

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

EMPLOYEE BENEFITS PROGRAMS COMMITTEE

Thursday, April 18, 2019
Pioneer Room, State Capitol
Bismarck, North Dakota

Representative Mike Lefor, Chairman, called the meeting to order at 7:00 a.m.

Members present: Representatives Mike Lefor, Jason Dockter, Gary Kreidt, Vernon Laning, Alisa Mitskog, Mark S. Owens, Matthew Ruby; Senators Brad Bekkedahl, Dick Dever, Karen K. Krebsbach, Oley Larsen, Gary A. Lee, Tim Mathern

Others present: See [Appendix A](#)

Chairman Lefor stated in accordance with the procedure adopted by this committee, he and Senator Dever met and took jurisdiction over the three sets of proposed amendments to the extent those amendments affect the Public Employees Retirement System (PERS) uniform group insurance plans. He said at this meeting the committee will provide a favorable, unfavorable, or no recommendation for each of these three sets of amendments.

ACTUARIAL REVIEW

Chairman Lefor called on Mr Scott Miller, Executive Director, Public Employees Retirement System, to present the actuarial information and PERS technical comments relating to the three sets of amendments over which the committee took jurisdiction--[proposed amendments](#) to [Engrossed House Bill No. 1374](#), [proposed amendments](#) to [Engrossed Senate Bill No. 2010](#), and [proposed amendments](#) to [Engrossed Senate Bill No. 2023](#).

Engrossed House Bill No. 1374

Mr. Miller presented the actuarial report ([Appendix B](#)) from its consultant and technical comments ([Appendix C](#)) from PERS regarding Section 2 of the proposed amendments.

In response to a question from Representative Dockter, Mr. Miller said the contract PERS has with Sanford Health Plan provides PERS gets 100 percent of the pharmacy rebates.

In response to a question from Senator Dever, Mr. Miller said the current status of the proposed amendments to Engrossed House Bill No. 1374 is in Conference Committee with a motion pending to accept the proposed amendments.

In response to a question from Senator Mathern, Mr. Miller said if Section 2 of the proposed amendments is defeated, it is possible the study proposed under Section 3 may still be valid public policy. The Legislative Council staff said although the committee has the entire set of amendments, only Section 2 was determined to affect the PERS uniform group insurance plan.

Representative Laning said there may be benefit to conducting a Legislative Management study of PERS pharmacy benefits.

Representative Owens said although he supports increased transparency, in this case increasing transparency costs too much. He said he needs more information before he is willing to support this increase in transparency.

It was moved by Senator Mathern, seconded by Senator Krebsbach, and carried on a roll call vote that the committee give an unfavorable recommendation to the proposed amendments to Engrossed House Bill No. 1374. Representatives Lefor, Dockter, Kreidt, Mitskog, and Owens and Senators Bekkedahl, Dever, Krebsbach, Lee, and Mathern voted "aye." Representatives Laning and Ruby and Senator Larsen voted "nay."

Engrossed Senate Bill No. 2010

Mr. Miller said Sanford Health Plan reported upon initial review it appears the portion of the amendments which creates a new section to North Dakota Century Code Chapter 26.1-36 would not affect the PERS uniform group health plans. He provided technical comments ([Appendix D](#)) from PERS.

It was moved by Senator Bekkedahl, seconded by Representative Laning, and carried on a roll call vote that the committee give no recommendation to the proposed amendments to Engrossed Senate Bill No. 2010. Representatives Lefor, Dockter, Kreidt, Laning, Mitskog, and Owens and Senators Bekkedahl, Dever, Krebsbach, Larsen, and Lee voted "aye." Representative Ruby and Senator Mathern voted "nay."

Engrossed Senate Bill No. 2023

Mr. Miller presented the actuarial report ([Appendix E](#)) from its consultant and technical comments ([Appendix F](#)) from PERS regarding Section 14 of the proposed amendments.

Representative Laning said PERS brought this on itself 4 years ago when the PERS Board voted to contract with Sanford Health Plan. He said in 2015 the Legislative Assembly asked to look at the contract before the PERS Board signed the contract, but the PERS Board refused and signed the contract.

Senator Dever said there was a strong difference of opinion between the two chambers on this topic in 2015. He said as Chairman of the Employee Benefits Programs Committee at that time, he could have done more to disseminate information regarding PERS changing carriers. However, he said, the PERS Board erred when it refused to allow a member of the House of Representatives to speak at the PERS Board meeting.

Mr. Miller said although he was not employed by the PERS Board in 2015, he has learned the lesson. He said one difference now is that two legislators serve on the PERS Board.

It was moved by Representative Kreidt and seconded by Representative Dockter that the committee give a favorable recommendation to the proposed amendments to Engrossed Senate Bill No. 2023.

Chairman Lefor said PERS and the Legislative Assembly need to work together. He said these amendments allow the Legislative Assembly to look at the contract before the contract is signed. He said although he understands there may be timing issues, he supports the improved clarity.

Senator Mathern said it is not within the purview of the committee to change the language of the amendment. He said the problems with timing might result in escalating the cost of the uniform group health insurance plan.

Senator Krebsbach said the amendment impedes the process. She said state employees are unsettled because of the lack of security regarding health care coverage and the amendment makes this worse. She said she seeks encouraging insurance competition in the state.

The motion carried on a roll call vote. Representatives Lefor, Dockter, Kreidt, Laning, Owens, and Ruby and Senator Larsen voted "aye." Representative Mitskog and Senators Bekkedahl, Dever, Krebsbach, Lee, and Mathern voted "nay."

No further business appearing, Chairman Lefor adjourned the meeting at 7:47 a.m.

Jennifer S. N. Clark
Counsel

ATTACH:6