

Section 92-01-02-18 is amended as follows:

92-01-02-18. Experience rating system.

The following system is established for the experience rating of risks of employers contributing to the fund:

1. Definitions. In this section, unless the context otherwise requires:

- a. "Three-year losses" means the total sum of ratable losses accrued on claims occurring during the first three of the four years immediately preceding the premium year being rated.
- b. "Three-year payroll" means the total sum of limited payroll reported for the first three of the four years immediately preceding the premium year being rated.
- c. "Three-year premium" means the total sum of earned premium for the first three of the four years immediately preceding the premium year being rated.
- d. "Manual premium" means the actual premium, prior to any experience rating, for the premium year immediately preceding the premium year being rated for claims experience.

2. An employer's account is not eligible for an experience rating until the account has completed three consecutive payroll periods and has developed aggregate manual premiums of at least fifteen thousand dollars for the rating period used in developing the experience modification factor.

3. For accounts with ratable manual premium of fifteen thousand dollars or more:

- a. The experience rating must be applied prior to the inception of each premium year for all eligible accounts. A claim is deemed to occur in the premium year in which the injury date occurs.
- b. The experience modification factor (EMF) to be applied to the current estimated portion of an employer's payroll report is computed as follows:

(1) Calculate the actual primary losses (A_p), which consist of the sum of those three-year losses, comprising the ~~first fifteen thousand dollars of each individual claim~~ total claim dollars for each claim up to the primary value amount contained in the most recent edition of North Dakota workforce safety and insurance rating plan values, which is hereby adopted by reference and incorporated within this subsection as though set out in full.

(2) Calculate the actual excess losses (A_e), which consist of the sum of those three-year losses in excess of the ~~first fifteen thousand dollars of losses of each individual claim;~~ primary value amount for each claim, limited to the maximum per claim loss amount contained in the most recent edition of North Dakota workforce safety and insurance rating plan values which is hereby adopted by reference and incorporated within this subsection as though set out in full.

(3) Calculate the total expected losses (E_t), which are determined by adding the products of the actual payroll for each year of the three-year payroll times the class

expected loss rate for each year. The class expected loss rates, taking into consideration the hazards and risks of various occupations, must be those contained in the most recent edition of North Dakota workforce safety and insurance rating plan values, which is hereby adopted by reference and incorporated within this subsection as though set out in full.

(4) Calculate the expected excess losses (E_e), which are determined by adding the products of the actual payroll for each year of the three-year payroll times the class expected excess loss rates. The class expected excess loss rates, taking into consideration the hazards and risks of various occupations, must be those contained in the most recent edition of North Dakota workforce safety and insurance rating plan values, which is hereby adopted by reference and incorporated within this subsection as though set out in full.

(5) Calculate the "credibility factor" (Z) based on the formula that is contained in the most recent edition of North Dakota workforce safety and insurance rating plan values, which is hereby adopted by reference and incorporated within this subsection as though set out in full.

(6) The experience modification factor is then calculated as follows:

(a) Calculate the "ballast amount" (B) which is contained in the most recent edition of North Dakota workforce safety and insurance rating plan values, which is hereby adopted by reference and incorporated within this subsection as though set out in full.

(b) Add the actual primary losses to the product of the actual excess losses times the credibility factor.

(c) To this sum add the product of the expected excess losses times the difference between one dollar and the credibility factor.

(d) To this sum add the ballast amount (B).

(e) Divide this total sum by the sum of the total expected losses plus the ballast amount (B).

The resulting quotient is the experience modification factor to be applied in calculating the estimated premium for the current payroll year.

(7) The formula for the above-mentioned calculation is as follows:

$$EMF = \frac{A_p + (Z \times A_e) + [(1.00 - Z) \times E_e] + B}{E_t + B}$$

4. Small account credit or debit program. Accounts that fall below the eligibility standard for experience rating outlined in subsection 2 are subject to the small account credit or debit program. The rating period and ratable losses used to determine eligibility for the small account credit or debit program are the same as those used for the experience rating program outlined above. The amount of the credit or debit will be determined annually in

conjunction with the development of rating plan values for the prospective coverage period.

5. The organization shall include any modification to the North Dakota workforce safety and insurance rating plan values in its ratemaking process pursuant to North Dakota Century Code section 65-04-01.

History: Effective June 1, 1990; amended effective July 1, 1993; July 1, 1994; April 1, 1997; July 1, 2001; July 1, 2006; July 1, 2009; July 1, 2010; July 1, 2016.

General Authority: NDCC 65-02-08, 65-04-17

Law Implemented: NDCC 65-04-01

A new section to Chapter 92-01-02 is created as follows:

92-01-02-45.3. Medical service provider electronic utilization review responsibilities.

Medical service providers shall submit prior authorization requests, prior authorization appeals, binding dispute resolution requests, medical bill appeals, and other information as required to the organization by an electronic means designated by the organization unless the medical service provider is exempt.

1. A medical service provider is exempt from the requirement of this rule if:

a. the provider can sufficiently demonstrate implementation will create an unreasonable financial hardship and can provide supporting documentation, such as financial statements or other documentation which reflect the financial hardship; or

b. the organization determines the medical service provider's volume of requests does not require electronic submission. The exemption process must be initiated by the medical service provider. Granting an exemption lies solely within the organization's discretion and is not subject to appeal.

2. The organization shall identify and maintain the electronic means to enable the transaction of these services.

3. Electronic submission and transmittal required under this rule shall be implemented and required no later than July 1, 2028.

History:

General Authority: NDCC 65-02-08, 65-05-07

Law Implemented: NDCC 65-02-20, 65-05-07