen.~~
- 14 ~~————— d. While under the covered individual's current or previous health benefit plan, for a~~
- 15 ~~period of time to allow for a positive treatment outcome, the covered individual~~
- 16 ~~had a trial of a therapeutically equivalent dose of the prescription drug under a~~
- 17 ~~step therapy protocol, and that trial was discontinued by the covered individual's~~
- 18 ~~health care professional due to lack of effectiveness.~~
- 19 ~~————— e. While under the covered individual's current or previous health benefit plan, the~~
- 20 ~~covered individual received a positive therapeutic outcome on a prescription drug~~
- 21 ~~selected by the covered individual's health care professional for the medical~~
- 22 ~~condition under consideration.~~
- 23 ~~————— 3. A health carrier, health benefit plan, pharmacy benefits manager, or utilization review~~
- 24 ~~agent, shall:~~
- 25 ~~————— a. If the prescription drug is a covered prescription drug under the covered~~
- 26 ~~individual's health benefit plan, upon approval of a request supporting a step~~
- 27 ~~therapy protocol exception, authorize coverage for the prescription drug selected~~
- 28 ~~by the covered individual's health care professional.~~
- 29 ~~————— b. Except as provided in subdivision c, within five calendar days after the receipt of~~
- 30 ~~a request supporting a step therapy protocol exception, make a determination to~~
- 31 ~~approve or deny the request.~~

1 ~~c. Within seventy two hours after the receipt of an emergency or urgent care~~
2 ~~request supporting a step therapy protocol exception, make a determination to~~
3 ~~approve or deny the request.~~

4 ~~4. If a health carrier, health plan, pharmacy benefits manager, or utilization review agent~~
5 ~~fails to respond to a request supporting a step therapy protocol exception as provided~~
6 ~~in subdivisions b or c of subsection 3, the request is deemed approved.~~

7 ~~SECTION 2. PUBLIC EMPLOYEES RETIREMENT SYSTEM - STEP THERAPY~~
8 ~~PROTOCOL EXCEPTIONS - REPORT TO LEGISLATIVE ASSEMBLY.~~ Pursuant to section
9 ~~54-03-28, the public employees retirement system shall prepare and submit for introduction a~~
10 ~~bill to the seventieth legislative assembly to repeal the expiration date for this Act and to extend~~
11 ~~step therapy protocol exception requirements to all group and individual health insurance~~
12 ~~policies. The public employees retirement system shall append a report to the bill regarding the~~
13 ~~effect of the step therapy protocol exception requirements on the system's health insurance~~
14 ~~programs, information on the utilization and costs relating to the requirements, and a~~
15 ~~recommendation regarding whether the coverage should be continued.~~

16 ~~SECTION 3. APPLICATION.~~ This Act applies to health benefits coverage that begins after
17 ~~June 30, 2025, and which does not extend past June 30, 2027.~~

18 ~~SECTION 4. EXPIRATION DATE.~~ This Act is effective through June 30, 2027, and after that
19 ~~date is ineffective.~~

20 SECTION 1. LEGISLATIVE MANAGEMENT STUDY - HISTORICAL HEALTH CARE 21 MANDATES.

- 22 1. During the 2025-26 interim, the legislative management shall consider studying
23 historical health care mandates. The study must include:
- 24 a. An analysis of current health care mandates, including when they were enacted,
25 the purpose, effectiveness, and present applicability;
 - 26 b. A history of health care mandates and step therapy protocol; and
 - 27 c. Input from the department of health and human services, the insurance
28 department, the public employees retirement system, insurance providers and
29 other stakeholders.

2/13/14

- 1 2. The legislative management shall report its findings and recommendations together
- 2 with any legislation required to implement the recommendations, to the seventieth
- 3 legislative assembly.

2025 SENATE STANDING COMMITTEE MINUTES

Human Services Committee Fort Lincoln Room, State Capitol

SB 2249
2/3/2025

Relating to step therapy protocol exceptions; to provide for a report to the legislative assembly; to provide for application; and to provide an expiration.

10:13 a.m. Chairman Lee opened the hearing.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

Discussion Topics:

- Insurance coverage options
- Gene Therapy
- Prevalence of step therapy

10:14 a.m. Mark Hardy, Executive Director for Board of Pharmacy, answered committee questions.

10:26 a.m. Senator Hogan moved Do Pass as amended.

10:26 a.m. Senator Roers seconded the motion.

Senators	Vote
Senator Judy Lee	Y
Senator Kent Weston	Y
Senator David A. Clemens	Y
Senator Kathy Hogan	Y
Senator Kristin Roers	Y
Senator Desiree Van Oosting	Y

Motion Passed 6-0-0.

Senator Lee will carry the bill.

10:27 a.m. Chairman Lee closed the hearing.

Andrew Ficek, Committee Clerk

**REPORT OF STANDING COMMITTEE
SB 2249**

Human Services Committee (Sen. Lee, Chairman) recommends **AMENDMENTS** ([25.0138.02001](#)) and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2249 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

2025 HOUSE POLITICAL SUBDIVISIONS

SB 2249

2025 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Room JW327B, State Capitol

SB 2249
3/20/2025

A BILL for an Act to provide for a legislative management study relating to health care mandates.

10:15 a.m. Chairman Longmuir opened the hearing.

Members Present: Chairman Longmuir, Vice-Chairman Fegley, Vice-Chairman Jonas, Representatives Bolinske, Hager, Hatlestad, Heilman, Klemin, Motschenbacher, Ostlie, Toman, Warrey

Members Absent: Representative Davis

Discussion Topics:

- Step therapy
- North Dakota health care mandates
- Increases in health care premiums

10:15 a.m. Senator jeff Barta, North Dakota Senator for District 43, introduced the bill.

10:26 a.m. Megan Hruby, Blue Cross Blue Shield of North Dakota, testified in favor and provided testimony #43252.

10:32 a.m. Arik Spencer, President and CEO of the Greater North Dakota Chamber, testified in favor and provided testimony #43213.

10:37 a.m. Representative Hatlestad moved a Do Pass.

10:37 a.m. Representative Bolinske seconded the motion.

Representatives	Vote
Representative Donald W. Longmuir	Y
Representative Clayton Fegley	Y
Representative Jim Jonas	Y
Representative Macy Bolinske	Y
Representative Jayme Davis	A
Representative LaurieBeth Hager	Y
Representative Patrick R. Hatlestad	Y
Representative Matthew Heilman	Y
Representative Lawrence R. Klemin	Y
Representative Mike Motschenbacher	Y
Representative Mitch Ostlie	Y
Representative Nathan Toman	Y
Representative Jonathan Warrey	Y

10:38 a.m. Motion passed 12-0-1.

10:38 a.m. Unanimous decision to be placed on the Consent Calendar.

10:38 a.m. Representative Ostlie will carry the bill.

Additional written testimony:

Gabrielle Draper, Director of Advocacy and Policy for Derma Care Access Network, submitted testimony in favor #42990.

Ryan Crump, Alliance for Patient Access, submitted testimony in favor #43059.

Kayla Roddey, Alliance for Gout Awareness, submitted testimony in favor #43117.

Olivia Perry, Vision Health Advocacy Coalition, submitted testimony in favor #43120.

Stephanie Hu, Movement Disorders Policy Coalition, submitted testimony in favor #43123.

10:38 a.m. Chairman Longmuir closed the hearing.

Wyatt Armstrong, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2249 ([25.0138.03000](#))**

Political Subdivisions Committee (Rep. Longmuir, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (12 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2249 was placed on the Tenth order on the calendar.



March 19, 2025

The Honorable Donald W. Longmuir
Chair, House Political Subdivisions
North Dakota Legislative Council
600 East Boulevard Avenue
Bismarck, ND 58505

The Honorable Clayton Fegley
Vice Chair, House Political Subdivisions
North Dakota Legislative Council
600 East Boulevard Avenue
Bismarck, ND 58505

RE: Support for S.B.2249

Dear Chair Longmuir and Vice Chair Fegley:

On behalf of the Derma Care Access Network (DCAN), I am writing in support of North Dakota S.B.2249, which would limit the use of step therapy by insurers and provide patients and providers a clear process for navigating step therapy. I ask that you support this bill, ensuring patients receive timely access to treatment.

The Derma Care Access Network is a coalition of more than two dozen advocacy organizations representing patients, health care providers, and other skin health stakeholders working to raise awareness and inform policies impacting patient-centered care.

According to the NIH, skin conditions affect as many as one in three Americans at any time. Common skin conditions include acne, contact dermatitis, alopecia, cancers, atopic dermatitis (also called eczema), and psoriasis.

Skin conditions are more than just a rash. Chronic skin disease can also affect one's mental health, impacting a patient's ability to work and participate in everyday activities. The physical, psychological, and social consequences affect patients, caregivers, and family members.

Step therapy is a utilization management scheme used by insurers to dictate a specific course of care, often to increase the insurers profits. Sometimes referred to as "fail first," step therapy protocols require patients to try and fail on one or more treatments before being able to access the medication originally prescribed by their health care provider. This leads to delays in accessing treatment, negative health outcomes, and increased burden on both patients and providers.

According to a 2019 study done by Xcenda, step therapy protocols resulted in 40 percent of patients abandoning treatment. Frustrated by their inability to access a treatment that promised relief, these patients lost hope and the benefits of having an optimal health outcome. No patient should have to reach this point because insurers will not support their needs. The harm to patients is clear.

S.B.2249 would establish a clear standard process for navigating step-therapy requests and exemptions, ensuring patients can receive timely access to their care without onerous step-therapy barriers.

On behalf of North Dakota patients living with skin conditions and the Derma Care Access Network, I ask that you support S.B.2249. This bill protects patients' treatment and health by ensuring they can access the medication prescribed by their clinician.

Sincerely,

Gabrielle Draper
Director of Advocacy and Policy
Derma Care Access Network
gdraper@woodberryassociates.com

CC: The Honorable Jayme Davis
The Honorable LaurieBeth Hager
The Honorable Patrick R. Hatlestad
The Honorable Matthew Heilman
The Honorable Dawson Holle
The Honorable Jim Jonas
The Honorable Lawrence R. Klemin
The Honorable Mike Motschenbacher
The Honorable Mitch Ostlie
The Honorable Nico Rios
The Honorable Nathan Toman
The Honorable Jonathan Warrey



March 19, 2025

The Honorable Donald W. Longmuir
Chair, Political Subdivisions
600 East Boulevard Avenue
Bismarck, ND 58505

The Honorable Clayton Fegley
Vice Chair, Political Subdivisions
600 East Boulevard Avenue
Bismarck, ND 58505

Re: Support for SB 2249 – Improving Step Therapy Protocols

Dear Chair Longmuir and Vice Chair Fegley:

On behalf of the Alliance for Patient Access (AfPA), I am writing in support of SB 2249. This legislation will protect the clinician-patient relationship by providing clear guidelines on the use of step therapy, one of the most common health insurer utilization management tools.

Founded in 2006, AfPA is a national network of policy-minded health care providers who advocate for patient-centered care. AfPA supports health policies that reinforce clinical decision making, promote personalized care and protect the clinician-patient relationship. Motivated by these principles, AfPA members participate in clinician working groups, advocacy initiatives, stakeholder coalitions and the creation of educational materials.

Step therapy is a utilization management tool used by insurers to dictate a specific course of care, often to contain health care costs. Sometimes referred to as “fail first,” step therapy protocols require patients to try and fail on one or more medications that are typically lower cost, before the patient can access the medication prescribed by their health care provider. This leads to delays in accessing treatment and can prevent patients from getting the medications prescribed to them. Delays in care produce more negative health outcomes and an increased burden on both patients and clinicians. You can learn more about step therapy best practices that respect the clinician-patient relationship in AfPA’s step therapy [position paper](#).

SB 2249 would improve patient access through the establishment of a clear and accessible process ensuring patients and providers can understand how to secure an exemption from the formulary step requirements. Importantly, the legislation would require exception requests (to override the step protocol) to be granted in a timely manner when the formulary-preferred medicine: (1) is contraindicated, (2) is expected to be ineffectual based on a specific patient, (3) is not in the best interest of the patient based on medical necessity, (4) has already been tried and found ineffective, or (5) when the patient is stable on another medicine.

The bill would also require step therapy protocols be based on clinical review criteria and practice guidelines developed by a multi-disciplinary panel of experts. Step therapy rooted in clinical guidelines would still be permitted - the bill does not prevent insurance companies from using step therapy, nor does it limit the number of steps required by the insurer. However, by requiring clinically based requirements and a clear, timely exception process, this legislation would reduce the burden on patients and providers and support a patient-centered system of care.

*Alliance for Patient Access
2020 K St. NW | Suite 505
Washington, DC 20006*

A recent American Journal of Managed Care study including over 500 physicians based across the country found that 79% reported step therapy as a major or significant barrier to clinical and patient care.¹ More than half (52%) of the physicians reported spending between 6 to 21 hours per week on paperwork related to health insurance utilization management, 67% had experienced burnout at some point in their career, and 64% indicated that utilization management practices such as step therapy had been a contributing factor to burnout. Finally, 73% of physicians favored requiring step therapy to be based on science. These findings indicate that utilization management practices such as step therapy have a significant detrimental impact on physicians and the patients they care for.

On behalf of North Dakota patients and the Alliance for Patient Access, we urge your support for SB 2249 to ensure patients can have timely access to the treatments they need.

Sincerely,



Josie Cooper
Executive Director
Alliance for Patient Access

Cc:

Rep. Jayme Davis	Rep. Dawson Holle
Rep. Laurie Beth Hager	Rep. Jim Jonas
Rep. Patrick R. Hatlestad	Rep. Lawrence R. Klemin
Rep. Matthew Heilman	Rep. Mike Motschenbacher
Rep. Mitch Ostlie	Rep. Nico Rios
Rep. Nathan Toman	Rep. Jonathan Warrey

¹ <https://doi.org/10.37765/ajmc.2024.89626>



March 19, 2025

The Honorable Donald Longmuir
Chair, Political Subdivisions Committee
600 E Boulevard Avenue
Bismarck, ND 58505

The Honorable Clayton Fegley
Vice Chair, Political Subdivisions Committee
600 E Boulevard Avenue
Bismarck, ND 58505

The Honorable Jim Jonas
Vice Chair, Political Subdivisions Committee
600 E Boulevard Avenue
Bismarck, ND 58505

RE: SB 2249 – Reform to Step Therapy Protocols

To the North Dakota State House Political Subdivisions Committee:

On behalf of the Alliance for Gout Awareness, I am writing in support of SB 2249. This legislation is necessary to ensure that patients living with gout in North Dakota have timely access to clinician - prescribed treatments by providing clear guidelines around step therapy protocols.

About Gout and The Alliance for Gout Awareness

Gout is a chronic form of inflammatory arthritis affecting more than 12 million Americans.¹ Gout occurs due to a buildup of uric acid in the body. When excess uric acid builds up in the body, it deposits around joints and can lead to swollen joints and sudden, intensely painful attacks that can be debilitating.² It is a chronic medical condition that, left untreated, can result in more frequent and painful attacks and joint damage.³ It can also increase patients' risk for other severe medical conditions such as kidney disease, cardiovascular disease, diabetes, and stroke.⁴

The [Alliance for Gout Awareness](https://goutalliance.org) (AGA) aims to reduce stigma and empower patients by improving public understanding of gout. AGA collaborates with our network of member organizations to heighten public awareness, address common misconceptions, and encourage patients to acknowledge the disease's impact and seek appropriate treatment.

Step Therapy Protocols Can Harm Patients Living with Gout

Insurers use a variety of approaches to manage their costs—often at the expense of gout patients' health.⁵ Step therapy, also known as “fail first,” is an approach that requires patients to try and fail insurer-preferred medications before they can access the medication(s) prescribed by their provider. The insurer-preferred medications are often older therapies that are less expensive to the insurer. However, these may not offer relief to patients, and delays in accessing provider-prescribed medications may lead to more frequent and painful gout attacks, increased trips to the

¹ [Trends in Prevalence of Gout Among US Asian Adults, 2011-2018 | Rheumatology | JAMA Network Open | JAMA Network](https://www.jama.com/doi/full/10.1001/jama.2019.10000)

² Alliance for Gout Awareness. What is Gout? <https://goutalliance.org/what-is-gout/>

³ Alliance for Gout Awareness. When Gout Goes Untreated. <https://goutalliance.org/resources/when-gout-goes-untreated/>

⁴ Arthritis Foundation Comorbid Conditions and Gout. <https://www.arthritis.org/health-wellness/about-arthritis/related-conditions/other-diseases/five-conditions-linked-with-gout>

⁵ Alliance for Gout Awareness. A Roadmap to Better Care for Gout. <https://goutalliance.org/resources/a-roadmap-to-better-care-for-gout/>

ER/Urgent Care, and increased health risks.⁶ According to a 2022 survey conducted by the Alliance for Patient Access, 98% of physicians identify step therapy as a significant barrier to proper care for their patients.⁷

While gout is not curable, it is treatable when approached from a holistic view of managing acute gout flares and addressing the root cause of chronic gout. Gout is a systemic disease that requires providers to utilize therapies to relieve flare symptoms and decrease the amount of uric acid in the blood. In addition to the severe physical pain associated with gout attacks, the condition can affect a patient's social, emotional, and mental health and well-being, which can threaten the overall quality of life for patients.⁸

Treatment decisions should be determined by the patient and provider as opposed to by an insurer's step therapy protocols that can delay appropriate access to treatment and inhibit a patient-centered approach to care.

SB 2249 Supports Patient Access to Provider-Prescribed Treatment in North Dakota

SB 2249 would support patient-centered gout care by reforming step therapy practices. The legislation requires insurers to enact transparent and efficient processes for patients and providers to request step therapy protocol exemptions. This legislation does not prohibit step therapy protocols or limit the number of steps required by an insurer but defines circumstances that would allow for exemptions. With these processes in place, patients living with gout in North Dakota would be able to better access treatment prescribed by their provider in a timely and appropriate manner. As a result, patients are able to proactively and effectively manage their condition.

On behalf of the Alliance for Gout Awareness and our membership, thank you for your leadership on this important issue and for supporting patient access. If we can provide further details or answer any questions, please contact Kayla Roddey at kroddey@allianceforpatientaccess.org.

Sincerely,

The Alliance for Gout Awareness & co-signing organizations:

Alliance for Patient Access
American Kidney Fund
Global Healthy Living Foundation
Gout Education Society
Gout Support Group of America
HealthyWomen
Infusion Access Foundation
Lupus and Allied Diseases Association, Inc.
National Infusion Center Association
Rheumatology Nurses Society
U.S. Pain Foundation

⁶ Alliance for Gout Awareness. Step Therapy & Gout. <https://goutalliance.org/resources/step-therapy-gout/>

⁷ Alliance for Patient Access. Physician Burnout & Utilization Management Survey https://allianceforpatientaccess.org/wp-content/uploads/2024/11/AfPA_Physician-Burnout-Utilization-Management_Tri-fold_DIGITAL_November-2024.pdf

⁸ Alliance for Gout Awareness. The Journey Toward Disease Management: A National Survey of Gout Patients. <https://goutalliance.org/resources/the-journey-toward-disease-management-a-national-survey-of-gout-patients/>



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RE: SB 2249 – Step Therapy Reform

To the North Dakota State House Political Subdivisions Committee:

On behalf of the Vision Health Advocacy Coalition, I am writing to support SB 2249. This legislation would protect North Dakota residents' access to treatment by establishing a transparent and time-appropriate step therapy process. The proposed bill would support better access to medically appropriate treatments for patients with vision conditions.

The [Vision Health Advocacy Coalition](#) (VHAC) promotes patient-centered policies that make life-changing treatments, services, and devices more accessible for people with vision conditions such as thyroid eye disease, glaucoma, Sjögren's, dry eye, macular degeneration, and diabetic retinopathy. Through our network of member organizations, VHAC encourages the advancement of ocular science and innovation, educates patients, healthcare providers, and policymakers about access challenges, promotes better vision care delivery, and advocates for access to prevention and appropriate treatment for all patients.

Inappropriate Step Therapy Protocols in North Dakota Can be Dangerous for Vision Patients

Step therapy is a tactic used by health insurance plans to contain costs by requiring patients to try and fail one or more medications before accessing the medication prescribed by their clinician. This practice, sometimes called “fail first,” often prioritizes insurer cost savings over an individualized care approach and access to clinician-prescribed care. Step therapy is especially burdensome to vision patients, who are required to simultaneously manage their complex condition(s) and treatment regimens while also attempting to navigate the complexities of the health care system. They can be especially burdensome to those with severe vision impairment as they are more likely also to have type 2 diabetes, depression, stroke, hearing loss, and chronic kidney disease.¹

In North Dakota, it has been found that more than 27% of people have reported blindness or severe difficulty seeing, even with glasses.² Unnecessary challenges placed on North Dakota residents to

¹ “Looking Ahead: Improving Our Vision for the Future.” Centers for Disease Control and Prevention, Centers for Disease Control and Prevention, 7 Nov. 2022, <https://www.cdc.gov/visionhealth/resources/infographics/future.html>.

² U.S. Census Bureau, 2012–2016 American Community Survey 5-Year Estimates, self-report, crude prevalence, all ages.

access medically appropriate treatment for their vision condition(s) can lead to further vision damage and irreversible vision loss and further exacerbate their overall health. Interference and limitations on the part of health plans in this process put the patient's overall health at risk.

Patient-Centric Care for Vision Patients in North Dakota is Essential

Step therapy protocols interfere with access to appropriate care and significantly impact the core foundation of a patient-provider relationship. According to a 2022 survey conducted by the Alliance for Patient Access, 98% of physicians identify step therapy as a significant barrier to proper care for their patients.³ Treatment decisions for vision patients should be based on the health care provider's expertise on the unique challenges of their patients, as opposed to a one-size-fits-all insurer-driven step therapy protocol. Vision patients require uninterrupted access to appropriate clinician-prescribed treatment(s) proven to manage their vision condition and to ensure quality of life and effective condition management.

SB 2249 Protects North Dakota Residents Against Unnecessary Step Therapy Protocols

SB 2249 would require the insurer to implement comprehensive guidelines, including an exemption process and a clear, timely response requirement for insurers to respond to these exemption requests. Establishing and implementing a more streamlined process will benefit all North Dakota residents. Importantly, while this bill streamlines the step therapy process, it does not prohibit step therapy or the number of steps an insurer can require.

It is estimated that by 2050, without adequate interventions, vision impairment and blindness will increase by 150%. The overall cost of vision problems will increase by 157% to \$373 billion.⁴ Legislation to protect vision patients and ensure appropriate access to care is imperative to improve overall vision health and lower future costs to the system. We urge you to support this legislation to protect North Dakota residents with vision conditions.

On behalf of the Vision Health Advocacy Coalition and our membership, we urge your support for SB 2249 to protect patients with vision conditions. If we can provide further details or answer any questions, please get in touch with Olivia Perry operry@allianceforpatientaccess.org.

Sincerely,

Olivia Perry

Olivia Perry
Coalition Director
Vision Health Advocacy Coalition

Co-Signing Organizations:

Alliance for Patient Access
American Macular Degeneration Foundation

³ Alliance for Patient Access. Physician Burnout & Utilization Management Survey https://allianceforpatientaccess.org/wp-content/uploads/2024/11/AfPA_Physician-Burnout-Utilization-Management_Tri-fold_DIGITAL_November-2024.pdf

⁴ "Looking Ahead: Improving Our Vision for the Future." Centers for Disease Control and Prevention, Centers for Disease Control and Prevention, 7 Nov. 2022, <https://www.cdc.gov/visionhealth/resources/infographics/future.html>.

Endocrine Nurses Society
Future Leaders In Sight
Infusion Access Foundation
Lupus and Allied Diseases Association, Inc.
National Alliance for Eye and Vision Research
Prevent Blindness
Sjögren's Foundation, Inc.
TED Community Organization
U.S. Pain Foundation



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RE: SB 2249 – Step Therapy Protocol Reform

To the North Dakota House Political Subdivisions Committee:

On behalf of the Movement Disorders Policy Coalition, I am writing in support of SB 2249. This legislation is critical in ensuring patients – including those with movement disorders – can access the therapies their health care provider prescribes, in a timely and appropriate manner, by providing clear exemptions and approval timelines when step therapy is required.

The [Movement Disorders Policy Coalition](#) (MDPC) serves as a platform from which stakeholders, including health care providers and patients, can provide input on policy decisions impacting patient-centered care for those living with movement disorders. As a coalition of stakeholder groups across the movement disorders space, MDPC advocates at the federal, state, and health plan levels for key health reforms that increase access to personalized care for patients with movement disorders including Parkinson’s disease, essential tremor, tardive dyskinesia, Tourette Syndrome, dystonia, ataxia and Huntington’s disease.

Step therapy is a utilization management tool used by health insurance plans to contain health care costs. Sometimes called “fail first,” step therapy protocols require a patient to try and fail one or more medications, often at lower cost to the insurer, before he or she can access the medication prescribed by their healthcare provider. According to a 2022 survey conducted by the Alliance for Patient Access (AfPA), 98% of physicians identify step therapy as a significant barrier.¹ These step therapy protocols interfere with the physician-patient relationship, delaying accessing appropriate care, and in turn leading to increased burden on both patients and their health care providers.

People living with movement disorders manage complex conditions and treatment regimens, and already experience significant challenges in everyday life. Timely and effective therapy is paramount to ensuring these patients can successfully manage their disease and have quality of

¹ Alliance for Patient Access. Physician Burnout & Utilization Management Survey
https://allianceforpatientaccess.org/wp-content/uploads/2024/11/AfPA_Physician-Burnout-Utilization-Management_Tri-fold_DIGITAL_November-2024.pdf



life. Therefore, treatment decisions for these patients should be considered on an individual basis, based on the patient's health care status and clinician's expertise, rather than based on insurer step therapy protocols. Patients with movement disorders need direct, continuous access to the medications that have been demonstrated to treat both the physical and mental health symptoms of their condition.

The course of care prescribed by physicians and other healthcare providers is the foundation of patient-centric care. When health care plans interfere with that process and limit the course of treatment, it jeopardizes the patient's overall health.

SB 2249 would improve patient access by requiring insurance companies to establish a clear and convenient process for patients and providers to request exceptions from step therapy protocols. While the bill does not prohibit the use of step therapy or limit the number of steps that an insurer can require, it does outline specific instances where an exception to step therapy protocols would be granted. Clear guidelines, improved accessibility, and more efficient response times to step therapy appeals will aid in improving access to medications and protecting the provider-patient relationship that is critical to successful care.

On behalf of the Movement Disorders Policy Coalition and our membership, we ask that you support SB 2249 and thank you for your leadership on this important issue. If we can provide further details or answer any questions, please reach out to Stephanie Hu at shu@allianceforpatientaccess.org.

Sincerely,

Stephanie Hu
Director
Movement Disorders Policy Coalition

Co-Signing Organizations:

Aimed Alliance
Alliance for Patient Access
Caregiver Action Network
Clinical Neurological Society of America
Depression and Bipolar Support Alliance
Dystonia Medical Research Foundation
Hawai'i Parkinson Association
HD Reach
Huntington's Disease Society of America
National Ataxia Foundation
National Organization for Tardive Dyskinesia
Parkinson & Movement Disorder Alliance
Parkinson's Foundation
The Michael J. Fox Foundation for Parkinson's R



GREATER NORTH DAKOTA CHAMBER
SB 2249
House Political Subdivisions Committee
Chair Longmuir
January 29, 2025

Mr. Chairman and members of the Committee, my name is Arik Spencer, and I am the President and CEO of the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **Support of Engrossed SB 2249**.

In our 2024 ND Economics and Employer Survey of our membership, when asked to name one thing the state government could do to help your business, the top answer was to make healthcare more affordable. This is because healthcare and health insurance affordability has become a major issue for employers of all sizes.

For example, last fall, the Insurance Commissioner approved small group insurance premium increases between 6.3 and 15.3 percent for the 2025 plan year. In addition, in this Legislative Session alone, nine healthcare mandates were introduced, which, if passed, would have increased employer premiums significantly. We've heard from health insurers that state-instituted healthcare mandates added approximately \$845 million in costs to the small and large group markets. They have also shared that no healthcare mandates have been repealed since the 1990's.

These healthcare and prescription drug coverage mandates don't make costs go away; they shift costs to others, impacting both employers and employees. They increase business burdens, leaving employers and employees with hard decisions. Employers need to determine if they continue offering employer-sponsored health insurance or provide cost-of-living raises to help employees pay for rent and groceries.

For these reasons, GNDC strongly supports a legislative study of healthcare mandates. We suggest the study specifically review all existing healthcare mandates to determine their medical necessity, the cost of each mandate to employers and employees, and determine how the legislature can reduce the cost impacts of these mandates to premium payers.

We urge a DO PASS ON SB 2249.





Good morning, Chairman Longmuir and members of the House Political Subdivisions committee. My name is Megan Hruby and I am with Blue Cross Blue Shield of North Dakota.

I am here today in support of Senate bill 2249 which is the study of health care mandates. BCBSND is incredibly concerned with the escalating costs of health care in North Dakota. North Dakotans are already struggling to afford health insurance. This legislative session there have been just under a dozen mandates proposed: infertility, cryopreservation, insulin caps, ground ambulance reimbursement, step therapy bills, copay coupons, PBM regulation/state regulation of self-funded plans, dental insurance reform and two different bills to require coverage of GLP-1 medications for weight loss. Each legislative session we see more, not less, mandates introduced. If all the proposed bills passed due to pressure from advocacy and special interest groups went directly to the commercial market, policyholders would be facing consequences from spur of the moment public policy decisions costing hundreds of millions of dollars, with little or no ability to unwind the impacts.

Mandates are anti-free market, oftentimes expensive, and stymie innovation. In North Dakota, we have never updated or repealed a single mandate.

While it is easy to place blame for the increasing cost of insurance on health carriers, we have to remember that North Dakota is a rate and file state, which means all premium increases must be reviewed and approved (generally after they are cut) by the Insurance Commissioner. We submit three to five years of data to the Insurance Department to justify the rates we request. In addition, federal law requires that we spend around 85 cents of every dollar on patient care. On the individual market, we retain less than a penny for every dollar we take in. Yet the costs of healthcare in North Dakota are not low. The US Department of Commerce Bureau of Economic Analysis ranks North Dakota third in the nation in healthcare expenditures per capita. As evidence, from 2022 to 2024, Blue Cross Blue Shield of North Dakota spent \$845,233,023.79 on North Dakota State Legislature imposed health insurance mandates. We anticipate that with the addition of the 2025 mandates and Essential Health Benefit additions, that number will be over \$1 billion. Some of the mandates in century code are outdated, where the science has progressed beyond what is in statute. We might cover the newer test or drug, but we are also forced to cover the outdated version because a mandate was passed at some point historically and has never changed.

When asked by the Greater North Dakota Chamber what the one thing is that state legislators can do to help their business, healthcare affordability has been the top response for several years. We do not make health insurance more affordable by passing coverage mandates, as insurance companies do not pay for mandates, policyholders, North Dakota businesses and taxpayers pay for mandates in the form

of increased premiums. That is why we think SB 2249, the study of health care mandates and their medical evidence is a worthwhile effort and encourage a Do Pass recommendation.

With that, Chairman Longmuir, I will stand for any questions.