

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, boards~~board,~~
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~~;

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 ~~subsectionsubdivision~~ 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.

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 \$5,100,000, 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 \$6,500,000, 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 \$11,600,000, or so

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.