17.0720.03000

Sixty-fifth Legislative Assembly of North Dakota

FIRST ENGROSSMENT with Senate Amendments ENGROSSED HOUSE BILL NO. 1403

Introduced by

Representatives Kasper, Rick C. Becker, Boehning, Headland, Keiser, Louser, Nathe, D. Ruby

Senators Anderson, Bekkedahl, Casper, O. Larsen

- 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 public employee health benefits transparency.

3 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- 4 **SECTION 1.** A new section to chapter 54-52.1 of the North Dakota Century Code is created and enacted as follows:
- 6 Health insurance benefits coverage Prescription drug coverage Transparency -

Audits - Confidentiality.

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- 1. If the prescription drug coverage component of a health insurance benefits coverage
 contract received in response to a request for bids under section 54-52.1-04 utilizes
 the services of a pharmacy benefits manager, either contracted directly with a
 pharmacy benefits manager or indirectly through the health insurer, in addition to the
 factors set forth under section 54-52.1-04 the board shall consider and give preference
 to an insurer's contract that:
 - a. Provides the board or the board's auditor with a copy of the insurer's current contract with the pharmacy benefit management company which controls the prescriptions drug coverage offered as part of the health insurance benefits coverage, and if the contract is revised or a new contract is entered, requires the insurer to provide the board with the revision or new contract within thirty days of the change.
 - b. Provides the board with monthly claims data and information on all programs
 being implemented or modified, including prior authorization, step therapy,
 mandatory use of generic drugs, or quantity limits.

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1 Describes the extent to which the board may customize the benefit plan design, 2 including copayments, coinsurance, deductibles, and out of pocket limits; the 3 drugs that are covered; the formulary; and the member programs implemented. 4 Describes the audit rights of the board. d. 5 <u>2.</u> The board may conduct annual audits to the extent permitted under the contract terms 6 agreed to under subsection 1. The audits must include: 7 A review of a complete set of electronic prescription coverage claims data 8 reflecting all submitted claims, including information fields identified by the board. 9 A review of a list of all programs that have been implemented or modified during <u>b.</u> 10 the audit period under subsection 1, and in connection with each program the 11 auditor shall report on the cost, the cost savings or avoidance, member 12 disruption, the process for and number of overrides or approvals and 13 disapprovals, and clinical outcomes. 14 Recommendations for proposed changes to the prescription drug benefit <u>C.</u> 15 programs to decrease costs and improve plan beneficiaries' health care 16 treatment. 17 <u>3.</u> <u>Information provided to the board under the contract provisions required under this</u> 18 section are confidential; however, the board may disclose the information to retained 19 experts and the information retains its confidential status in the possession of these 20 experts. 21 <u>4.</u> The board may retain an auditor of the board's choice which is not a competitor of the 22 pharmacy benefit manager, a pharmaceutical manufacturer representative, or any

retail, mail, or specialty drug pharmacy representative or vendor.