

TESTIMONY OF REBECCA FRICKE

House Bill 1248 – Employee Benefits Programs

Committee Jurisdiction of Health and Retiree Health

Bill Proposals and Insurance Mandate Process

Good Morning, Madame Chair and members of the Committee. My name is Rebecca Fricke and I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I appear before you today regarding the NDPERS Board's neutral position on this bill.

Section 2 of House Bill 1248 modifies the process for health insurance proposals that impact the NDPERS health insurance and retiree health insurance plans as follows:

- It extends the PERS pilot program from a biennial study to a two biennial study (page 3, row 24-26). It was our understanding that this modification was made because the reality of the one biennium study is that it only allows data to be gathered for one year before it must be analyzed and provided in the required report. By extending it to a two biennium pilot program, it would allow data to be gathered for 3 years.
- It removes the requirement that currently exists in law that the NDPERS Board be the responsible party for introduction of a bill following the pilot program. Rather, PERS is responsible for preparing and introducing a bill only if the NDPERS Board feels that the coverage should be extended beyond the pilot program for the NDPERS insurance plans (page 3, rows 30-31 and page 4, rows 1-3). Should the Board make this determination, then they are responsible for providing a report regarding the effect of the mandated coverage on the NDPERS health insurance plans during the pilot program (page 4, rows 4-9).

As far as the remainder of the bill, Section 1 is not within my purview. Section 3 repeals NDCC 54-03-28 related to insurance mandates. It is my understanding that this section was put into law in the early 2000s to allow the mandate to be applied to the state's health plan for a biennium (pilot program) for purposes of determining potential cost and impact should the legislative body wish to approve the coverage for the larger commercial market regulated by the Insurance Department.

NDPERS does not have a concern with how the insurance mandate process currently works. However, we do feel that the changes made specific to the pilot program as outlined above make sense and do not have concerns with them.

This concludes my testimony and I'd be happy to answer any questions you may have.