

Sixty-ninth  
Legislative Assembly  
of North Dakota

**FIRST ENGROSSMENT**

**ENGROSSED SENATE BILL NO. 2160**

Introduced by

Senators Davison, Bekkedahl, Sorvaag

Representatives Bosch, Stemen

1 A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of  
2 the North Dakota Century Code, relating to health insurance benefits coverage provided by the  
3 uniform group insurance program; to provide an appropriation; to provide for a statement of  
4 legislative intent; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 54-52.1-01 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **54-52.1-01. Definitions.**

9 As used in this chapter, ~~unless the context otherwise requires:~~

10 1. "Board" means the public employees retirement board.

11 2. "Carrier" means:

12 a. ~~For the hospital~~health insurance benefits coverage, an insurance company  
13 authorized to do business in the state, or a nonprofit hospital service association,  
14 or a prepaid group practice hospital or medical care plan authorized to do  
15 business in the state, or the state if a self-insurance health plan is used for  
16 providing hospital or medical benefits coverage.

17 b. ~~For the medical benefits coverage, an insurance company authorized to do~~  
18 ~~business in the state, or a nonprofit medical service association, or a prepaid~~  
19 ~~group practice medical care plan authorized to do business in the state, or the~~  
20 ~~state if a self-insurance health plan is used for providing medical benefits~~  
21 ~~coverage.~~

e. For the life insurance benefits coverage, an insurance company authorized to do business in the state.

3. "Department, board, or agency" means ~~the departments~~ a department, boardsboard, ~~agencies~~ agency, or ~~associations~~ association of this state. The term includes the state's charitable, penal, and higher educational institutions; the Bank of North Dakota; the state mill and elevator association; and counties, cities, district health units, and school districts.

4. "Eligible employee" means every permanent employee who is employed by a governmental unit, as that term is defined in section 54-52-01. "Eligible employee" includes members of the legislative assembly, judges of the supreme court, paid members of state or political subdivision boards, commissions, or associations, full-time employees of political subdivisions, elective state officers as defined by section 54-06-01, and disabled permanent employees who are receiving compensation from the North Dakota workforce safety and insurance fund. As used in this subsection, "permanent employee" means one whose services are not limited in duration, who is filling an approved and regularly funded position in a governmental unit, and who is employed at least seventeen and one-half hours per week and at least five months each year or for those first employed after August 1, 2003, is employed at least twenty hours per week and at least twenty weeks each year of employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and 54-52.1-11, "eligible employee" includes retired and terminated employees who remain eligible to participate in the uniform group insurance program pursuant to applicable state or federal law.

5. "Health insurance benefits coverage" means ~~hospital~~:

a. A nongrandfathered health plan sponsored by a large employer which meets the applicable requirements of 42 U.S.C. chapter 6A, subchapter XXV, without regard to 42 U.S.C. 18011, including benefits provided under the uniform group insurance program's grandfathered preferred provider organization plan;

b. Hospital benefits coverage ~~or medical~~;

c. Medical benefits coverage; ~~i~~ or both

d. Both hospital and medical benefits coverage.

- 1       6. "Health maintenance organization" means an organization certified to establish and  
2       operate a health maintenance organization in compliance with chapter 26.1-18.1.
- 3       7. "Hospital benefits coverage" means a plan that either provides coverage for, or pays,  
4       or reimburses expenses for hospital services incurred in accordance with the uniform  
5       contract.
- 6       8. "Life insurance benefits coverage" means a plan that provides both term life insurance  
7       and accidental death and dismemberment insurance in amounts determined by the  
8       board, with a minimum of one thousand dollars provided for the term life insurance  
9       portion of the coverage.
- 10      9. "Medical benefits coverage" means a plan that either provides coverage for, or pays,  
11      or reimburses expenses for medical services in accordance with the uniform contract.
- 12      10. "Member contribution" means the payment by the member into the retiree health  
13      benefits fund pursuant to sections 54-52-02.9 and 54-52-17.4.
- 14      11. "Member's account balance" means the member's contributions plus interest at the  
15      rate set by the board.
- 16      12. "Nongrandfathered health plan" means a plan that does not qualify as a grandfathered  
17      plan under the Patient Protection and Affordable Care Act [Pub. L. 111-148], as  
18      amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-  
19      152].
- 20      13. "Self-insurance health plan" means a plan of self-insurance providing health insurance  
21      benefits coverage under section 54-52.1-04.2.
- 22      ~~13.~~ 14. "Temporary employee" means a governmental unit employee who is not filling an  
23      approved and regularly funded position in an eligible governmental unit and whose  
24      services may or may not be limited in duration.

25      **SECTION 2. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is  
26      amended and reenacted as follows:

27      **54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

28      In order to promote the economy and efficiency of employment in the state's service, reduce  
29      personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the  
30      service of state employment, there is created a uniform group insurance program.

- 31      1. The uniform group insurance program must be:

- 1           a. ~~Be~~ composed of eligible and retired employees and ~~be formed to provide hospital-~~  
2           ~~benefits coverage, medical benefits coverage,;~~
- 3           b. Except as provided in subsection 2 of section 54-52.1-03.1, provide coverage as  
4           defined in subdivision a of subsection 5 of section 54-52.1-01; and
- 5           c. Provide life insurance benefits coverage ~~in the manner set forth in this chapter.~~
- 6       2. The board may divide the uniform group ~~may be divided~~ into the following subgroups  
7       ~~at the discretion of the board:~~
- 8       4. ~~Medical and hospital~~
- 9           a. Health insurance benefits coverage group consisting of active eligible employees  
10          and retired employees not eligible for Medicare, except for employees who first  
11          retire after July 1, 2015, and are not eligible for Medicare on their retirement. In  
12          determining premiums for coverage under this ~~subsection~~subdivision for retired  
13          employees not eligible for Medicare, the rate for a non-Medicare retiree single  
14          plan is one hundred fifty percent of the active member single plan rate, the rate  
15          for a non-Medicare retiree family plan of two people is twice the non-Medicare  
16          retiree single plan rate, and the rate for a non-Medicare retiree family plan of  
17          three or more persons is two and one-half times the non-Medicare retiree single  
18          plan rate.
- 19       2. b. In addition to the coverage provided in ~~subsection 4~~subdivision a, another  
20          coverage option may be provided for retired employees not eligible for Medicare,  
21          except for employees who first retire after July 1, 2015, and are not eligible for  
22          Medicare on their retirement, provided the option does not increase the implicit  
23          subsidy as determined by the governmental accounting standards board's other  
24          postemployment benefit reporting procedure. In offering this additional option, the  
25          board may have an open enrollment but thereafter enrollment for this option must  
26          be as specified in section 54-52.1-03.
- 27       3. c. Retired Medicare-eligible employee group ~~medical and hospital~~health insurance  
28          benefits coverage.
- 29       4. d. Active eligible employee life insurance benefits coverage.
- 30       5. e. Retired employee life insurance benefits coverage.

- 1       6.   f.   Terminated employee continuation group ~~medical and hospital~~health insurance
- 2                   benefits coverage.
- 3       7.   g.   Terminated employee conversion group ~~medical and hospital~~health insurance
- 4                   benefits coverage.
- 5       8.   h.   Dental benefits coverage.
- 6       9.   i.   Vision benefits coverage.
- 7       10.   j.   Long-term care benefits coverage.
- 8       11.   k.   Employee assistance benefits coverage.
- 9       12.   l.   Prescription drug coverage.

10       **SECTION 3. AMENDMENT.** Section 54-52.1-03.1 of the North Dakota Century Code is  
11   amended and reenacted as follows:

12       **54-52.1-03.1. Certain political subdivisions authorized to join uniform group**  
13   **insurance program - Employer contribution.**

14       1.   If eligible under federal law, a political subdivision may extend the benefits of the  
15           uniform group insurance program under this chapter to its permanent employees,  
16           subject to ~~minimum~~ requirements established by the board and as follows:

17       a.   A minimum period of participation of sixty months. If the political subdivision  
18           withdraws from participation in the uniform group insurance program, before  
19           completing sixty months of participation, unless federal or state laws or rules are  
20           modified or interpreted in a way that makes participation by the political  
21           subdivision in the uniform group insurance program no longer allowable or  
22           appropriate, the political subdivision shall make payment to the board in an  
23           amount equal to any expenses incurred in the uniform group insurance program  
24           that exceed income received on behalf of the political subdivision's employees as  
25           determined under rules adopted by the board.

26       b.   The Garrison Diversion Conservancy District, and district health units required to  
27           participate in the public employees retirement system under section 54-52-02,  
28           shall participate in the uniform group insurance program under the same ~~terms-~~  
29           ~~and conditions~~premium structures as state agencies.

30       c.   A retiree who has accepted a retirement allowance from a participating political  
31           subdivision's retirement plan may elect to participate in the uniform group under

1           this chapter without meeting minimum requirements at age sixty-five, when the  
2           employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the  
3           political subdivision joins the uniform group insurance plan if the retiree was a  
4           member of the former plan, or when the spouse terminates employment. If a  
5           retiree or surviving spouse does not elect to participate at the times specified in  
6           this ~~section~~subdivision, the retiree or surviving spouse must meet the minimum  
7           requirements established by the board.

8           d. Each retiree or surviving spouse shall pay directly to the board the premiums in  
9           effect for the coverage then being provided. The board may require  
10          documentation that the retiree has accepted a retirement allowance from an  
11          eligible retirement plan other than the public employees retirement system.

12          2. For purposes of this section, the uniform group insurance program must provide health  
13          insurance benefits coverage as defined in section 54-52.1-01.

14          **SECTION 4. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - HEALTH**  
15          **INSURANCE PREMIUM POOL.** There is appropriated out of any moneys in the general fund in  
16          the state treasury, not otherwise appropriated, the sum of \$1,900,000, or so much of the sum as  
17          may be necessary, and from other funds derived from federal funds and special funds, not  
18          otherwise appropriated, the sum of \$2,400,000, or so much of the sum as may be necessary, to  
19          the office of management and budget for the purpose of a health insurance premium pool,  
20          which the office of management and budget shall use to distribute appropriation authority to  
21          state agencies for paying a portion of health insurance premium cost increases related to this  
22          Act, for the biennium beginning July 1, 2025, and ending June 30, 2027.

23          **SECTION 5. LEGISLATIVE INTENT.** It is the intent of the sixty-ninth legislative assembly  
24          that the public employees retirement system use an estimated amount of \$4,300,000, or so  
25          much of the sum as may be necessary, from the health insurance reserve fund established in  
26          section 54-52.1-06 for a portion of the state employer share of any increase in premiums for  
27          health benefits resulting from the provisions of this Act for the period beginning with the effective  
28          date of this Act and ending June 30, 2027.

29          **SECTION 6. EFFECTIVE DATE.** Sections 1 through 3 of this Act become effective on  
30          January 1, 2027.