

**SENATE BILL NO. 2045  
with House Amendments**

Sixtieth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2045**

Introduced by

Government and Veterans Affairs Committee

(At the request of the Public Employees Retirement System Board)

1 A BILL for an Act to create and enact a new subsection to section 54-52.1-02 of the North  
2 Dakota Century Code, relating to prescription drug coverage under the uniform group insurance  
3 program; and to amend and reenact subsection 3 of section 54-52.1-03.3 and sections  
4 54-52.1-03.4 and 54-52.1-04 of the North Dakota Century Code, relating to the retiree health  
5 benefits fund, employer payment of a temporary employee's health insurance premium,  
6 temporary employee eligibility, and bids for prescription drug coverage under the uniform group  
7 insurance program.

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

9 **SECTION 1.** A new subsection to section 54-52.1-02 of the North Dakota Century  
10 Code is created and enacted as follows:

11 Retired medicare-eligible employee group prescription drug coverage.

12 **SECTION 2. AMENDMENT.** Subsection 3 of section 54-52.1-03.3 of the North Dakota  
13 Century Code is amended and reenacted as follows:

14 3. The board shall apply the credit allowable under subsection 2 to the payment of  
15 monthly premiums required of each person eligible under subsection 1 for hospital  
16 benefits coverage and medical benefits coverage under the uniform group  
17 insurance program. The board shall allow spouses who each have credit under  
18 subsection 2 to combine their credits and shall apply the combined credit to the  
19 required monthly premiums under the uniform group insurance program.

20 However, if the allowable credit under any circumstance exceeds the monthly  
21 premium in effect for selected coverage, that amount of the credit which exceeds  
22 the premium is forfeited and may not be used for any other purpose.

23 **SECTION 3. AMENDMENT.** Section 54-52.1-03.4 of the North Dakota Century Code  
24 is amended and reenacted as follows:

1           **54-52.1-03.4. Participation by employees of certain political subdivisions and**  
2 **temporary employees.** An employee of a county, city, school district, district health unit, or  
3 park district that is not participating in the uniform group insurance program pursuant to section  
4 54-52.1-03.1 and is not eligible for any other employee group health plan may elect to  
5 participate in the uniform group insurance program by completing the necessary enrollment  
6 forms and qualifying under the medical underwriting requirements established by the board.  
7 The board may use risk-adjusted premiums for individual insurance contracts to implement the  
8 provisions of this section allowing employees of a county, city, school district, district health  
9 unit, or park district to participate in the uniform group insurance program. The county, city,  
10 school district, district health unit, or park district employee participating in the uniform group  
11 insurance program under this section shall pay monthly to the board the premiums in effect for  
12 the coverage being provided. A temporary employee employed before August 1, 2007, may  
13 elect to participate in the uniform group insurance program by completing the necessary  
14 enrollment forms and qualifying under the medical underwriting requirements of the program. A  
15 temporary employee employed on or after August 1, 2007, is only eligible to participate in the  
16 uniform group insurance program if the employee is employed at least twenty hours per week  
17 and at least twenty weeks each year of employment. The temporary employee or the  
18 temporary employee's employer shall pay monthly to the board the premiums in effect for the  
19 coverage being provided. A political subdivision, department, board, or agency may ~~not~~ make  
20 a contribution for coverage under this section. ~~The board may employ one additional employee~~  
21 ~~to implement the provisions of this section relating to participation by employees of a county,~~  
22 ~~city, school district, district health unit, or park district in the uniform group insurance program.~~

23           **SECTION 4. AMENDMENT.** Section 54-52.1-04 of the North Dakota Century Code is  
24 amended and reenacted as follows:

25           **54-52.1-04. Board to contract for insurance.** The board shall receive bids for the  
26 providing of hospital benefits coverage, medical benefits coverage, life insurance benefits  
27 coverage for a specified term, and employee assistance program services; may receive bids  
28 separately for retired medicare-eligible employee group prescription drug coverage; and shall  
29 accept the bid of and contract with the carrier that in the judgment of the board best serves the  
30 interests of the state and its eligible employees. Solicitations must be made not later than  
31 ninety days before the expiration of an existing uniform group insurance contract. Bids must be

1 solicited by advertisement in a manner selected by the board that will provide reasonable notice  
2 to prospective bidders. In preparing bid proposals and evaluating bids, the board may utilize  
3 the services of consultants on a contract basis in order that the bids received may be uniformly  
4 compared and properly evaluated. In determining which bid, if any, will best serve the interests  
5 of eligible employees and the state, the board shall give adequate consideration to the following  
6 factors:

- 7 1. The economy to be effected.
- 8 2. The ease of administration.
- 9 3. The adequacy of the coverages.
- 10 4. The financial position of the carrier, with special emphasis as to its solvency.
- 11 5. The reputation of the carrier and any other information that is available tending to  
12 show past experience with the carrier in matters of claim settlement, underwriting,  
13 and services.

14 The board may reject any or all bids and, in the event it does so, shall again solicit bids as  
15 provided in this section. The board may establish a plan of self-insurance for providing health  
16 insurance benefits coverage only under an administrative services only (ASO) contract or a  
17 third-party administrator (TPA) contract.