

Sixty-second
Legislative Assembly
of North Dakota

SENATE BILL NO. 2358

Introduced by

Senators Taylor, Mathern

Representatives Kaldor, J. Kelsh

1 A BILL for an Act to create and enact a new subsection to section 54-52-04, five new sections to
2 chapter 54-52.1, and a new subsection to section 54-52.1-01 of the North Dakota Century
3 Code, relating to the expansion of the uniform group insurance program to allow participation by
4 permanent and temporary employees of private sector employers and by certain other
5 individuals who are otherwise without health insurance coverage; to amend and reenact section
6 54-52.1-02 of the North Dakota Century Code, relating to subgroups under the uniform group
7 insurance program; to provide an appropriation; to provide a continuing appropriation; and to
8 provide an effective date.

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

10 **SECTION 1.** A new subsection to section 54-52-04 of the North Dakota Century Code is
11 created and enacted as follows:

12 The board shall operate the uniform group insurance program as a governmental
13 benefit plan. The board shall apply to the federal government to receive exempt status
14 under the Employee Retirement Income Security Act to allow for the expansion of the
15 uniform group insurance program under sections 3, 4, 5, 6, 7, and 8 of this Act.

16 **SECTION 2.** A new subsection to section 54-52.1-01 of the North Dakota Century Code is
17 created and enacted as follows:

18 "Private sector employer" means a person, other than a state or local governmental
19 agency, department, or board, that regularly pays to one or more employees wages or
20 salary that is reportable to the internal revenue service for income tax purposes.

21 **SECTION 3. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is
22 amended and reenacted as follows:

1 **54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

2 In order to promote the economy and efficiency of employment in the state's service, to
3 reduce personnel turnover, ~~and to~~ offer an incentive to high-grade ~~men and women~~ individuals to
4 enter and remain in the service of state employment, to provide access to health care for
5 citizens of the state, to attract a highly qualified workforce to the state, and to promote the
6 general health and well-being of the people of North Dakota, there is hereby created a uniform
7 group insurance program. The uniform group must be composed of eligible and retired public
8 employees, permanent employees of private sector employers, temporary employees of private
9 sector employers, and certain private citizens and be formed to provide hospital benefits
10 coverage, medical benefits coverage, and life insurance benefits coverage in the manner set
11 forth in this chapter. The uniform group may be divided into the following subgroups at the
12 discretion of the board:

- 13 1. Medical and hospital benefits coverage group consisting of active eligible employees
14 and retired employees not eligible for medicare. In determining premiums for coverage
15 under this subsection for retired employees not eligible for medicare, the rate for a
16 non-medicare retiree single plan is one hundred fifty percent of the active member
17 single plan rate, the rate for a non-medicare retiree family plan of two people is twice
18 the non-medicare retiree single plan rate, and the rate for a non-medicare retiree
19 family plan of three or more persons is two and one-half times the non-medicare
20 retiree single plan rate.
- 21 2. Retired medicare-eligible employee group medical and hospital benefits coverage.
- 22 3. Active eligible employee life insurance benefits coverage.
- 23 4. Retired employee life insurance benefits coverage.
- 24 5. Terminated employee continuation group medical and hospital benefits coverage.
- 25 6. Terminated employee conversion group medical and hospital benefits coverage.
- 26 7. Dental benefits coverage.
- 27 8. Vision benefits coverage.
- 28 9. Long-term care benefits coverage.
- 29 10. Employee assistance benefits coverage.
- 30 11. Retired medicare-eligible employee group prescription drug coverage.

1 12. Private sector employee and private citizen group medical and hospital benefits
2 coverage.

3 **SECTION 4.** A new section to chapter 54-52.1 of the North Dakota Century Code is created
4 and enacted as follows:

5 **Permanent employees of private sector employers authorized to join uniform group**
6 **insurance program - Employer contribution.**

7 A private sector employer in this state may extend the benefits of the uniform group
8 insurance program under this chapter to its permanent employees, subject to minimum
9 requirements established by the board and a minimum period of participation of sixty months. If
10 a participating employer withdraws from participation in the uniform group insurance program
11 before completing sixty months of participation, that employer shall make payment to the board
12 in an amount equal to any expenses incurred in the uniform group insurance program which
13 exceed income received on behalf of the employees as determined under rules adopted by the
14 board. A participating employer may determine the amount of the employer's monthly
15 contribution toward the total monthly premium amount for each employee required to be paid by
16 each eligible participating employee. The board may apply medical underwriting requirements
17 and risk-adjusted premiums to an employer seeking to obtain coverage under this section and
18 to deny coverage if, in the board's sole discretion, the risk created by the employer is
19 undesirable for the uniform group insurance program. Section 54-52.1-10 does not apply to this
20 section. For purposes of this section, the board may define the term "permanent employee" by
21 rule.

22 **SECTION 5.** A new section to chapter 54-52.1 of the North Dakota Century Code is created
23 and enacted as follows:

24 **Participation by temporary employees of private sector employers.**

25 Subject to minimum requirements established by the board, a temporary employee of a
26 private sector employer participating in the uniform group insurance program pursuant to
27 section 4 of this Act may elect to participate in the uniform group insurance program by
28 completing the necessary enrollment forms. The board may use risk-adjusted premiums for
29 individual insurance contracts to implement this section. A temporary employee participating in
30 the uniform group insurance program under this section shall pay monthly to the board the
31 premiums in effect for the coverage being provided. The board may deny coverage if, in the

board's sole discretion, the risk created by the individual is undesirable for the uniform group insurance program. Section 54-52.1-10 does not apply to this section.

SECTION 6. A new section to chapter 54-52.1 of the North Dakota Century Code is created and enacted as follows:

Participation by certain private citizens.

Subject to minimum requirements established by the board, an individual who is at least age fifty but has not reached the age of sixty-five and is a resident of this state and who does not have health insurance coverage through a private insurer or through a public benefits plan provided by a governmental entity may elect to participate in the uniform group insurance program by completing the necessary enrollment forms. The board may use risk-adjusted premiums for individual insurance contracts to implement this section. For purposes of this section, "resident" means an individual who has actually lived within this state or maintained a home in this state for at least six months immediately preceding the date on which the individual applies to participate in the uniform group insurance plan. An individual may only be a resident of only one state at a time. An individual participating in the uniform group insurance program under this section shall pay monthly to the board the premiums in effect for the coverage being provided. The board may deny coverage if, in the board's sole discretion, the risk created by the individual is undesirable for the uniform group insurance program. Section 54-52.1-10 does not apply to the provisions of this section.

SECTION 7. A new section to chapter 54-52.1 of the North Dakota Century Code is created and enacted as follows:

Use of agents authorized.

The board may use, and pay commissions to, insurance agents licensed under chapter 26.1-26 to sell health insurance for coverage under sections 3, 4, 5, and 6 of this Act. The board may adopt rules to implement this section.

SECTION 8. A new section to chapter 54-52.1 of the North Dakota Century Code is created and enacted as follows:

Acceptance of moneys - Continuing appropriation.

The board may accept grants, donations, legacies, and devises for the purpose of implementing this chapter. All of these moneys, not otherwise appropriated, are appropriated to the board for the purpose of implementing this chapter.

1 **SECTION 9. APPROPRIATION.** There is appropriated out of any moneys received by the
2 North Dakota public employees retirement system board in the form of insurance premiums,
3 grants, donations, legacies, and devises, not otherwise appropriated, the sum of \$300,000, or
4 so much of the sum as may be necessary, to the public employees retirement system for the
5 purpose of expanding the uniform group insurance program, for the biennium beginning July 1,
6 2011, and ending June 30, 2013. The board is authorized three additional full-time equivalent
7 positions to implement this Act.

8 **SECTION 10. EFFECTIVE DATE.** Sections 2, 3, 4, 5, 6, and 7 of this Act become effective
9 when the board receives notification from the federal government of the uniform group
10 insurance program's exempt status under the Employee Retirement Income Security Act to
11 allow for the expansion of the uniform group insurance program as required under section 1 of
12 this Act, the board determines that utilizing medical underwriting requirements and risk-adjusted
13 premiums does not violate the Health Insurance Portability and Accountability Act, and the
14 board enters a contract with an insurer to provide coverage pursuant to this Act. The board shall
15 notify the director of the legislative council of the effective date of this Act.