

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the insurance  
 2 commissioner; to provide an appropriation for the distribution of funds from the insurance tax  
 3 distribution fund; to create and enact a new section to chapter 26.1-36 of the North Dakota  
 4 Century Code, relating to examinations of health carriers; to amend and reenact section  
 5 26.1-01-09 of the North Dakota Century Code, relating to the salary of the insurance  
 6 commissioner; to provide for a legislative management study; and to provide for a report.

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
 9 as may be necessary, are appropriated from special funds derived from federal funds and other  
 10 income, to the insurance commissioner for the purpose of defraying the expenses of the  
 11 insurance commissioner, for the biennium beginning July 1, 2021, and ending June 30, 2023,  
 12 as follows:

	Base Level	Adjustments or Enhancements	Appropriation
15 <del>Salaries and wages</del>	<del>\$8,149,998</del>	<del>(\$333,157)</del>	<del>\$7,816,841</del>
16 <del>Operating expenses</del>	<del>1,566,675</del>	<del>(59,316)</del>	<del>1,507,359</del>
17 <del>Capital assets</del>	<del>0</del>	<del>100,000</del>	<del>100,000</del>
18 <del>Total special funds</del>	<del>\$9,716,673</del>	<del>(\$292,473)</del>	<del>\$9,424,200</del>
19 <u>Salaries and wages</u>	<u>\$8,149,998</u>	<u>(\$73,717)</u>	<u>\$8,076,281</u>
20 <u>Operating expenses</u>	<u>1,566,675</u>	<u>802,684</u>	<u>2,369,359</u>
21 <u>Capital assets</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>
22 <u>Total special funds</u>	<u>\$9,716,673</u>	<u>\$828,967</u>	<u>\$10,545,640</u>
23 Full-time equivalent positions	41.00	(3.00)	38.00

1       **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**  
2 **SIXTY-EIGHTH LEGISLATIVE ASSEMBLY.** The following amounts reflect one-time funding  
3 items approved by the sixty-sixth legislative assembly for the 2019-21 biennium and the  
4 one-time funding items included in the appropriation in section 1 of this Act:

5	<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
6	Office remodel	\$0	\$100,000
7	<del>Health care analysis</del>	<del>200,000</del>	<del>0</del>
8	<del>Total special funds</del>	<del>\$200,000</del>	<del>\$100,000</del>
9	<u>State flexibility to stabilize the market grant</u>	<u>0</u>	<u>662,000</u>
10	<u>Coal and fossil fuel industry insurance study</u>	<u>0</u>	<u>200,000</u>
11	<u>Health care analysis</u>	<u>200,000</u>	<u>0</u>
12	<u>Total special funds</u>	<u>\$200,000</u>	<u>\$962,000</u>

13       The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget  
14 for the 2023-25 biennium. The insurance commissioner shall report to the appropriations  
15 committees of the sixty-eighth legislative assembly on the use of this one-time funding for the  
16 biennium beginning July 1, 2021, and ending June 30, 2023.

17       **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the insurance  
18 tax distribution fund in the state treasury, not otherwise appropriated, the sum of  
19 ~~\$18,818,030~~\$20,728,540 or so much of the sum as may be necessary, to the insurance  
20 commissioner for the purpose of providing payments, in accordance with provisions of section  
21 18-04-05, to North Dakota fire departments in the amount of ~~\$17,989,505~~\$19,588,470 and  
22 payments to the North Dakota firefighter's association in the amount of ~~\$828,525~~\$1,140,070 for  
23 the biennium beginning July 1, 2021, and ending June 30, 2023.

24       **SECTION 4. UNSATISFIED JUDGMENT FUND.** Section 1 of this Act includes  
25 ~~\$26,344~~\$26,610 from the state unsatisfied judgment fund to pay unsatisfied judgment fund  
26 administrative expenses for the biennium beginning July 1, 2021, and ending June 30, 2023.

27       **SECTION 5. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - COAL AND**  
28 **FOSSIL FUEL INDUSTRY INSURANCE STUDY.** The appropriation in section 1 of this Act  
29 includes the sum of \$200,000 from the strategic investment and improvements fund for the  
30 insurance commissioner to study the availability, cost, and risks associated with insurance  
31 coverage in the lignite coal industry.

1       **SECTION 6. AMENDMENT.** Section 26.1-01-09 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **26.1-01-09. Salary of commissioner.**

4       The annual salary of the commissioner is ~~one hundred seven thousand eight hundred~~  
5 ~~eighty-five dollars through June 30, 2020~~one hundred twelve thousand two hundred forty-one  
6 dollars through June 30, 2022, and ~~one hundred ten thousand five hundred eighty-two~~one  
7 hundred thirteen thousand nine hundred twenty-fiveone hundred fourteen thousand four  
8 hundred eighty-six dollars thereafter.

9       **SECTION 7.** A new section to chapter 26.1-36 of the North Dakota Century Code is created  
10 and enacted as follows:

11       **Examinations.**

12       1. As used in this section, the terms "health carrier" and "health benefit plan" have the  
13 same meaning as provided under section 26.1-36.3-01.

14       2. Whenever the commissioner, in the commissioner's sole discretion, deems it  
15 appropriate, but at least once every five years, the commissioner or any of the  
16 commissioner's examiners shall conduct a comprehensive examination of a health  
17 carrier with a market share of twenty-five percent or more of health benefit plan  
18 covered lives in this state. The examination must be conducted in accordance with an  
19 examination conducted under chapter 26.1-03. In determining the scope of the  
20 comprehensive examination, the commissioner shall consider the criteria set forth in  
21 the market conduct handbook adopted by the national association of insurance  
22 commissioners and adopted by the commissioner which is in effect when the  
23 examination is initiated and any other matters deemed appropriate by the  
24 commissioner.

25       **SECTION 8. LEGISLATIVE MANAGEMENT STUDY - MEDICATION OPTIMIZATION.**

26 During the 2021-22 interim, the legislative management shall consider studying medication  
27 optimization. The study must include a review of the implementation of clinical pharmacist-led  
28 medication optimization programs in individual, large group, and small group plans, including  
29 provider credentialing, billing standards and procedures, providing standards of care, patient  
30 monitoring, consistent documentation of outcomes and efforts related to de-prescribing, and  
31 structuring an outcome reporting system for medication optimization programs. The study also

1 must include a review of changes necessary to state laws and administrative rules to implement  
2 effective medication optimization. The insurance commissioner shall assist the legislative  
3 management with the study and identify and request the participation of stakeholders needed to  
4 complete this study. The insurance commissioner shall collect and provide to the legislative  
5 management the data needed to complete the study. The data provided by stakeholders, not  
6 otherwise publicly disclosed, must be considered confidential pursuant to section 44-04-18.4.  
7 The legislative management shall report its findings and recommendations, together with any  
8 legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

9 **SECTION 9. LEGISLATIVE MANAGEMENT STUDY - FIRE-RELATED INSURANCE**

10 **LINES.** During the 2021-22 interim, the legislative management shall consider studying  
11 fire-related lines of insurance, including the insurance premium tax revenue generated from  
12 fire-related lines of insurance and the appropriate amounts to be distributed to fire departments  
13 and the North Dakota firefighter's association pursuant to section 18-04-05. The legislative  
14 management shall report its findings and recommendations, together with any legislation  
15 necessary to implement the recommendations, to the sixty-eighth legislative assembly.