

**HOUSE BILL NO. 1259**

Introduced by

Representative M. Nelson

1 A BILL for an Act to amend and reenact ~~subdivision b of subsection 2 of section 50-24.1-07 and~~  
2 section 50-24.1-37 of the North Dakota Century Code, relating to medicaid expansion; to  
3 provide an expiration date; to provide a contingent expiration date; and to declare an  
4 emergency.

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

6 ~~**SECTION 1. AMENDMENT.** Subdivision b of subsection 2 of section 50-24.1-07 of the~~  
7 ~~North Dakota Century Code is amended and reenacted as follows:~~

8 ~~b. The department may not file a claim against an estate to recover payments made~~  
9 ~~on behalf of a recipient who was eligible for medicaid under section 50-24.1-37~~  
10 ~~and who received coverage through a private carrier.~~

11 **SECTION 1. AMENDMENT.** Section 50-24.1-37 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **50-24.1-37. (Effective January 1, 2014, through July 31, 20172019) Medicaid**  
14 **expansion.**

- 15 1. The department of human services shall expand medical assistance coverage as  
16 authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148],  
17 as amended by the Health Care and Education Reconciliation Act of 2010 [Pub.  
18 L. 111-152] to individuals under sixty-five years of age with income below one hundred  
19 thirty-eight percent of the federal poverty level, based on modified adjusted gross  
20 income.
- 21 2. The department of human services shall inform new enrollees in the medical  
22 assistance program that benefits may be reduced or eliminated if federal participation  
23 decreases or is eliminated.

- 1           3. The department shall implement the expansion by bidding through private carriers or  
2           utilizing the health insurance exchange. The contract between the department and the  
3           private carrier must:
- 4           a. Provide a reimbursement methodology for all medications and dispensing fees  
5           which identifies the minimum amount paid to pharmacy providers for each  
6           medication. The reimbursement methodology, at a minimum, must:
- 7           (1) Be available on the department's website; and  
8           (2) Encompass all types of pharmacy providers regardless of whether the  
9           pharmacy benefits are being paid through the private carrier or contractor or  
10          subcontractor of the private carrier under this section.
- 11          b. Provide full transparency of all costs and all rebates in aggregate.
- 12          c. Allow an individual to obtain medication from a pharmacy that provides mail order  
13          service; however, the contract may not require mail order to be the sole method  
14          of service.
- 15          d. Ensure that pharmacy services obtained in jurisdictions other than this state and  
16          its three contiguous states are subject to prior authorization and reporting to the  
17          department for eligibility verification.
- 18          e. Ensure the payments to pharmacy providers do not include a required payback  
19          amount to the private carrier or one of the private carrier's contractors or  
20          subcontractors which is not representative of the amounts allowed under the  
21          reimbursement methodology provided in subdivision a.
- 22          f. Any information provided to the department of human services or any audit firm  
23          by a pharmacy benefit manager under this section is confidential under section  
24          44-04-17.1.

25          4. Effective July 1, 2017, the department shall align the provider reimbursement rates for  
26          the medical assistance expansion program to the workforce safety and insurance  
27          reimbursement rates.

28          5. Effective January 1, 2018, medical assistance expansion program applicants and  
29          recipients who are at least nineteen but less than twenty-one years of age must  
30          receive coverage through traditional medical assistance.

1 6. The department shall seek approval of a medicaid waiver to limit coverage under this  
2 section to the medical assistance expansion population with incomes at or below one  
3 hundred percent of the federal poverty level, based on modified adjusted gross  
4 income.

5 **SECTION 2. EXPIRATION DATE - CONTINGENT EXPIRATION DATE.** Section 1 of this  
6 Act is effective through July 31, 2019, or until the executive director of the department of human  
7 services certifies to the secretary of state and the legislative council the federal government  
8 ended the medical assistance expansion program, whichever occurs first, and after that date is  
9 ineffective.

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