

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
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~~

1                   state if a self-insurance health plan is used for providing medical benefits-  
2                   coverage.

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

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

10          4. "Eligible employee" means every permanent employee who is employed by a  
11          governmental unit, as that term is defined in section 54-52-01. "Eligible employee"  
12          includes members of the legislative assembly, judges of the supreme court, paid  
13          members of state or political subdivision boards, commissions, or associations,  
14          full-time employees of political subdivisions, elective state officers as defined by  
15          section 54-06-01, and disabled permanent employees who are receiving  
16          compensation from the North Dakota workforce safety and insurance fund. As used in  
17          this subsection, "permanent employee" means one whose services are not limited in  
18          duration, who is filling an approved and regularly funded position in a governmental  
19          unit, and who is employed at least seventeen and one-half hours per week and at  
20          least five months each year or for those first employed after August 1, 2003, is  
21          employed at least twenty hours per week and at least twenty weeks each year of  
22          employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and  
23          54-52.1-11, "eligible employee" includes retired and terminated employees who  
24          remain eligible to participate in the uniform group insurance program pursuant to  
25          applicable state or federal law.

26          5. "Health insurance benefits coverage" means ~~hospital~~;  
27          a. A nongrandfathered health plan sponsored by a large employer which meets the  
28          applicable requirements of 42 U.S.C. chapter 6A, subchapter XXV, without regard  
29          to 42 U.S.C. 18011, including benefits provided under the uniform group  
30          insurance program's grandfathered preferred provider organization plan;  
31          b. Hospital benefits coverage ~~or medical~~;

1           c. Medical benefits coverage; or both

2           d. Both hospital and medical benefits coverage.

3           6. "Health maintenance organization" means an organization certified to establish and  
4           operate a health maintenance organization in compliance with chapter 26.1-18.1.

5           7. "Hospital benefits coverage" means a plan that either provides coverage for, or pays,  
6           or reimburses expenses for hospital services incurred in accordance with the uniform  
7           contract.

8           8. "Life insurance benefits coverage" means a plan that provides both term life insurance  
9           and accidental death and dismemberment insurance in amounts determined by the  
10          board, with a minimum of one thousand dollars provided for the term life insurance  
11          portion of the coverage.

12          9. "Medical benefits coverage" means a plan that either provides coverage for, or pays,  
13          or reimburses expenses for medical services in accordance with the uniform contract.

14          10. "Member contribution" means the payment by the member into the retiree health  
15          benefits fund pursuant to sections 54-52-02.9 and 54-52-17.4.

16          11. "Member's account balance" means the member's contributions plus interest at the  
17          rate set by the board.

18          12. "Nongrandfathered health plan" means a plan that does not qualify as a grandfathered  
19          plan under the Patient Protection and Affordable Care Act [Pub. L. 111-148], as  
20          amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-  
21          152].

22          13. "Self-insurance health plan" means a plan of self-insurance providing health insurance  
23          benefits coverage under section 54-52.1-04.2.

24          ~~13.~~14. "Temporary employee" means a governmental unit employee who is not filling an  
25          approved and regularly funded position in an eligible governmental unit and whose  
26          services may or may not be limited in duration.

27          **SECTION 2. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is  
28          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, reduce  
3       personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the  
4       service of state employment, there is created a uniform group insurance program.

5       1. The uniform group insurance program must be:

6       a. Be composed of eligible and retired employees ~~and be formed to provide hospital-~~  
7       ~~benefits coverage, medical benefits coverage;~~

8       b. Except as provided in subsection 2 of section 54-52.1-03.1, provide coverage as  
9       defined in subdivision a of subsection 5 of section 54-52.1-01; and

10      c. Provide life insurance benefits coverage ~~in the manner set forth in this chapter.~~

11      2. The board may divide the uniform group ~~may be divided~~ into the following subgroups  
12      ~~at the discretion of the board:~~

13      ~~1. Medical and hospital~~

14      a. Health insurance benefits coverage group consisting of active eligible employees  
15      and retired employees not eligible for Medicare, except for employees who first  
16      retire after July 1, 2015, and are not eligible for Medicare on their retirement. In  
17      determining premiums for coverage under this ~~subsection~~subdivision for retired  
18      employees not eligible for Medicare, the rate for a non-Medicare retiree single  
19      plan is one hundred fifty percent of the active member single plan rate, the rate  
20      for a non-Medicare retiree family plan of two people is twice the non-Medicare  
21      retiree single plan rate, and the rate for a non-Medicare retiree family plan of  
22      three or more persons is two and one-half times the non-Medicare retiree single  
23      plan rate.

24      ~~2.~~ b. In addition to the coverage provided in ~~subsection 1~~subdivision a, another  
25      coverage option may be provided for retired employees not eligible for Medicare,  
26      except for employees who first retire after July 1, 2015, and are not eligible for  
27      Medicare on their retirement, provided the option does not increase the implicit  
28      subsidy as determined by the governmental accounting standards board's other  
29      postemployment benefit reporting procedure. In offering this additional option, the  
30      board may have an open enrollment but thereafter enrollment for this option must  
31      be as specified in section 54-52.1-03.

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

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

16       **54-52.1-03.1. Certain political subdivisions authorized to join uniform group**  
17 **insurance program - Employer contribution.**

- 18       1.   If eligible under federal law, a political subdivision may extend the benefits of the
- 19                   uniform group insurance program under this chapter to its permanent employees,
- 20                   subject to ~~minimum~~ requirements established by the board and as follows:
- 21           a.   A minimum period of participation of sixty months. If the political subdivision
- 22                   withdraws from participation in the uniform group insurance program, before
- 23                   completing sixty months of participation, unless federal or state laws or rules are
- 24                   modified or interpreted in a way that makes participation by the political
- 25                   subdivision in the uniform group insurance program no longer allowable or
- 26                   appropriate, the political subdivision shall make payment to the board in an
- 27                   amount equal to any expenses incurred in the uniform group insurance program
- 28                   that exceed income received on behalf of the political subdivision's employees as
- 29                   determined under rules adopted by the board.
- 30           b.   The Garrison Diversion Conservancy District, and district health units required to
- 31                   participate in the public employees retirement system under section 54-52-02,

shall participate in the uniform group insurance program under the same terms-  
and conditions premium structures as state agencies.

c. A retiree who has accepted a retirement allowance from a participating political  
subdivision's retirement plan may elect to participate in the uniform group under  
this chapter without meeting minimum requirements at age sixty-five, when the  
employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the  
political subdivision joins the uniform group insurance plan if the retiree was a  
member of the former plan, or when the spouse terminates employment. If a  
retiree or surviving spouse does not elect to participate at the times specified in  
this section subdivision, the retiree or surviving spouse must meet the minimum  
requirements established by the board.

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

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

#### **SECTION 4. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - HEALTH**

**INSURANCE PREMIUM POOL.** There is appropriated out of any moneys in the general fund in  
the state treasury, not otherwise appropriated, the sum of ~~\$1,900,000~~ \$1,442,991, or so much of  
the sum as may be necessary, and from other funds derived from federal funds and special  
funds, not otherwise appropriated, the sum of ~~\$2,400,000~~ \$1,851,509, or so much of the sum as  
may be necessary, to the office of management and budget for the purpose of a health  
insurance premium pool, which the office of management and budget shall use to distribute  
appropriation authority to state agencies for paying a portion of health insurance premium cost  
increases related to this Act, for the biennium beginning July 1, 2025, and ending June 30,  
2027.

**SECTION 5. LEGISLATIVE INTENT.** It is the intent of the sixty-ninth legislative assembly  
that the public employees retirement system use an estimated amount of  
~~\$4,300,000~~ \$3,294,500, or so much of the sum as may be necessary, from the health insurance  
reserve fund established in section 54-52.1-06 for a portion of the state employer share of any

- 1 increase in premiums for health benefits resulting from the provisions of this Act for the period
- 2 beginning with the effective date of this Act and ending June 30, 2027.

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