

Fifty-ninth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1459

Introduced by

Representatives Price, Devlin, Kaldor

Senators Brown, J. Lee, Warner

1 A BILL for an Act to provide for the managed care development fund and the development of a  
2 system for managing the health care needs of medical assistance patients; to create and enact  
3 a new section to chapter 50-24.1 of the North Dakota Century Code, relating to medical  
4 assistance program management; to provide for a report; to provide an appropriation; and to  
5 declare an emergency.

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

7 **SECTION 1. Managed care development fund - System of managing health care**  
8 **needs of medical assistance patients - Annual report.** The managed care development  
9 fund is established as a special fund in the state treasury. The department of human services  
10 shall expend the moneys in the fund to develop and implement an integrated system for the  
11 management of the health care needs of medical assistance patients, including expansion of  
12 managed care and other risk-sharing options as negotiated with service providers, health care  
13 cooperatives, or health care consortia. The system must provide for the development of a  
14 medical assistance infrastructure, including information systems, case management, discharge  
15 planning, alternative services, disease management, cost-benefit analysis, and quality care  
16 tools. The system must meet the department's full-service specifications and must comply with  
17 federal regulations. The department shall provide annually a cost-benefit analysis of the  
18 system to the budget section of the legislative council.

19 **SECTION 2.** A new section to chapter 50-24.1 of the North Dakota Century Code is  
20 created and enacted as follows:

21 **Medical assistance program management.** The department of human services, with  
22 respect to the state medical assistance program, shall:

23 1. Provide statewide targeted case management services for neonates and the two  
24 thousand medical assistance recipients with the highest cost for treatment of

- 1 chronic diseases. Case management services must focus on those recipients in  
2 these groups which will result in the most cost-savings, taking into consideration  
3 available resources, and may include a primary pharmacy component for the  
4 management of medical assistance recipient medication.
- 5 2. Require medical assistance providers to use the appropriate diagnostic or reason  
6 and procedure codes when submitting claims for medical assistance  
7 reimbursement. The department may exempt qualified service providers and  
8 providers of institutional care services from this requirement.
- 9 3. Review and develop recommendations for the improvement of mental health  
10 treatment and services including the use of prescription drugs for medical  
11 assistance recipients.
- 12 4. Review and develop recommendations regarding whether the number of medical  
13 assistance recipients who are placed in out-of-state nursing homes should be  
14 reduced.
- 15 5. Review and develop recommendations regarding whether the use of post-office  
16 addresses or street addresses are the appropriate mailing addresses for medical  
17 assistance recipients.
- 18 6. Review and develop recommendations regarding whether to require medical  
19 assistance providers to secure prior authorization for certain high-cost medical  
20 procedures.
- 21 7. Review and develop recommendations regarding whether a system for providing  
22 and requiring the use of photo identification medical assistance cards for all  
23 medical assistance recipients should be implemented.
- 24 8. Review and develop recommendations regarding whether medical assistance  
25 providers should be required to use tamper-resistant prescription pads.
- 26 9. Develop a plan to provide information to blind and disabled medical assistance  
27 recipients who may be eligible for part D benefits under the Medicare Prescription  
28 Drug, Improvement, and Modernization Act of 2003 [Pub. L. 108-173; 117 Stat.  
29 2066; 42 U.S.C. 1396kk-1]. The information must inform recipients of part D  
30 benefits for which the recipient may be eligible.

1           10. Review and recommend a plan for implementing the necessary infrastructure to  
2                    permit risk-sharing arrangements between the department and medical assistance  
3                    providers.

4           **SECTION 3. REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the  
5 department of human services shall report to the legislative council regarding the development  
6 of recommendations required in section 2 of this Act.

7           **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the  
8 general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so  
9 much of the sum as may be necessary, to the department of human services for deposit in the  
10 managed care development fund for the purpose of developing and implementing a system for  
11 managing the health care needs of medical assistance patients as negotiated with service  
12 providers, health care cooperatives, or health care consortia, in accordance with section 1 of  
13 this Act, for the biennium beginning July 1, 2005, and ending June 30, 2007.

14           **SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.