

SENATE BILL NO. 2045

Introduced by

Government and Veterans Affairs Committee

(At the request of the Public Employees Retirement System Board)

1 A BILL for an Act to create and enact a new subsection to section 54-52.1-02 of the North
2 Dakota Century Code, relating to prescription drug coverage under the uniform group insurance
3 program; and to amend and reenact subsection 7 of section 54-52.1-01, subsection 3 of section
4 54-52.1-03.3, and sections 54-52.1-03.4 and 54-52.1-04 of the North Dakota Century Code,
5 relating to minimum life insurance benefits coverage, the retiree health benefits fund, employer
6 payment of a temporary employee's health insurance premium, temporary employee eligibility,
7 and bids for prescription drug coverage under the uniform group insurance program.

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

9 **SECTION 1. AMENDMENT.** Subsection 7 of section 54-52.1-01 of the North Dakota
10 Century Code is amended and reenacted as follows:

11 7. "Life insurance benefits coverage" means a plan which provides both term life
12 insurance and accidental death and dismemberment insurance in amounts
13 determined by the board, with a minimum of ~~one~~ five thousand dollars provided for
14 the term life insurance portion of the coverage.

15 **SECTION 2.** A new subsection to section 54-52.1-02 of the North Dakota Century Code
16 is created and enacted as follows:

17 Retired medicare-eligible employee group prescription drug coverage.

18 **SECTION 3. AMENDMENT.** Subsection 3 of section 54-52.1-03.3 of the North Dakota
19 Century Code is amended and reenacted as follows:

20 3. The board shall apply the credit allowable under subsection 2 to the payment of
21 monthly premiums required of each person eligible under subsection 1 for hospital
22 benefits coverage and medical benefits coverage under the uniform group
23 insurance program. The board shall allow spouses who each have credit under
24 subsection 2 to combine their credits and shall apply the combined credit to the

1 required monthly premiums under the uniform group insurance program. However,
2 if the allowable credit under any circumstance exceeds the monthly premium in
3 effect for selected coverage, that amount of the credit which exceeds the premium
4 is forfeited and may not be used for any other purpose.

5 **SECTION 4. AMENDMENT.** Section 54-52.1-03.4 of the North Dakota Century Code
6 is amended and reenacted as follows:

7 **54-52.1-03.4. Participation by employees of certain political subdivisions and**
8 **temporary employees.** An employee of a county, city, school district, district health unit, or
9 park district that is not participating in the uniform group insurance program pursuant to section
10 54-52.1-03.1 and is not eligible for any other employee group health plan may elect to
11 participate in the uniform group insurance program by completing the necessary enrollment
12 forms and qualifying under the medical underwriting requirements established by the board.
13 The board may use risk-adjusted premiums for individual insurance contracts to implement the
14 provisions of this section allowing employees of a county, city, school district, district health unit,
15 or park district to participate in the uniform group insurance program. The county, city, school
16 district, district health unit, or park district employee participating in the uniform group insurance
17 program under this section shall pay monthly to the board the premiums in effect for the
18 coverage being provided. A temporary employee employed before August 1, 2007, may elect
19 to participate in the uniform group insurance program by completing the necessary enrollment
20 forms and qualifying under the medical underwriting requirements of the program. A temporary
21 employee employed on or after August 1, 2007, is only eligible to participate in the uniform
22 group insurance program if the employee is employed at least twenty hours per week and at
23 least twenty weeks each year of employment. The temporary employee or the temporary
24 employee's employer shall pay monthly to the board the premiums in effect for the coverage
25 being provided. A political subdivision, department, board, or agency may ~~not~~ make a
26 contribution for coverage under this section. ~~The board may employ one additional employee~~
27 ~~to implement the provisions of this section relating to participation by employees of a county,~~
28 ~~city, school district, district health unit, or park district in the uniform group insurance program.~~

29 **SECTION 5. AMENDMENT.** Section 54-52.1-04 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **54-52.1-04. Board to contract for insurance.** The board shall receive bids for the
2 providing of hospital benefits coverage, medical benefits coverage, life insurance benefits
3 coverage for a specified term, and employee assistance program services; may receive bids
4 separately for retired medicare-eligible employee group prescription drug coverage; and shall
5 accept the bid of and contract with the carrier that in the judgment of the board best serves the
6 interests of the state and its eligible employees. Solicitations must be made not later than
7 ninety days before the expiration of an existing uniform group insurance contract. Bids must be
8 solicited by advertisement in a manner selected by the board that will provide reasonable notice
9 to prospective bidders. In preparing bid proposals and evaluating bids, the board may utilize
10 the services of consultants on a contract basis in order that the bids received may be uniformly
11 compared and properly evaluated. In determining which bid, if any, will best serve the interests
12 of eligible employees and the state, the board shall give adequate consideration to the following
13 factors:

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

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