

November 9, 2021

RE: HB 1511 and Inclusion of Federal Contractor Exemption

Members of the Joint Technical Corrections Committee:

We are writing to provide input on North Dakota HB 1511 and request the insertion of language that allows federal contractors to be exempt from the impact of HB 1511.

Blue Cross Blue Shield of North Dakota (BCBSND), headquartered in Fargo, includes nine offices across the State of North Dakota, with over 900 employees. BCBSND is a federal contractor providing health coverage for federal employees.

Noridian Healthcare Solutions, also headquartered in Fargo, ND, is a wholly owned subsidiary of BCBSND and employs over 1,750 staff – more than 1,000 of whom are in North Dakota. Noridian receives over 95% of our \$300M annual revenue from federal government contracts and has supported the Medicare program since its inception in 1966.

As contractors to the federal government, BCBSND and Noridian are required to follow the COVID-19 Workplace Safety: Guidance for Federal Contractors and Subcontractors (issued September 24, 2021) released by the Safer Federal Workforce Task Force under direction of Executive Order 14042 and signed September 9, 2021. This guidance instructs all federal contractors to require staff to be vaccinated, except for those who request and receive a medical or religious accommodation.

Failure by BCBSND and Noridian to comply with Federal law may be deemed a breach of contract, which would allow the federal government to terminate these contracts for cause. In Noridian's case it would result in the loss of employment for nearly all employees. The loss of federal government contracts would be catastrophic to Noridian and not something from which the organization could recover.

We respectfully request clear language allowing federal contracts to be exempt from HB 1511. Without that amendment, BCBSND, Noridian, and other North Dakota private businesses with federal contracts, will face a no-win decision about which requirements to comply with, federal or state, and thereby decidedly violate the other.

Respectfully submitted,

Dan Conrad, President and CEO, BCBSND

Jon Bogenreif, CEO-elect, Noridian

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