

**Fifty-fifth Legislative Assembly, State of North Dakota, begun in the
Capitol in the City of Bismarck, on Monday, the sixth day of January,
one thousand nine hundred and ninety-seven**

SENATE BILL NO. 2034
(Legislative Council)
(Employee Benefits Programs Committee)
(Senators Krebsbach, C. Nelson)
(Representatives Wardner, Sabby)

AN ACT to amend and reenact sections 54-52.1-04 and 54-52.1-04.9 of the North Dakota Century Code, relating to employee assistance program benefits coverage under the uniform group insurance program; to provide for transition; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-52.1-04 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-04. Board to contract for insurance. The board shall receive bids for the providing of hospital benefits coverage, medical benefits coverage, ~~and~~ life insurance benefits coverage for a specified term, and employee assistance program services, and shall accept the bid of and contract with the carrier that in the judgment of the board ~~shall best serve~~ serves the interests of the state and its eligible employees. ~~A solicitation for bids must be made within ninety days of July 1, 1974. Subsequent solicitations~~ Solicitations must be made not later than ninety days ~~prior to~~ before the expiration of an existing uniform group insurance contract. Bids must be solicited by advertisement in ~~such a manner as~~ selected by the board that will provide reasonable notice to prospective bidders. In preparing bid proposals and evaluating bids, the board may utilize the services of consultants on a contract basis in order that the bids received ~~can~~ may be uniformly compared and properly evaluated. In determining which bid, if any, will best serve the interests of eligible employees and the state, the board shall give adequate consideration to the following factors:

1. The economy to be effected.
2. The ease of administration.
3. The adequacy of the coverages.
4. The financial position of the carrier, with special emphasis as to its solvency.
5. The reputation of the carrier and ~~such any~~ any other information ~~as that~~ that is available tending to show past experience with the carrier in matters of claim settlement, underwriting, and services.

The board may reject any or all bids and, in the event it does so, shall again solicit bids as provided in this section. The board may establish a plan of self-insurance for providing health insurance benefits coverage only under an administrative services only (ASO) contract or a third party administrator (TPA) contract.

SECTION 2. AMENDMENT. Section 54-52.1-04.9 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-52.1-04.9. Uniform group insurance program - Employee assistance program. The board ~~may~~ shall establish an employee assistance program available to persons in the medical and hospital benefits coverage group. The premium for this coverage must be paid as provided by section 54-52.1-06. The board shall receive bids for this program under section 54-52.1-04. Each department, board, or agency shall obtain employee assistance program services through the board for eligible

employees and may not enter into any agreement to obtain employee assistance program services with a third-party provider except that a department, board, or agency may use its own employee assistance program services to the extent such services are provided by personnel of that department, board, or agency. As used in this section, "employee assistance program" means an employer-sponsored service for employees under which a professional employee assistance program staff assists employees and their families in finding help for emotional, drug, alcohol, family, health, and other personal or job-related problems that may be affecting their work performance.

SECTION 3. TRANSITION. To provide for a transitional employee assistance program, the public employees retirement system board may establish employee assistance program plans for participating employers who have not contracted for employee assistance program services and shall assume contractual authority for those participating state employers who have already contracted for employee assistance program services. All contracts entered into or extended during the transitional period are exempt from the requirements of sections 54-52.1-04 and 54-52.1-06.

SECTION 4. EFFECTIVE DATE - EXPIRATION DATE. Sections 1 and 2 of this Act become effective on July 1, 1999. Section 3 of this Act is effective through June 30, 1999, and after that date is ineffective.

SECTION 5. EMERGENCY. Section 3 of this Act is declared to be an emergency measure.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-fifth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2034 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 40 Nays 0 Absent 9

President of the Senate

Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 94 Nays 0 Absent 3

Speaker of the House

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 1997.

Approved at _____ M. on _____, 1997.

Governor

Filed in this office this _____ day of _____, 1997,
at ____ o'clock _____ M.

Secretary of State