

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1517

2007 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1517

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1517

House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: 01-29-2007

Recorder Job Number: 2220

Committee Clerk Signature

*Shirley M. Thomas*

Minutes:

**Chairman Keiser opened the hearing on HB 1517. Rep. Dosch was absent.**

**HB 1517 relates to release of information by WSI.**

**Rep. Jasper Schneider** introduced the bill.

**Rep. Schneider:** HB 1517 is really a notification bill. Specifically what it does is it adds subsection eight on page two, which allows WSI to notify a claimant's insurer of the status of their claim. An example, if I walk out of this room today and fall and break my leg and because I am on the job I apply for worker's compensation benefits. Let's say workers comp denies it. They say that I had a preexisting calcium deficiency since I refused to drink my milk as a child. Because I have Blue Cross Blue Shield, they pick up the tab and pay for the surgery, the physical therapy and later, through the appeal process WSI overturns and accepts liability. This bill addresses the problem between point A and point B. Currently BCBS or any insurance provider doesn't necessarily know when they have paid out money on a claim if it later gets overturned by WSI. So what this bill does is attempts to make everybody whole, including the injured worker who also is put on notice of any out-of-pocket expenses they may have paid. In short, it's good common sense legislation. See attached amendment proposed.

**Rep. Zaiser:** One of the things that I have dealt with quite often is simply the release process. Couldn't all of this be done by simply providing a written release?

**Rep. Schneider:** I would leave that to the committee to decide what to do. Currently, what happens is when WSI overturns a claim, they pay back the medical provider. The hospitals in this case. The problem is BCBS doesn't have a way of tracking that information. This would allow WSI and BCBS to talk to make sure that everybody's made whole at the end of the day.

**Rod St. Aubyn,** BCBS of ND, spoke in support of the bill. See written testimony.

**Rep. Vigesaa:** Do you ever hear from WSI if they have overturned a claim?

**St. Aubyn:** There are discussions, but they are limited by law what they can disclose, so as a normal course of business, no we do not.

**Jim Poolman,** ND State Tax Commissioner, spoke in support of the bill.

**Poolman:** It is always nice to be on the same side as BCBS because that doesn't happen often enough. The coordination of benefits issue is important for those that pay private insurance dollars in premiums to their private insurance company and if a claim that is being paid from one company that should be being paid by WSI it is your premium dollars that come out of their pockets where they should be coming out of somewhere else and that is why we support the bill.

**Anne Jorgenson Greene,** Counsel for WSI, spoke in support of the bill as amended. See written testimony.

**Opposition to the bill was heard at this time.**

**Kevin Paulson** spoke in opposition to the bill.

**Paulson:** The general premise of the bill is a good one. Free exchange of information between private insurers and WSI can take place to sort up bills. That's great. The only problem I have with this bill is sections four and five. Other persons may have access and make inspections of

the files. Such persons are rendering assistance to the organization at any stage of the proceedings on any matter pertaining to the administration of this title. The words "any matter". The claimant's name, date of birth, injury date, employer name, type of injury, whether the claim has been accepted, denied, pending and whether the claim is active or inactive pay status will be available to the public. Can anyone justify to me why my wife can't get this information from the hospital but WSI can publish it to my neighbors to misuse it against me? That is what has been happening. Two years after I moved into my neighborhood. Within a year, I became the puree of the neighborhood and couldn't understand why my neighbors wouldn't talk to me anymore. Until six weeks later, I find the guy from across the street after his usual Friday night fishing drunk, come home, and talking about WSI coming to visit him. Talking about the faker across the street and now his six year old daughter waves at me and says, "Hi Faker". I got a neighbor straight west of me who won't even speak to me and a neighbor who just moved in that finally came to me after repeated calls from the WSI investigator on their answering machine and to his home wanting to know what the deal is with me and worker's comp, and why are they calling me. This provision in this bill is nothing but a way to sneak under the radar to further harass through investigation. Those claimants that have been targeted to taken off the rules. That is the reason I am not in favor of this bill. Mr. Poolman, I vote for you, but you are wrong.

**There were no questions from the committee.**

**The hearing was closed.**

**Rep. Boe moved to adopt the amendments. Rep. Johnson seconded.**

**Voice vote: Unanimous. Motion carries and amendments are adopted.**

**Rep. Gruchalla moved a DO PASS AS AMENDED.**

**Rep. Nottestad seconded.**

**Rep. Zaiser:** I thought Mr. Paulson made some legitimate points about some rather ambiguous language that would make this available to too many people. That is the only problem I have with this bill. I would like to see making a quick change to that.

**Rep. Amerman:** What is being discussed is currently in law, it's not part of the new bill.

**Rep. Zaiser:** Oh.

**Rep. Ruby:** That is correct, it is existing language. If you look in page one on line six, information containing the claim files and records of injured employees is confidential and not open to public inspection other than the organization employees or agents in the performance of their official duties.

**Roll Call Vote: 13 yes. 0 no. 1 absent.**

**Carrier: Rep. Gruchalla**

**House Amendments to HB 1517 (70711.0101) - Industry, Business and Labor  
Committee 01/30/2007**

Page 2, line 17, replace "notify a claimant's" with "provide an injured employee's" and replace "of the status of the claimant's" with "information regarding the injured employee's"

Page 2, line 18, replace "if:" with an underscored period

Page 2, remove lines 19 through 23

Renumber accordingly

Date: 1-29-07  
 Roll Call Vote #: \_\_\_\_\_

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. AB 1517

House Industry Business & Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do pass, AS Amended

Motion Made By Rep. Gruchalla Seconded By Rep. Nottestad

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Rep. Amerman	X	
Vice Chairman Johnson	X		Rep. Boe	X	
Rep. Clark	X		Rep. Gruchalla	X	
Rep. Dietrich	X		Rep. Thorpe	X	
Rep. Dosch	X		Rep. Zaiser	X	
Rep. Kasper	X				
Rep. Nottestad	X				
Rep. Ruby	X				
Rep. Vigasaa	X				

Total Yes 13 No 0

Absent 1

Floor Assignment Rep. Gruchalla

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



**REPORT OF STANDING COMMITTEE**

**HB 1517: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1517 was placed on the Sixth order on the calendar.

Page 2, line 17, replace "notify a claimant's" with "provide an injured employee's" and replace "of the status of the claimant's" with "information regarding the injured employee's"

Page 2, line 18, replace "if:" with an underscored period

Page 2, remove lines 19 through 23

Renumber accordingly

2007 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1517

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1517**

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **March 7, 2007**

Recorder Job Number: **4564**

Committee Clerk Signature



*WSI bill*

### **Representative Jasper Schneider – District 21 – Fargo - In Favor**

1517 is a notification bill that allows WSI and insurance providers to speak to provide information in situations where WSI has denied a claim and the insurance providers have paid out benefits, and later WSI overturns that claim. *Uses example :46m*

**S Klein:** So this is the information sharing to get to the end.

**Jasper S:** Correct. Without this statute, WSI doesn't have language to allow them speak to insurance providers.

**S Potter:** What limits are there on this? Can WSI provide information on any injured employee to any insurance company. How us it contained? I would assume that WSI's information is confidential, but with an insurance company it's on Equifax, and everywhere in the country, No?

**Jasper S:** I would refer that question to BC/BS and the Insurance Commissioner.

**S Potter:** That's the old days, isn't it?

**Jasper S:** It doesn't happen anymore. This allows them to talk and establish those communications to make everybody whole.

**S Klein:** HIPAA rules have changed. You can't ask who's in the hospital anymore without the Commissioner's authority.

**Jim Poolman – ND Insurance Commissioner - In Favor**

HIPAA law would govern in this case about what could be transferred as information to health insurance companies and then would ask those insurance companies to keep that information confidential. In the end, if a claim that has been denied has been paid for by a health insurance provider, that should have been paid for by WSI, those are dollars that come out of reserves of every health insurance company that affects the rates that premium payers will pay in ND. Blue Cross and I are on the same side on this issue.

**Rod St. Aubyn, BC/BC ND – Coordinator of Benefits - In Favor**

Support as amended by the House. Introduced as 1517 would allow WSI to share information with another insurer, regarding the WSI claim that was originally denied and the insurer paid the claim because of the denial. The claimant then appeals to WSI denial and the denial was reversed. WSI would then go back and pay the provider for the claims, and the insurer would have no way of knowing that WSI denial has been appealed and reversed. In addition, the claimant who would have been responsible for his or her cost share, originally when processed by the private insurer, the claimant should also be able to recover his/her cost share.

Because WSI is precluded from sharing this by law, there's no way for the private insurer to verify that the proper reimbursement has been received.

COB (coordination of benefits) is permitted between insurers under the HIPPA rules, however, state workers compensation organizations are EXEMPT from these rules. WSI is not allowed to share this information with another insurer. We thank them for this suggestion.

*Another example presented 6:04m, speaking of congenital condition.*

In conclusion, the amended bill addresses all the concerns between WSI and the private insurer. All the concerns outlined in this testimony. We feel that this claim-sharing process will speed up claims between WSI and the private insurer, because the worker is the one stuck in the middle and they are getting bills from the provider. We ask for your support HB 1517.

**Tim Effertz – Injured Worker - In Favor**

*Comment: "Oofta!"*

**Ann Jorgenson Green – Staff Counsel for WSI – In Favor**

**TESTIMONY # 2** *Goes over testimony Starts 8:20m – 10:03m*

**David Kemnitz – President of ND AFLCIO - In Favor**

**Seabald Vetter – CARE Org. - - In Favor**

I support this bill, we've been fighting this for years. The injured worker was always in the middle, if Workmen's Comp didn't pay then Blue Cross didn't pay, there was a fight in between, this way it's "high time" to discuss it and pick and choose what they should pay.

**CLOSE**

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1517 B

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **March 7, 2007**

Recorder Job Number: **4565**

Committee Clerk Signature

*Workforce safety and insurance:*

**Motion for a DO PASS by S Wanzek**

**Second by S Behm**

**S Wanzek:** Can't help but sit here and listen and smile a little bit of the times when you could visit Grandpa and Grandma in the hospital and the Reverend McCoy would announce so-n-so had a good night in the hospital, ate a good breakfast, now we've got to pass laws so we can find out who's in the hospital.

**S Potter:** I'd like to express my admiration for S. Schneider being able to pull together the Insurance Commissioner, Blue Cross, AFLCIO and the WSI all in the same room, I'm in support of this bill.

**Roll Call for a DO PASS on Engrossed HB 1517 – 5-0-2 Passed**

**Carrier: S Wanzek**



**REPORT OF STANDING COMMITTEE (410)**  
March 7, 2007 12:49 p.m.

**Module No: SR-43-4639**  
**Carrier: Wanzek**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1517, as engrossed: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends DO PASS (5 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed HB 1517 was placed on the Fourteenth order on the calendar.**



2007 TESTIMONY

HB 1517

**Testimony on HB 1517  
House IBL Committee  
January 29, 2007**

Mr. Chairman and committee members, for the record I am Rod St. Aubyn, representing Blue Cross Blue Shield of North Dakota. We support HB 1517 and ask that the amendments offered by Rep. Schneider be adopted. As originally introduced, HB 1517 would allow WSI to share information with another insurer regarding a WSI claim that was originally denied, the insurer paid the claim because of the denial, the claimant then appealed the WSI denial, and the denial was reversed. In this circumstance, WSI would go back and pay the provider for the claims. However, the private insurer would have also paid the provider for the claims and would have no way of knowing that the WSI denial was appealed and reversed. In addition, the claimant would have been responsible for his/her cost share for the private insurance claim coverage. This claimant should also be able to recover his/her cost share. In most cases, the providers do in fact reimburse the private insurer and the claimant for the claims cost. However, because WSI is precluded from sharing this info by state law, there is no way for the private insurer to verify that proper reimbursement is received.

Normally, Coordination of Benefits (COB) is permitted between insurers under HIPAA rules. However, states' workers compensation organizations are specifically exempt from these HIPAA rules. As a result, without specific state laws, WSI is not allowed to share this type of information with an insurer.

We have encountered other issues in regards to COB with WSI and have had discussions with their staff. Another example would be for a WSI claim in which part of the medical costs are covered, but other parts are denied because it was determined to be from a congenital condition. The private insurer has no way of coordinating these claims and the injured worker is left in a position of an unpaid medical bill and the insurer refusing to pay because their information showed it was a work related injury. The amendments address all the concerns outlined in this testimony. We feel this claims-sharing process will speed up claims between WSI and the private insurer and reduce the hassles an injured employee may experience.

Mr. Chairman and committee members, we ask that you adopt the amendments and give HB 1517 a Do Pass as Amended. I would be willing to answer any questions you may have.

2007 House Bill No. 1517  
Testimony before the House Industry, Business, and Labor Committee  
Anne Jorgenson Green, Staff Attorney  
Workforce Safety and Insurance  
January 29, 2007

Mr. Chairman, Members of the Committee:

My name is Anne Jorgenson Green and I am staff counsel for Workforce Safety and Insurance (WSI). I am here to testify in support of HB 1517 as amended. WSI's Board of Directors supports the amended bill.

Under current law, the circumstances under which WSI may release information on an injured worker's claim file are very limited. However, there are situations where the additional release of claim information would expedite the processing of the claim and better assist the injured worker. For example, an injured worker may see their treating physician as the result of workplace injury. While they are at the appointment, they may also be treated for a non-work related health issue and receive treatment or medication for the non-work related condition.

When WSI receives the bill, it will pay for the work injury cost and decline the general health treatment costs because they are not related to the workplace injury. The non-work related costs will then be submitted to the private health insurance carrier. Unfortunately, as the law stands today, untangling the commingled charges cannot be solved with just a phone call to WSI because WSI is unable to disclose any claims information to the private carrier. Thus, the injured worker is the one left in the middle to pay the medical bills and then attempt to sort it out with their private insurer.

HB 1517 will allow WSI and the injured worker's healthcare carrier to exchange file information in order to expedite the payment of medical bills. Consequently, WSI requests that this amendment be accepted along with the bill.

That concludes my testimony. I would be happy to answer any questions that you may have.

**2007 Engrossed House Bill No. 1517**  
**Testimony before the Senate Industry, Business and Labor Committee**  
**Anne Jorgenson Green, Staff Attorney**  
**Workforce Safety and Insurance**  
**March 7th, 2007**

Mr. Chairman, Members of the Committee:

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**Testimony on HB 1517**  
**Senate IBL Committee**  
**March 7, 2007**

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Mr. Chairman and committee members, we ask that you give HB 1517 a Do Pass. I would be willing to answer any questions you may have.

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1517,