

BILL NO.

Introduced by

Senator Davison

1 A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of
2 the North Dakota Century Code, relating to health insurance benefits coverage provided by the
3 uniform group insurance program; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Section 54-52.1-01 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-52.1-01. Definitions.**

8 As used in this chapter, unless the context otherwise requires:

9 1. "Board" means the public employees retirement board.

10 2. "Carrier" means:

11 a. For ~~the hospital~~ health insurance benefits coverage, an insurance company
12 authorized to do business in the state, or a nonprofit hospital service association,
13 or a prepaid group practice hospital or medical care plan authorized to do
14 business in the state, or the state if a self-insurance health plan is used for
15 providing hospital or medical benefits coverage.

16 b. ~~For the medical benefits coverage, an insurance company authorized to do~~
17 ~~business in the state, or a nonprofit medical service association, or a prepaid~~
18 ~~group practice medical care plan authorized to do business in the state, or the~~
19 ~~state if a self-insurance health plan is used for providing medical benefits~~
20 ~~coverage.~~

21 e. For the life insurance benefits coverage, an insurance company authorized to do
22 business in the state.

23 3. "Department, board, or agency" means ~~the departments~~ a department, boards
24 agency, or associations association of this state. The term includes the state's

1 charitable, penal, and higher educational institutions; the Bank of North Dakota; the
2 state mill and elevator association; and counties, cities, district health units, and school
3 districts.

4 4. "Eligible employee" means every permanent employee who is employed by a
5 governmental unit, as that term is defined in section 54-52-01. "Eligible employee"
6 includes members of the legislative assembly, judges of the supreme court, paid
7 members of state or political subdivision boards, commissions, or associations,
8 full-time employees of political subdivisions, elective state officers as defined by
9 section 54-06-01, and disabled permanent employees who are receiving
10 compensation from the North Dakota workforce safety and insurance fund. As used in
11 this subsection, "permanent employee" means one whose services are not limited in
12 duration, who is filling an approved and regularly funded position in a governmental
13 unit, and who is employed at least seventeen and one-half hours per week and at
14 least five months each year or for those first employed after August 1, 2003, is
15 employed at least twenty hours per week and at least twenty weeks each year of
16 employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and
17 54-52.1-11, "eligible employee" includes retired and terminated employees who
18 remain eligible to participate in the uniform group insurance program pursuant to
19 applicable state or federal law.

20 5. "Health insurance benefits coverage" means coverage that meets the standards
21 provided in section 1302 of the federal Patient Protection and Affordable Care Act
22 [42 U.S.C. 18022] and title 45, Code of Federal Regulations, section 156.110, hospital
23 benefits coverage or, medical benefits coverage, or both hospital and medical benefits
24 coverage.

25 6. "Health maintenance organization" means an organization certified to establish and
26 operate a health maintenance organization in compliance with chapter 26.1-18.1.

27 7. "Hospital benefits coverage" means a plan that either provides coverage for, or pays,
28 or reimburses expenses for hospital services incurred in accordance with the uniform
29 contract.

30 8. "Life insurance benefits coverage" means a plan that provides both term life insurance
31 and accidental death and dismemberment insurance in amounts determined by the

1 board, with a minimum of one thousand dollars provided for the term life insurance
2 portion of the coverage.

3 9. "Medical benefits coverage" means a plan that either provides coverage for, or pays,
4 or reimburses expenses for medical services in accordance with the uniform contract.

5 10. "Member contribution" means the payment by the member into the retiree health
6 benefits fund pursuant to sections 54-52-02.9 and 54-52-17.4.

7 11. "Member's account balance" means the member's contributions plus interest at the
8 rate set by the board.

9 12. "Self-insurance health plan" means a plan of self-insurance providing health insurance
10 benefits coverage under section 54-52.1-04.2.

11 13. "Temporary employee" means a governmental unit employee who is not filling an
12 approved and regularly funded position in an eligible governmental unit and whose
13 services may or may not be limited in duration.

14 **SECTION 2. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

17 In order to promote the economy and efficiency of employment in the state's service, reduce
18 personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the
19 service of state employment, there is created a uniform group insurance program.

20 1. The uniform group insurance program must be:

21 a. Be composed of eligible and retired employees ~~and be formed to provide hospital-~~
22 ~~benefits coverage, medical benefits coverage,;~~

23 b. Except as provided in subsection 2 of section 54-52.1-03.1, provide health
24 insurance benefits coverage for eligible and retired employees that meets the
25 standards provided in section 1302 of the federal Patient Protection and
26 Affordable Care Act [42 U.S.C. 18022] and title 45, Code of Federal Regulations,
27 section 156.110; and

28 c. Provide life insurance benefits coverage ~~in the manner set forth in this chapter.~~

29 2. The board may divide the uniform group ~~may be divided~~ into the following subgroups
30 ~~at the discretion of the board:~~

31 4. ~~Medical and hospital~~

- 1 a. Health insurance benefits coverage group consisting of active eligible employees
2 and retired employees not eligible for Medicare, except for employees who first
3 retire after July 1, 2015, and are not eligible for Medicare on their retirement. In
4 determining premiums for coverage under this ~~subsection~~subdivision for retired
5 employees not eligible for Medicare, the rate for a non-Medicare retiree single
6 plan is one hundred fifty percent of the active member single plan rate, the rate
7 for a non-Medicare retiree family plan of two people is twice the non-Medicare
8 retiree single plan rate, and the rate for a non-Medicare retiree family plan of
9 three or more persons is two and one-half times the non-Medicare retiree single
10 plan rate.
- 11 2. b. In addition to the coverage provided in ~~subsection 1~~subdivision a, another
12 coverage option may be provided for retired employees not eligible for Medicare,
13 except for employees who first retire after July 1, 2015, and are not eligible for
14 Medicare on their retirement, provided the option does not increase the implicit
15 subsidy as determined by the governmental accounting standards board's other
16 postemployment benefit reporting procedure. In offering this additional option, the
17 board may have an open enrollment but thereafter enrollment for this option must
18 be as specified in section 54-52.1-03.
- 19 3. c. Retired Medicare-eligible employee group ~~medical and hospital~~health insurance
20 benefits coverage.
- 21 4. d. Active eligible employee life insurance benefits coverage.
- 22 5. e. Retired employee life insurance benefits coverage.
- 23 6. f. Terminated employee continuation group ~~medical and hospital~~health insurance
24 benefits coverage.
- 25 7. g. Terminated employee conversion group ~~medical and hospital~~health insurance
26 benefits coverage.
- 27 8. h. Dental benefits coverage.
- 28 9. i. Vision benefits coverage.
- 29 10. j. Long-term care benefits coverage.
- 30 11. k. Employee assistance benefits coverage.
- 31 12. l. Prescription drug coverage.

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

3 **54-52.1-03.1. Certain political subdivisions authorized to join uniform group**
4 **insurance program - Employer contribution.**

5 1. If eligible under federal law, a political subdivision may extend the benefits of the
6 uniform group insurance program under this chapter to its permanent employees,
7 subject to ~~minimum~~ requirements established by the board and as follows:

8 a. A minimum period of participation of sixty months. If the political subdivision
9 withdraws from participation in the uniform group insurance program, before
10 completing sixty months of participation, unless federal or state laws or rules are
11 modified or interpreted in a way that makes participation by the political
12 subdivision in the uniform group insurance program no longer allowable or
13 appropriate, the political subdivision shall make payment to the board in an
14 amount equal to any expenses incurred in the uniform group insurance program
15 that exceed income received on behalf of the political subdivision's employees as
16 determined under rules adopted by the board.

17 b. The Garrison Diversion Conservancy District, and district health units required to
18 participate in the public employees retirement system under section 54-52-02,
19 shall participate in the uniform group insurance program ~~under the same terms~~
20 ~~and conditions as state agencies~~.

21 c. A retiree who has accepted a retirement allowance from a participating political
22 subdivision's retirement plan may elect to participate in the uniform group under
23 this chapter without meeting minimum requirements at age sixty-five, when the
24 employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the
25 political subdivision joins the uniform group insurance plan if the retiree was a
26 member of the former plan, or when the spouse terminates employment. If a
27 retiree or surviving spouse does not elect to participate at the times specified in
28 this ~~section~~subdivision, the retiree or surviving spouse must meet the minimum
29 requirements established by the board.

30 d. Each retiree or surviving spouse shall pay directly to the board the premiums in
31 effect for the coverage then being provided. The board may require

1 documentation that the retiree has accepted a retirement allowance from an
2 eligible retirement plan other than the public employees retirement system.

3 2. For purposes of this section, the uniform group insurance program must provide health
4 insurance benefits coverage as defined in section 54-52.1-01.

5 **SECTION 4. EFFECTIVE DATE.** This Act becomes effective on January 1, 2026.