

SB 2160  
2-20-25

25.0142.02004  
Title.

Prepared by the Legislative Council  
staff for Senator Davison  
February 19, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO**

**SENATE BILL NO. 2160**

Introduced by

Senators Davison, Bekkedahl, Sorvaag

Representatives Bosch, Stemen

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~~, and  
2 54-52.1-06 of the North Dakota Century Code, relating to health insurance benefits coverage  
3 provided by the uniform group insurance program and state employee contributions; ~~and to~~  
4 provide an appropriation; to provide for a statement of legislative intent; to provide an effective  
5 date. and to provide an expiration date.

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

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

9 **54-52.1-01. Definitions.**

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

- 11 1. "Board" means the public employees retirement board.
- 12 2. "Carrier" means:
  - 13 a. For ~~the hospital~~ health insurance benefits coverage, an insurance company
  - 14 authorized to do business in the state, or a nonprofit hospital service association,
  - 15 or a prepaid group practice hospital or medical care plan authorized to do
  - 16 business in the state, or the state if a self-insurance health plan is used for
  - 17 providing hospital or medical benefits coverage.
  - 18 b. For ~~the medical benefits coverage~~, ~~an insurance company authorized to do~~
  - 19 ~~business in the state~~, ~~or a nonprofit medical service association~~, ~~or a prepaid~~
  - 20 ~~group practice medical care plan authorized to do business in the state~~, ~~or the~~

1           ~~state if a self-insurance health plan is used for providing medical benefits-~~  
2           ~~coverage.~~

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

5           3. "Department, board, or agency" means ~~the departments~~ a department, boardsboard,  
6           ~~agencies~~ agency, or associations association of this state. The term includes the state's  
7           charitable, penal, and higher educational institutions; the Bank of North Dakota; the  
8           state mill and elevator association; and counties, cities, district health units, and school  
9           districts.

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

26          5. "Health insurance benefits coverage" means ~~hospital~~:  
27          a. A nongrandfathered health plan sponsored by a large employer which meets the  
28          applicable requirements of 42 U.S.C. chapter 6A, subchapter XXV, without regard  
29          to 42 U.S.C. 18011, including benefits provided under the uniform group  
30          insurance program's grandfathered preferred provider organization plan;  
31          b. Hospital benefits coverage ~~or medical~~;

*what  
benefit  
or*

Sixty-ninth  
Legislative Assembly

1           c. Medical benefits coverage; or both

2           d. Both hospital and medical benefits coverage.

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

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

8           8. "Life insurance benefits coverage" means a plan that provides both term life insurance  
9           and accidental death and dismemberment insurance in amounts determined by the  
10          board, with a minimum of one thousand dollars provided for the term life insurance  
11          portion of the coverage.

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

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

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

18          12. "Nongrandfathered health plan" means a plan that does not qualify as a grandfathered  
19          plan under the Patient Protection and Affordable Care Act [Pub. L. 111-148], as  
20          amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-  
21          152].

22          13. "Self-insurance health plan" means a plan of self-insurance providing health insurance  
23          benefits coverage under section 54-52.1-04.2.

24          ~~13.~~14. "Temporary employee" means a governmental unit employee who is not filling an  
25          approved and regularly funded position in an eligible governmental unit and whose  
26          services may or may not be limited in duration.

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

1       **54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

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

5       1. The uniform group insurance program must be:

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

8       b. Except as provided in subsection 2 of section 54-52.1-03.1, provide coverage as  
9       defined in subdivision a of subsection 5 of section 54-52.1-01; and

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

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

13      1. ~~Medical and hospital~~

14      a. Health insurance benefits coverage group consisting of active eligible employees  
15      and retired employees not eligible for Medicare, except for employees who first  
16      retire after July 1, 2015, and are not eligible for Medicare on their retirement. In  
17      determining premiums for coverage under this ~~subsection~~subdivision for retired  
18      employees not eligible for Medicare, the rate for a non-Medicare retiree single  
19      plan is one hundred fifty percent of the active member single plan rate, the rate  
20      for a non-Medicare retiree family plan of two people is twice the non-Medicare  
21      retiree single plan rate, and the rate for a non-Medicare retiree family plan of  
22      three or more persons is two and one-half times the non-Medicare retiree single  
23      plan rate.

24      2. b. In addition to the coverage provided in ~~subsection 1~~subdivision a, another  
25      coverage option may be provided for retired employees not eligible for Medicare,  
26      except for employees who first retire after July 1, 2015, and are not eligible for  
27      Medicare on their retirement, provided the option does not increase the implicit  
28      subsidy as determined by the governmental accounting standards board's other  
29      postemployment benefit reporting procedure. In offering this additional option, the  
30      board may have an open enrollment but thereafter enrollment for this option must  
31      be as specified in section 54-52.1-03.



1 shall participate in the uniform group insurance program under the same terms-  
2 and conditions premium structures as state agencies.

3 c. A retiree who has accepted a retirement allowance from a participating political  
4 subdivision's retirement plan may elect to participate in the uniform group under  
5 this chapter without meeting minimum requirements at age sixty-five, when the  
6 employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the  
7 political subdivision joins the uniform group insurance plan if the retiree was a  
8 member of the former plan, or when the spouse terminates employment. If a  
9 retiree or surviving spouse does not elect to participate at the times specified in  
10 this ~~section~~ subdivision, the retiree or surviving spouse must meet the minimum  
11 requirements established by the board.

12 d. Each retiree or surviving spouse shall pay directly to the board the premiums in  
13 effect for the coverage then being provided. The board may require  
14 documentation that the retiree has accepted a retirement allowance from an  
15 eligible retirement plan other than the public employees retirement system.

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

18 **SECTION 4. AMENDMENT.** Section 54-52.1-06 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20 **54-52.1-06. State contribution - State employee contribution - Penalty.**

21 1. Each department, board, or agency shall pay to the board each month from its funds  
22 appropriated for payroll and salary amounts and from applicable employee  
23 contributions under subsection 2 a state contribution in the amount as determined by  
24 the primary carrier of the group contract for the full single rate monthly premium for  
25 each of its eligible employees enrolled in the uniform group insurance program and the  
26 full rate monthly premium, in an amount equal to that contributed under the alternate  
27 family contract, including major medical coverage, for hospital and medical benefits  
28 coverage for spouses and dependent children of its eligible employees enrolled in the  
29 uniform group insurance program pursuant to section 54-52.1-07. The board then shall  
30 pay the necessary and proper premium amount for the uniform group insurance  
31 program to the proper carrier or carriers on a monthly basis.

*Employee  
Premium  
cost  
share*

1       2. Beginning January 1, 2027, an eligible state employee who is participating in the  
2       uniform group insurance program and is receiving coverage as defined in  
3       subdivision a of subsection 5 of section 54-52.1-01 or section 54-52.1-18, must be  
4       assessed and required to pay twenty-five dollars each month toward the monthly  
5       premium amount, to be collected by the employer and remitted to the board.

6       3. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction  
7       of premium amount must be credited at least annually to a separate fund of the  
8       uniform group insurance program to be used by the board to reimburse the  
9       administrative expense and benefit fund of the public employees retirement program  
10      for the costs of administration of the uniform group insurance program.

11     ~~3.4.~~ If an enrolled eligible employee is not entitled to receive salary, wages, or other  
12      compensation for a particular calendar month, that employee may make direct  
13      payment of the required premium to the board to continue the employee's coverage,  
14      and the employing department, board, or agency shall provide for the giving of a timely  
15      notice to the employee of that employee's right to make such payment at the time the  
16      right arises.

17     4.5. A governmental unit that fails to pay the contributions by the board's established due  
18      date is subject to a civil penalty of fifty dollars and, as interest, one percent of the  
19      amount due for each month of delay or fraction of a month after the payment became  
20      due.

21      **SECTION 5. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - HEALTH**  
22      **INSURANCE PREMIUM POOL.** There is appropriated out of any moneys in the general fund in  
23      the state treasury, not otherwise appropriated, the sum of \$3,600,000, or so much of the sum as  
24      may be necessary, and from other funds derived from federal funds and special funds, not  
25      otherwise appropriated, the sum of \$4,700,000, or so much of the sum as may be necessary, to  
26      the office of management and budget for the purpose of a health insurance premium pool,  
27      which the office of management and budget shall use to distribute appropriation authority to  
28      state agencies for paying a portion of health insurance premium cost increase related to this  
29      Act, for the biennium beginning July 1, 2025, and ending June 30, 2027.

30      **SECTION 6. LEGISLATIVE INTENT.** It is the intent of the sixty-ninth legislative assembly  
31      that the public employees retirement system use an estimated amount of \$8,300,000, or so

*July 26*

*Reserves  
SSmith*

1 much of the sum as may be necessary, from the health insurance reserve fund established in  
2 section 54-52.1-06 for a portion of the state employer share of any increase in premiums for  
3 health benefits resulting from the provisions of this Act for the period beginning with the effective  
4 date of this Act and ending June 30, 2027.

5 **SECTION 7. EFFECTIVE DATE.** This Act becomes effective on January 1, 2026.

6 **SECTION 8. EXPIRATION DATE.** Section 4 of this Act is effective through December 31,  
7 2027, and after that date is ineffective.

*expiration*