

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SEN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1226

2001 HOUSE HUMAN SERVICES

HB 1226

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1226

House Human Services Committee

Conference Committee

Hearing Date January 24, 2001

Tape Number	Side A	Side B	Meter #
Tape 1		X	() to end
Committee Clerk Signature <i>Corinne Easton</i>			

Minutes:

Chairman Price, Vice Chairman Devlin, Rep. Dosch, Rep. Galvin, Rep. Klein, Rep. Pollert, Rep. Porter, Rep. Tieman, Rep. Weiler, Rep. Weisz, Rep. Cleary, Rep. Metcalf, Rep. Niemeier, Rep. Sandvig.

Chairman Price: Open hearing on HB 1226.

Rep. Porter: Sponsored HB 1226. (See written testimony.) North Dakota is in a health care crisis. Whether you believe me or look at your health insurance premiums, we are in a crisis. I introduced this bill to remove the mandates and offer an affordable major medical policy to small businesses in North Dakota.

Rep. Cleary: What are you taking out?

Rep. Porter: I believe it is every mandate in code.

Rep. Metcalf: I question that we use 27% of our premium dollar on actual health related items, and that's with the mandate.

Rep. Porter: I remember a figure that was presented by BCBS last session that had individual pricing of what they felt each mandate cost. I'm sure they could get that information to you.

Dan Ulmer: Blue Cross Blue Shield. (Neutral). HB 1226 is kind of a repeat going back to 1993. The current enrollment for the Basic Plan and Standard Plan is 22 and 5 contracts respectively. Since January 1995 there has been 87 Basic Plan contracts sold and 438 Standard Plan contracts sold. In terms of this rate increase, when you talk about insurance you need to understand that we pool resources to try and suppress premiums. It might have been at the 27% utilization, but the pool itself grows. Right now the folks using chiropractic, mental health, and all the other mandates that are here are pooled in with everyone else, so the costs are less.

Chairman Price: Was the original Basic Plan marketed?

Dan Ulmer: Yes, in the sense that every other product was. They had to sign a form with every employer that the marketing representative went into, saying they had explained the Basic and Standard Plan.

Chairman Price: Do you foresee your company offering more than one level of coverage within an employer group? For example, if you had an employer group that paid the single rate or the percentage of the single rate, would you allow the employees within that group to carry, because they are self-paying, carry the basic and those that wanted to could carry the comp choice?

Dan Ulmer: I'm going to defer that question to Mike Hamerlik.

Mike Hamerlik: Blue Cross/Blue Shield. We are watching that. We have the same adverse selection occurring in any choice that people have health insurance, because they make an economic choice. The ones who are sick will take out more because it is worth the extra dollars. I think that is where the market is moving. I think the answer to your question is, yes. We don't

see a lot of demand for it. They want simplicity and want to treat employees the same. Under Section 1 it applies to the majority of the market.

Rep. Porter: When BCBS looks at amount they need to raise premiums in the following year, is it typical that everyone gets the same percentage of increase? How are the percentages of increases related to utilization of a particular employer group?

Dan Ulmer: Lets say the pool, as a whole, has a certain amount of trend within the pool but your rate is based on how you affect the pool on an individual basis - so you had a really good year at 27% or whatever the number, you would get less of an increase than those who had a higher level of utilization.

Rep. Porter: If last year's increase was 10%, ours was 16% and our utilization was 27%, what is the highest amount that a company's premium would have gone up last year?

Mike Hamerlik: Some companies got rate decreases. There are two major factors: the demographics of the group and the experience. What it really depends on is the size of the group.

Rep. Porter: What would it have taken last year for someone to get the 10% rate increase within that same pool that you've described, if the people that used 27% got a higher increase? If the average was 10% and someone got a rebate, how much utilization does it take to see neutral or negative increases?

Mike Hamerlik: It would take being totally average across the board. Average demographics, average utilization, average size group.

Susan Anderson: Legal Counsel, North Dakota Insurance Department. HB 1226, as it is worded right now, is in violation of HIPPA. I would like to add that in Subsection 2, you are getting rid

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of some mandates that are actually federal mandates and so what you are doing is taking away the state's enforcement rights regarding those mandates.

Chairman Price: Who in the Insurance Department should we talk to about the "actuarial"?

Susan Anderson: Perhaps you could come up to the department and we can schedule something and address your concerns.

Chairman Price: Close hearing on HB 1226.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1226 B

House Human Services Committee

Conference Committee

Hearing Date February 6, 2001

Tape Number	Side A	Side B	Meter #
Tape 2	X		3720 to 5455
Committee Clerk Signature <i>Connie Easton</i>			

Minutes:

COMMITTEE WORK:

CHAIRMAN PRICE: Rep. Porter, where are you on HB 1226?

REP. PORTER: (Discussed changes to the amendments.) As prices continue to go up and mandates are continued to be put on, there is going to be a need for this type of plan. The department tells us there needs to be three changes on the bill in order to work it out.

CHAIRMAN PRICE: The problem last time that I have is that "yes, the policy was offered but it was never marketed".

REP. PORTER: I think everyone is sitting in a different situation right now, and I think some of the testimony by BCBS will attest to that. They feel the same as a lot of small businesses that we're only one little bump in the economy away from people from being dropped from a company type plan. When you look at the expenses to have an employee, it costs you about 30%

of that employee's salary to have benefits. One of the most expensive part of that benefit is their health insurance. More and more businesses can't afford to keep going.

VICE CHAIRMAN DEVLIN: I agree with Rep. Porter. I can show you numerous businesses in my district that used to give full family health insurance that now give single, and some don't have it at all.

REP. POLLERT: I am one of those businesses who offers insurance to their employees. We dropped to single, because we are paying \$408 a month for a full family membership. That is just part of the problem that we're running into trying to get a little more leaner and meaner against the bigger companies with their policies.

REP. CLEARY: I think it is a good idea to give people a chance to buy in to a cheaper plan.

REP. TIEMAN: One of the things I do in my line of work is to find out family insurance needs. I noticed that people have actually dropped their coverage.

CHAIRMAN PRICE: In '93 it was a pretty important piece. My only concern is that who is covered, now what is covered. I would like to make sure that would stay in there. Rep. Porter, will you check the mandate. We will reconvene at 4:00.

VICE CHAIRMAN DEVLIN: Committee we will get started again on 1226.

REP. PORTER: I motion to amend 1226 (amendments).

REP. CLEARY: Second.

VICE CHAIRMAN DEVLIN: Did you get the answer, Rep. Porter?

REP. PORTER: I called up to Beth Allen, Insurance Commissioner's Department, and there are two issues I brought up. One was the newborn issue and the other one was the dependent issue. Both of those are not covered under any of these sections, so a newborn on this policy would be

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covered for 31 days like it is on any other standard policy, and the dependent issue would not come into play. They would be covered just like every other insurance policy in the state.

VICE CHAIRMAN DEVLIN: Any discussion on the amendment? (All YES.) What are your wishes?

REP. GALVIN: DO PASS as amended.

REP. CLEARY: Second.

VICE CHAIRMAN DEVLIN: Discussion? Seeing none the clerk will take the roll.

12 YES 1 NO 1 ABSENT CARRIED BY REP. METCALF

FISCAL NOTE

Requested by Legislative Council

02/15/2001

Bill/Resolution No.:

Amendment to: HB 1226

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill will have numerous complex effects on the provision of substance abuse services through the public and private sectors. Because of the complexity of the issues involved it is not possible at this time to accurately estimate its fiscal impact. It will require additional time to compile data from many different sources to calculate the impact. The department will be presenting testimony to provide information on the ramifications of this bill.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Brenda M. Weisz	Agency:	Department of Human Services
Phone Number:	328-2397	Date Prepared:	03/01/2001

10263.0101
Title.0200

Adopted by the Human Services Committee
February 6, 2001

VR
2/7/01

HOUSE AMENDMENTS TO HB 1226

HOUSE HS

2-8-01

Page 1, line 12, replace "twenty-five" with "fifty"

Page 1, line 14, remove "26.1-36-09,"

Page 1, line 15, remove "26.1-36-09.8,"

Re-number accordingly

Date: 2-6-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1226

House Human Services Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Accept the Amendment

Motion Made By Porter Seconded By Cleary

Representatives	Yes	No	Representatives	Yes	No
Rep. Clara Sue Price, Chairman			Rep. Audrey Cleary		
Rep. William Devlin, V, Chairman			Rep. Ralph Metcalf		
Rep. Mark Dosch			Rep. Carol Niemeier		
Rep. Pat Galvin			Rep. Sally Sandvig		
Rep. Frank Klein					
Rep. Chet Pollert					
Rep. Todd Porter					
Rep. Wayne Tieman					
Rep. Dave Weiler					
Rep. Robin Weisz					

- Voice Vote PASSED

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-6-01
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1224

House Human Services Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Galvin Seconded By Cleary

Representatives	Yes	No	Representatives	Yes	No
Rep. Clara Sue Price, Chairman		<input checked="" type="checkbox"/>	Rep. Audrey Cleary	<input checked="" type="checkbox"/>	
Rep. William Devlin, V, Chairman	<input checked="" type="checkbox"/>		Rep. Ralph Metcalf	<input checked="" type="checkbox"/>	
Rep. Mark Dosch	<input checked="" type="checkbox"/>		Rep. Carol Niemeier	<input checked="" type="checkbox"/>	
Rep. Pat Galvin	<input checked="" type="checkbox"/>		Rep. Sally Sandvig		<input checked="" type="checkbox"/>
Rep. Frank Klein	<input checked="" type="checkbox"/>				
Rep. Chet Pollert	<input checked="" type="checkbox"/>				
Rep. Todd Porter	<input checked="" type="checkbox"/>				
Rep. Wayne Tieman	<input checked="" type="checkbox"/>				
Rep. Dave Weller	<input checked="" type="checkbox"/>				
Rep. Robin Weisz	<input checked="" type="checkbox"/>				

Total (Yes) 12 No 1

Absent 1

Floor Assignment Rep. Metcalf

If the vote is on an amendment, briefly indicate intent:

