

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

EMPLOYEE BENEFITS PROGRAMS COMMITTEE

Wednesday, January 28, 2009

Prairie Room, State Capitol

Bismarck, North Dakota

Representative Bette B. Grande, Chairman, called the meeting to order at 4:10 p.m.

Members present: Representatives Bette B. Grande, Eliot Glassheim, Matthew M. Klein, Joe Kroeber; Senators Ralph L. Kilzer, Karen K. Krebsbach, Carolyn Nelson, Curtis Olafson

Member absent: Representative Jim Kasper

Others present: See [Appendix A](#)

It was moved by Senator Krebsbach, seconded by Representative Glassheim, and carried on a voice vote that the minutes of the January 8, 2009, meeting be approved as distributed.

At the request of Chairman Grande, committee counsel reviewed House Bill No. 1575 [\[90963.0100\]](#) and a proposed amendment [\[90963.0101\]](#) to the bill. Committee counsel also reviewed the technical comments ([Appendix B](#)) prepared by The Segal Company for House Bill No. 1575, as introduced.

Chairman Grande recognized Mr. Sparb Collins, Executive Director, Public Employees Retirement System, who reviewed the technical comments ([Appendix C](#)) for the proposed amendments to House Bill No. 1575. He said the proposed amendments would transfer peace officers employed by the state Bureau of Criminal Investigation from participation in the Public Employees Retirement System hybrid plan to the law enforcement retirement plan. Concerning the actuarial cost of the proposal, he said, the proposal would result in a cost decrease for the main system and a cost increase to the law enforcement plan. He said although the actuarial cost shows the employer cost as a percentage of pay decreasing from 9.04 percent before the transfer to 8.83 percent after the transfer, the actuarial effect of the transfer is a cost increase because members are switching from the less expensive plan to the more expensive plan. As a result, he said, the Public Employees Retirement System Board is proposing an appropriation of \$201,110 to the Attorney General's office to fund the benefit enhancement.

In response to a question from Senator Nelson, Mr. Collins said current employees of the Bureau of Criminal Investigation who are licensed peace officers participate in the main system, the same as most other state employees.

In response to a question from Senator Krebsbach, Mr. Collins said the law enforcement plan has two divisions--one for employees without prior service and one for employees with prior service. He said the 37 members of the Bureau of Criminal Investigation

would be transferred to the law enforcement with prior service plan under the proposal.

It was moved by Senator Nelson, seconded by Representative Glassheim, and carried on a voice vote that the committee accept jurisdiction over the proposal.

It was moved by Senator Nelson, seconded by Senator Krebsbach, and failed on a roll call vote that the proposal be given a favorable recommendation. Representatives Grande and Kroeber and Senators Krebsbach and Nelson voted "aye." Representatives Glassheim and Klein and Senators Kilzer and Olafson voted "nay."

It was moved by Senator Nelson, seconded by Senator Krebsbach, and carried on a roll call vote that the proposal be given no recommendation. Representatives Grande, Glassheim, Klein, and Kroeber and Senators Krebsbach and Nelson voted "aye." Senators Kilzer and Olafson voted "nay."

Chairman Grande recognized Senator Nelson. She reviewed Senate Bill No. 2294 [\[90911.0100\]](#). She said the bill relates to health insurance coverage for telemedicine.

At the request of Chairman Grande, Mr. Rod St. Aubyn, Blue Cross Blue Shield of North Dakota, reviewed Blue Cross Blue Shield of North Dakota's corporate medical policy regarding telemedicine ([Appendix D](#)). He said the bill draft is unclear in several respects and may create some problems of interpretation for Blue Cross Blue Shield of North Dakota.

It was moved by Senator Krebsbach, seconded by Senator Olafson, and carried on a voice vote that the committee waive jurisdiction over the bill relating to health insurance coverage for telemedicine.

Chairman Grande reviewed Engrossed House Bill No. 1204 [\[90568.0200\]](#). She said the bill relates to health insurance coverage for medical services relating to intoxication and injuries caused by intoxication or the use of narcotics or incurred in the commission of a crime.

Chairman Grande recognized Mr. Collins. He presented an analysis ([Appendix E](#)) concerning the bill and a proposed amendment to the bill. He said the additional estimated cost to the Public Employees Retirement System health insurance plan is \$.50 per contract per month spread over all contracts.

It was moved by Representative Klein, seconded by Representative Glassheim, and

carried on a voice vote that the committee accept jurisdiction over the proposal.

It was moved by Representative Glassheim, seconded by Representative Kroeber, and carried on a roll call vote that the proposal be given no recommendation. Representatives Grande, Glassheim, Klein, and Kroeber and Senators Kilzer, Krebsbach, Nelson, and Olafson voted "aye." No negative votes were cast.

Chairman Grande recognized Mr. St. Aubyn. He said another bill the committee may wish to be aware of is Senate Bill No. 2280 [\[90441.0100\]](#). He said the bill relates to federally required parity for mental health and substance abuse insurance coverage. He said the bill is tied to the federal Emergency Economic Stabilization Act of 2008 and the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008. He said the federal Act becomes

effective October 1, 2009, and there may be a question because Senate Bill No. 2280, if enacted, will become effective August 1, 2009.

Representative Grande requested that Mr. Collins refer Senate Bill No. 2280 to the Public Employees Retirement System's actuarial consultants for review and notify the committee of the estimated cost of the proposal.

No further business appearing, Chairman Grande adjourned the meeting at 5:15 p.m.

Jeffrey N. Nelson
Committee Counsel

ATTACH:5