

**Sixty-seventh Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 5, 2021**

HOUSE BILL NO. 1010
(Appropriations Committee)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Salaries and wages | \$8,149,998 | (\$73,717) | \$8,076,281 |
| Operating expenses | 1,566,675 | 802,684 | 2,369,359 |
| Capital assets | <u>0</u> | <u>100,000</u> | <u>100,000</u> |
| Total special funds | \$9,716,673 | \$828,967 | \$10,545,640 |
| Full-time equivalent positions | 41.00 | (3.00) | 38.00 |

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

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

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

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

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

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

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

26.1-01-09. Salary of commissioner.

The annual salary of the commissioner is ~~one hundred seven thousand eight hundred eighty-five dollars through June 30, 2020~~ one hundred twelve thousand two hundred forty-one dollars through June 30, 2022, and one hundred ten thousand five hundred eighty-two ~~one hundred fourteen thousand four hundred eighty-six~~ dollars thereafter.

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

Examinations.

1. As used in this section, the terms "health carrier" and "health benefit plan" have the same meaning as provided under section 26.1-36.3-01.
2. Whenever the commissioner, in the commissioner's sole discretion, deems it appropriate, but at least once every five years, the commissioner or any of the commissioner's examiners shall conduct a comprehensive examination of a health carrier with a market share of twenty-five percent or more of health benefit plan covered lives in this state. The examination must be conducted in accordance with an examination conducted under chapter 26.1-03. In determining the scope of the comprehensive examination, the commissioner shall consider the criteria set forth in the market conduct handbook adopted by the national association of insurance commissioners and adopted by the commissioner which is in effect when the examination is initiated and any other matters deemed appropriate by the commissioner.

SECTION 8. LEGISLATIVE MANAGEMENT STUDY - MEDICATION OPTIMIZATION. During the 2021-22 interim, the legislative management shall consider studying medication optimization. The study must include a review of the implementation of clinical pharmacist-led medication optimization programs in individual, large group, and small group plans, including provider credentialing, billing standards and procedures, providing standards of care, patient monitoring, consistent documentation of outcomes and efforts related to de-prescribing, and structuring an outcome reporting system for medication optimization programs. The study also must include a review of changes necessary to state laws and administrative rules to implement effective medication optimization. The insurance commissioner shall assist the legislative management with the study and identify and request the participation of stakeholders needed to complete this study. The insurance commissioner shall collect and provide to the legislative management the data needed to complete the study. The data provided by stakeholders, not otherwise publicly disclosed, must be considered confidential pursuant to section 44-04-18.4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

SECTION 9. LEGISLATIVE MANAGEMENT STUDY - FIRE-RELATED INSURANCE LINES. During the 2021-22 interim, the legislative management shall consider studying fire-related lines of insurance, including the insurance premium tax revenue generated from fire-related lines of insurance and the appropriate amounts to be distributed to fire departments and the North Dakota firefighter's association pursuant to section 18-04-05. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-eighth legislative assembly.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-seventh Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1010.

House Vote: Yeas 89 Nays 1 Absent 4

Senate Vote: Yeas 46 Nays 0 Absent 1

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2021.

Approved at _____ M. on _____, 2021.

Governor

Filed in this office this _____ day of _____, 2021,

at _____ o'clock _____ M.

Secretary of State