

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2060

Introduced by

Government and Veterans Affairs Committee

(At the request of the Public Employees Retirement System)

1 A BILL for an Act to create and enact a new section to chapter 54-52.1 of the North Dakota
2 Century Code, relating to an employer-based wellness program; and to amend and reenact
3 subsection 4 of section 54-52.1-01, subsection 3 of section 54-52.1-03, and sections
4 54-52.1-03.1, 54-52.1-11, and 54-52.3-05 of the North Dakota Century Code, relating to
5 eligibility for and employee payments to the uniform group insurance program and
6 confidentiality of information under the uniform group insurance program.

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

8 **SECTION 1. AMENDMENT.** Subsection 4 of section 54-52.1-01 of the North Dakota
9 Century Code is amended and reenacted as follows:

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 subsection 2 of section 54-06-01, and disabled permanent employees who are
16 receiving compensation from the North Dakota workers' compensation fund. As
17 used in this subsection, "permanent employee" means one whose services are not
18 limited in duration, who is filling an approved and regularly funded position in a
19 governmental unit, and who is employed at least seventeen and one-half hours per
20 week and at least five months each year or for those first employed after August 1,
21 2003, is employed at least twenty hours per week and at least twenty weeks each
22 year of employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7,
23 54-52.1-04.8, and 54-52.1-11, "eligible employee" includes retired and terminated

1 employees who remain eligible to participate in the uniform group insurance
2 program pursuant to applicable state or federal law.

3 **SECTION 2. AMENDMENT.** Subsection 3 of section 54-52.1-03 of the North Dakota
4 Century Code is amended and reenacted as follows:

5 3. A retiree who has accepted a periodic distribution from the defined contribution
6 retirement plan pursuant to section 54-52.6-13 who the board determines is
7 eligible for participation in the uniform group insurance program or has accepted a
8 retirement allowance from the public employees retirement system, the highway
9 patrolmen's retirement system, the teachers' insurance and annuity association of
10 America - college retirement equities fund (~~TIAA-CREF~~) for service credit earned
11 while employed by North Dakota institutions of higher education, the retirement
12 system established by job service North Dakota under section 52-11-01, the
13 judges' retirement system established under chapter 27-17, or the teachers' fund
14 for retirement may elect to participate in the uniform group under this chapter
15 without meeting minimum requirements at age sixty-five, when the member's
16 spouse reaches age sixty-five, upon the receipt of a benefit, or when the spouse
17 terminates employment. If a retiree or surviving spouse does not elect to
18 participate at the times specified in this subsection, the retiree or surviving spouse
19 must meet the minimum requirements established by the board. Subject to
20 sections 54-52.1-03.2 and 54-52.1-03.3, each retiree or surviving spouse shall pay
21 directly to the board the premiums in effect for the coverage then being provided.
22 A retiree who has met the initial eligibility requirements of this subsection to begin
23 participation in the uniform group insurance program remains eligible as long as
24 the retiree maintains the retiree's participation in the program by paying the
25 required premium pursuant to rules adopted by the board.

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

28 **54-52.1-03.1. Certain political subdivisions authorized to join uniform group**
29 **insurance program - Employer contribution.** A political subdivision may extend the benefits
30 of the uniform group insurance program under this chapter to its permanent employees, subject
31 to minimum requirements established by the board and a minimum period of participation of

1 sixty months. If the political subdivision withdraws from participation in the uniform group
2 insurance program, before completing sixty months of participation, the political subdivision
3 shall make payment to the board in an amount equal to any expenses incurred in the uniform
4 group insurance program that exceed income received on behalf of the political subdivision's
5 employees as determined under rules adopted by the board. ~~The political subdivision may
6 determine the amount of the employer's monthly contribution toward the total monthly premium
7 amount required of each eligible participating employee.~~

8 **SECTION 4.** A new section to chapter 54-52.1 of the North Dakota Century Code is
9 created and enacted as follows:

10 **Wellness program.** The board shall develop an employer-based wellness program.
11 The program must encourage employers to adopt a board-developed wellness program by
12 either charging extra health insurance premium to nonparticipating employers or reducing
13 premium for participating employers.

14 **SECTION 5. AMENDMENT.** Section 54-52.1-11 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **54-52.1-11. Confidentiality of employee records.** Information pertaining to an
17 eligible employee's group medical records for claims, employee premium payments made,
18 salary reduction amounts taken, history of any available insurance coverage purchased, and
19 amounts and types of insurance applied for under the supplemental life insurance coverage
20 under this chapter is confidential and is not a public record. The information and records may
21 be disclosed, under rules adopted by the board, only to:

- 22 1. A person to whom the eligible employee has given written ~~consent~~ authorization to
23 have the information disclosed.
- 24 2. A person legally representing the eligible employee, upon proper proof of
25 representation, and unless the eligible employee specifically withholds ~~consent~~
26 authorization.
- 27 3. A person authorized by a court order.
- 28 4. A person or entity to which the board is required to disclose information pursuant
29 to federal or state statutes or regulations.
- 30 5. ~~If involved in a dissolution proceeding, the member's spouse or former spouse,~~
31 ~~that person's legal representative, and the judge presiding over the member's~~

1 ~~dissolution proceeding.~~ Any person or entity if the purpose of the disclosure is for
2 treatment, payment, or health care operations.

3 **SECTION 6. AMENDMENT.** Section 54-52.3-05 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **54-52.3-05. Confidentiality of program records.** Any records and information
6 pertaining to a public employee's medical and dependent care reimbursement under the pretax
7 benefits program are confidential and are not public records subject to section 44-04-18 and
8 section 6 of article XI of the Constitution of North Dakota. The records and information may be
9 disclosed, under rules adopted by the board, only to:

- 10 1. A person to whom the employee has given written ~~consent~~ authorization to have
11 the information disclosed.
- 12 2. A person legally representing the employee, upon proper proof of representation.
- 13 3. A person authorized by a court order.
- 14 4. A person or entity to which the board is required to disclose information pursuant
15 to federal or state statutes or regulations.
- 16 5. Any person or entity if the purpose of the disclosure is for health care treatment,
17 payment, or operations.