# MICROFILM DIVIDER

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

ROLL NUMBER

DESCRIPTION

2302

2001 SENATE HUMAN SERVICES

SB 2302

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2302

Senate Human Services Committee

☐ Conference Committee

Hearing Date January 29, 2001

| Tape Number | Side A | Side B | Meter # |
|---|---|---|---|
| 2 | X | | 30.2 |
| 2 | | X | 3.5 |
| February 5, 2001 2 | X | | 7.8 |
| Committee Clerk Signature | Carol Kolodjeski | | |

Minutes:

The hearing on SB 2302 was opened.

SENATOR ESPEGARD introduced the bill.

SUSAN ANDERSON, Insurance Dept, explained the bill. (Written testimony)

BRUCE LEVI, ND Medical Association, supports bill, (Written testimony)

ARNOLD THOMAS, Pres, ND Health Care Association, supports bill. We believe it will establish policies governing all three types of reviews which are currently in place in the hospitals. It is not our intent to put a burden on the insurance community.

Opposition:

DAN ULMER, BCSC, opposes bill. URAC often does retrospective. We are willing to change our opposition. Prospective review is getting qualification before procedure is done. Concurrent review as the procedure is going along. Retrospective review is being done and we don't think it is necessary to put it into statute. Would like time to bring back amendment.

SENATOR LEE: We are talking about those that fall through the cracks. MR. ULMER: Yes, those that fall out are usually coding issues. The claims representative looks at those. If there is a question they are looked at by a nurse. A nurse cannot deny; they can decide to pay. Only a physician in a qualified position can deny claims. SENATOR KILZER: What is URAC? I think retrospect review if definitely part of the review process.

BRENDA BLAZER, Health Insurance Association of America, opposes bill. (Written testimony)

The hearing was closed on SB2302.

Discussion was opened on 2302. SUSAN ANDERSON, Insurance Department, explained the amendments. SENATOR MATHERN moved the amendments. SENATOR ERBELE seconded the motion. Roll call vote carried 6-0. SENATOR KILZER moved DO PASS AS AMENDED. SENATOR FISCHER seconded the motion. Roll call vote carried 6-0. SENATOR KILZER will carry the bill on the Senate floor.

Prepared by the North Dakota
Insurance Department
February 5, 2001

**PROPOSED AMENDMENTS TO SENATE BILL NO. 2302**

Page 1, line 1, remove "subsection 7 of" and after "26.1-26.4-02" insert ", subsection 1 of section 26.1-26.4-04, subdivision c of subsection 4 of section 26.1-26.4-04, and subsection 10 of section 26.1-26.4-04"

Page 1, line 2, replace "definition of" with "retrospective reviews as part of"

Page 1, line 4, replace "Subsection 7 of section" with "Section"

Page 1, replace lines 6 through 10 with the following:

"**26.1-26.4-02. Definitions.** For purposes of this chapter, unless the context requires otherwise:

1. "Commissioner" means the insurance commissioner.

2. "Emergency medical condition" means a medical condition of recent onset and severity, including severe pain, that would lead a prudent layperson acting reasonably and possessing an average knowledge of health and medicine to believe that the absence of immediate medical attention could reasonably be expected to result in serious impairment to bodily function, serious dysfunction of any bodily organ or part, or would place the person's health, or with respect to a pregnant woman the health of the woman or her unborn child, in serious jeopardy.

3. "Emergency services" means health care services, supplies, or treatments furnished or required to screen, evaluate, and treat an emergency medical condition.

4. "Enrollee" means an individual who has contracted for or who participates in coverage under an insurance policy, a health maintenance organization contract, a health service corporation contract, an employee welfare benefit plan, a hospital or medical services plan, or any other benefit program providing payment, reimbursement, or indemnification for health care costs for the individual or the individual's eligible dependents.

5. "Health care insurer" includes an insurance company as defined in section 26.1-02-01, a health service corporation as defined in section 26.1-17-01, a health maintenance organization as defined in section 26.1-18.1-01, and a fraternal benefit society as defined in section 26.1-15.1-02.

6. "Provider of record" means the physician or other licensed practitioner identified to the utilization review agent as having primary responsibility for the care, treatment, and services rendered to an individual.

7. "Retrospective" means utilization review of medical necessity that is conducted after services have been provided to a patient, but does not include the review of a claim that is limited to an evaluation of reimbursement levels, veracity of documentation, accuracy of coding, or adjudication for payment."

~~7.~~ 8. "Utilization review" means a system for prospective, retrospective, and concurrent review of the necessity and appropriateness in the allocation of health care resources and services that are subject to state insurance regulation and which are given or proposed to be given to an individual within this state. Utilization review does not include elective requests for clarification of coverage.

~~8.~~ 9. "Utilization review agent" means any person or entity performing utilization review, except:

1. An agency of the federal government; or

2. An agent acting on behalf of the federal government or the department of human services, but only to the extent that the agent is providing services to the federal government or the department of human services."

Page 1, after line 10, insert the following:

"**SECTION 2. AMENDMENT.** Subsection 1 of section 26.1-26.4-04 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. Notification of a determination by the utilization review agent must be mailed or otherwise communicated to the provider of record or the enrollee or other appropriate individual within two business days of the receipt of the request for determination and the receipt of all information necessary to complete the review. In the case of a retrospective review, the utilization review agent has five business days in which to notify the provider of record, enrollee, or appropriate individual once in receipt of all information necessary to complete the review.

**SECTION 3. AMENDMENT.** Subdivision c of subsection 4 of section 26.1-26.4-04 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

c. Utilization review agents shall provide for an expedited appeals process for emergency or life-threatening situations. Utilization review agents shall complete the adjudication of expedited appeals

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within forty-eight hours of the date the appeal is filed and the receipt of all information necessary to complete the appeal. The expedited appeals process is not applicable to retrospective reviews.

**SECTION 4. AMENDMENT.** Subsection 10 of section 26.1-26.4-04 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

10. When an initial appeal to reverse a determination is unsuccessful, a subsequent determination regarding hospital, medical, or other health care services provided or to be provided to a patient which may result in a denial of third-party reimbursement or a denial of precertification for that service must include the evaluation, findings, and concurrence of a physician trained in the relevant specialty to make a final determination that care provided or to be provided was, is, or may be medically inappropriate. Subsequent determinations for retrospective reviews shall be completed no later than thirty days from the date the appeal is filed and all information necessary to complete the appeal is received."

Renumber accordingly

18327.0101
Title.0200

Adopted by the Human Services Committee
February 5, 2001

2-6-1
1012

# PROPOSED AMENDMENTS TO SENATE BILL NO. 2302

**Amendments to SB 2302 HS 2/6/1**

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Page 1, line 2, replace "the definition" with "retroactive reviews as part"

Page 1, line 4, replace "Subsection 7 of section" with "Section"

Page 1, replace lines 6 through 10 with:

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2. "Emergency medical condition" means a medical condition of recent onset and severity, including severe pain, that would lead a prudent layperson acting reasonably and possessing an average knowledge of health and medicine to believe that the absence of immediate medical attention could reasonably be expected to result in serious impairment to bodily function, serious dysfunction of any bodily organ or part, or would place the person's health, or with respect to a pregnant woman the health of the woman or her unborn child, in serious jeopardy.

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