

**SECOND ENGROSSMENT  
with Conference Committee Amendments**

**REENGROSSED HOUSE BILL NO. 1459**

Introduced by

Representatives Price, Devlin, Kaldor

Senators Brown, J. Lee, Warner

1 A BILL for an Act to create and enact a new section to chapter 50-06 and a new section to  
2 chapter 50-24.1 of the North Dakota Century Code, relating to creation of a prescription drug  
3 monitoring program and medical assistance program management; to provide for reports to the  
4 legislative council; to provide for a legislative council study; to provide legislative intent; to  
5 provide an expiration date; and to declare an emergency.

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

7 **SECTION 1.** A new section to chapter 50-06 of the North Dakota Century Code is  
8 created and enacted as follows:

9 **Prescription drug monitoring program.** The department of human services shall  
10 seek federal grant funds for the planning and implementing of a prescription drug monitoring  
11 program. Upon receipt of federal grant funds, the department of human services shall adopt  
12 rules necessary to implement the prescription drug monitoring program and shall implement the  
13 program. State agencies shall cooperate with the department to ensure the success of the  
14 program.

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

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

- 19 1. Provide statewide targeted case management services to include a concentrated,  
20 but not an exclusive, emphasis for the two thousand medical assistance recipients  
21 with the highest cost for treatment of chronic diseases and the families of neonates  
22 that can benefit from case management services. Case management services  
23 must focus on those recipients in these groups which will result in the most  
24 cost-savings, taking into consideration available resources, and may include a

- 1 primary pharmacy component for the management of medical assistance recipient  
2 medication.
- 3 2. Require medical assistance providers to use the appropriate diagnosis or reason  
4 and procedure codes when submitting claims for medical assistance  
5 reimbursement; review and develop recommendations to identify instances in  
6 which a provider of services is not properly reporting diagnosis or reason and  
7 procedure codes when submitting claims for medical assistance reimbursements;  
8 and review and recommend any specific providers from which a potential benefit  
9 might be obtained by requiring additional diagnosis or reason and procedure  
10 codes.
- 11 3. Review and develop recommendations for the improvement of mental health  
12 treatment and services including the use of prescription drugs for medical  
13 assistance recipients.
- 14 4. Review and develop recommendations regarding whether the number of medical  
15 assistance recipients who are placed in out-of-state nursing homes should be  
16 reduced.
- 17 5. Review and develop recommendations regarding whether the use of post-office  
18 addresses or street addresses are the appropriate mailing addresses for medical  
19 assistance recipients.
- 20 6. Review and develop recommendations regarding whether to require medical  
21 assistance providers to secure prior authorization for certain high-cost medical  
22 procedures.
- 23 7. Review and develop recommendations regarding whether a system for providing  
24 and requiring the use of photo identification medical assistance cards for all  
25 medical assistance recipients should be implemented.
- 26 8. Review and develop recommendations regarding whether medical assistance  
27 providers should be required to use tamper-resistant prescription pads.
- 28 9. Develop a plan to provide information to blind and disabled medical assistance  
29 recipients who may be eligible for part D benefits under the Medicare Prescription  
30 Drug, Improvement, and Modernization Act of 2003 [Pub. L. 108-173; 117 Stat.

1                   2066; 42 U.S.C. 1396kk-1]. The information must inform recipients of part D  
2                   benefits for which the recipient may be eligible.

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

6                   **SECTION 3. PRESCRIPTION DRUG MONITORING PROGRAM WORKING GROUP -**  
7           **REPORT TO LEGISLATIVE COUNCIL.**

8           1. The department of human services shall form a prescription drug monitoring  
9                   program working group of interested individuals to:

10           a. Identify problems relating to the abuse and diversion of controlled substances  
11                   and how a prescription drug monitoring program may address these  
12                   problems.

13           b. Identify a strategy and propose a prescription drug monitoring program  
14                   through which to address the identified problems, including consideration of  
15                   how the program would fit into the overall strategy. Factors to be addressed  
16                   in the program must include:

17                   (1) Determination of what types of prescription drugs will be monitored.

18                   (2) Determination of what types of drug dispensers will be required to  
19                   participate in the program.

20                   (3) Determination of what data will be required to be reported.

21                   (4) Determination of what persons will be allowed to access data, what  
22                   types of data will be accessible, and how to ensure appropriate  
23                   protection of data.

24                   (5) Determination of the entity that will implement and sustain the program.

25           c. Establish how the program will be implemented, the fiscal requirements for  
26                   implementation, and the timelines for implementation. In establishing how the  
27                   program will be implemented, the working group shall consider the feasibility  
28                   and desirability of formal or informal educational outreach to North Dakota  
29                   communities and interested persons.

- 1           d. Consider possible performance measures the state may use to assess the  
2           impact of the program and whether special data collection instruments would  
3           be required to effectively monitor the impact of the program.
- 4           e. Provide to the department of human services a draft of proposed  
5           administrative rules to implement the proposed program.
- 6           2. The membership of the working group may include representatives from the  
7           private and public sectors, including representatives from the North Dakota  
8           medical association; the North Dakota nurses association; the North Dakota  
9           pharmacists association; the North Dakota society of health-system pharmacists;  
10          the North Dakota board of pharmacy; the North Dakota dental association; the  
11          North Dakota veterinary medical association; the North Dakota healthcare  
12          association; the North Dakota long term care association; the university of North  
13          Dakota school of medicine and health sciences; law enforcement agencies,  
14          appointed by the attorney general; the department of human services; the state  
15          department of health; workforce safety and insurance; the information technology  
16          department; and the federally designated state peer review organization.
- 17          3. During the 2005-06 interim, the department of human services and the prescription  
18          drug monitoring program working group shall provide the legislative council with  
19          periodic status reports on the activities of the working group and the  
20          implementation of the program.
- 21          4. The department shall designate the chairman and vice chairman of the working  
22          group.

23           **SECTION 4. REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the  
24          department of human services shall receive input from and report to the legislative council  
25          regarding the development of recommendations required in section 2 of this Act.

26           **SECTION 5. LEGISLATIVE COUNCIL STUDY.** The legislative council shall consider  
27          studying, during the 2005-06 interim, the medicaid medical reimbursement system, including  
28          costs of providing services, fee schedules, parity among provider groups, and access. The  
29          legislative council shall report its findings and recommendations, together with any legislation  
30          required to implement the recommendations, to the sixtieth legislative assembly.

1           **SECTION 6. LEGISLATIVE INTENT.** It is the intent of the fifty-ninth legislative  
2 assembly that the department promptly initiate and conduct the rulemaking activity under  
3 chapter 28-32 which is deemed necessary to implement this Act.

4           **SECTION 7. EXPIRATION DATE.** Section 3 of this Act is effective through  
5 December 31, 2006, and after that date is ineffective.

6           **SECTION 8. EMERGENCY.** This Act is declared to be an emergency measure.