

SENATE BILL NO. 2253

Introduced by

Senators Mathern, Hogan

Representatives P. Anderson, Guggisberg

1 A BILL ~~for an Act to create and enact section 26.1-45-02.1 of the North Dakota Century Code,~~
2 ~~relating to long-term care insurance policies; to provide for a legislative management study~~
3 ~~relating to long-term care insurance policies and the cost of long-term care; to provide a~~
4 ~~penalty; and to provide an expiration date.~~ for and Act to provide for a legislative management
5 study relating to long-term care insurance policies and the cost of long-term care; to provide a
6 penalty; and to provide an appropriation.

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

8 ~~— SECTION 1. Section 26.1-45-02.1 of the North Dakota Century Code is created and~~
9 ~~enacted as follows:~~

10 ~~— **26.1-45-02.1. Moratorium on the sale, solicitation, and negotiation of long-term care**~~
11 ~~**insurance policies – Penalty.**~~

12 ~~— 1. An insurer, fraternal benefit society, nonprofit health, hospital, or medical service~~
13 ~~corporation, prepaid health plan, health maintenance organization, or any similar~~
14 ~~entity, or an agent of any such entity, may not sell, solicit, or negotiate a long-term care~~
15 ~~insurance policy to a resident of this state during the period beginning August 1, 2021,~~
16 ~~and ending July 31, 2024.~~

17 ~~— 2. For purposes of this section, "long-term care insurance policy" means an insurance~~
18 ~~policy primarily advertised, marketed, offered, or designed to provide coverage for not~~
19 ~~less than twelve consecutive months for each covered person on an expense incurred,~~
20 ~~indemnity, prepaid, or other basis, for one or more necessary or medically necessary~~
21 ~~diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care~~
22 ~~services provided in a setting other than an acute care unit of a hospital. The term~~
23 ~~includes qualified long-term care insurance contracts. The term includes long-term~~
24 ~~care insurance products issued by insurers; fraternal benefit societies; nonprofit~~

1 ~~health, hospital, and medical service corporations; prepaid health plans; health-~~
2 ~~maintenance organizations; or a similar organization to the extent that the organization~~
3 ~~is otherwise authorized to issue life or health insurance. The term does not include an~~
4 ~~insurance policy offered primarily to provide basic Medicare supplement coverage,~~
5 ~~basic hospital expense coverage, basic medical-surgical expenses coverage, hospital~~
6 ~~confinement indemnity coverage, major medical expense coverage, disability income~~
7 ~~or related asset protection coverage, accident only coverage, specified disease or~~
8 ~~specified accident coverage, or limited benefit health coverage.~~

9 ~~3. The insurance commissioner may adopt rules necessary for the administration of this~~
10 ~~section, including rules governing initial filing requirements and premium increases.~~

11 ~~4. An insurer, fraternal benefit society, nonprofit health, hospital, or medical service-~~
12 ~~corporation, prepaid health plan, health maintenance organization, or any similar entity~~
13 ~~or agent of any such entity that violates this section is subject to a civil fine in an~~
14 ~~amount not to exceed ten thousand dollars for each violation. The fine may be~~
15 ~~collected and recovered in an action brought in the name of the state.~~

16 ~~**SECTION 2. LEGISLATIVE MANAGEMENT STUDY - LONG-TERM INSURANCE**~~

17 ~~**MARKET.** During the 2021-22 interim, the legislative management shall consider studying the~~
18 ~~long-term care insurance market in the state. As requested, the ten largest long-term care~~
19 ~~insurance insurers in the state shall participate in this study to review the current premium~~
20 ~~market, benefits, and consumer options in relation to premium increases and overall market.~~
21 ~~The legislative management shall report its findings and recommendations, together with any~~
22 ~~legislation required to implement the recommendations, to the sixty-eighth legislative assembly.~~

23 ~~**SECTION 3. EXPIRATION DATE.** Section 1 of this Act is effective through July 31, 2024,~~
24 ~~and after that date is ineffective.~~

25 **SECTION 1. ANALYSIS OF LONG-TERM INSURANCE MARKET - LEGISLATIVE**

26 **MANAGEMENT STUDY.** During the 2021-22 interim, the insurance department shall assist the
27 legislative management with an interim study of the long-term care insurance market in the
28 state. The study must include the receipt of a report from the insurance department including a
29 detailed analysis of the long-term care insurance market in the state. Upon the request of the
30 insurance department, the ten largest long-term care insurance insurers in the state shall
31 participate in the study to review the current premium market, benefits, consumer options in

1 relation to premium increases, long-term care partnership program options, and overall market
2 products or riders. The insurance department shall coordinate with the state department of
3 health, the department of human services, and the North Dakota long term care association for
4 data regarding long-term care facilities. The legislative management shall report its findings and
5 recommendations, together with any legislation required to implement the recommendations to
6 the sixty-eighth legislative assembly.

7 **SECTION 2. ANALYSIS OF THE COST OF LONG-TERM CARE - LEGISLATIVE**
8 **MANAGEMENT STUDY - PENALTY.** During the 2021-22 interim, the insurance department
9 shall assist the legislative management with an interim study of the cost of long-term care in the
10 state. The study must include the receipt of a report from the insurance department including a
11 detailed analysis of the cost of long-term care in the state. Upon the request of the insurance
12 department, long-term care facilities shall provide the insurance department data regarding
13 billing and payment information, financial information, management information, and other
14 information the insurance department deems necessary to complete a detailed analysis of long-
15 term care in the state. The department may not request data that includes personally identifiable
16 information and the long-term care facilities may provide data in the aggregate. If a long-term
17 care facility fails, without cause, to provide the insurance department with requested data as
18 required under this section, the insurance commissioner may charge the long-term care facility
19 a civil penalty of up to one thousand dollars per day the long-term care facility is in violation.
20 The legislative management shall report its findings and recommendations, together with any
21 legislation required to implement the recommendations to the sixty-eighth legislative assembly.

22 **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the general
23 fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the
24 sum as may be necessary, to the insurance department for the purpose of assisting the
25 legislative management with the interim studies of the long-term care insurance market and the
26 cost of long-term care in the state.