CHAPTER 71-03-05
BOARD RESPONSIBILITIES

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71-03-05-01. Premium billing.

The board will maintain a monthly billing and reconcile the moneys for all employers and other eligible individuals provided in North Dakota Century Code chapter 54-52.1.

History: Effective October 1, 1986; amended effective January 1, 2025.
General Authority: NDCC 54-52.1-08
Law Implemented: NDCC 54-52.1-08

71-03-05-02. Retiree billing.

Retirees receiving a monthly retirement benefit from the board in a sufficient amount to pay premium will have the total monthly premium deducted from their benefit check.

History: Effective October 1, 1986; amended effective November 1, 1990; April 1, 2008; July 1, 2018.
General Authority: NDCC 54-52.1-08
Law Implemented: NDCC 54-52.1-03

71-03-05-03. Late premium for retirees.

Repealed effective April 1, 2008.

71-03-05-04. Late premium for terminated employees.

Repealed effective April 1, 2012.

71-03-05-05. Appeal process.

If a member's benefits have been denied in whole or in part by the board or its agent, the member will be notified in writing of the denial and the reasons. Within sixty days of the date shown on the denial notice, the member may file a petition for review. The petition must be in writing, the reasons stated for disputing the denial and be accompanied by any documentation. Should the member filing a petition for review, or should the board or its agent desire information which cannot be presented satisfactorily by correspondence, the board or its designated appeals committee may schedule a hearing. The member filing the appeal will be notified in writing at least fifteen days prior to hearing of the time, date, and place.

The board or its agent will render a decision as soon as possible, but not later than one hundred twenty days after the receipt of the petition for review. The decision will be in writing.

History: Effective October 1, 1986; amended effective November 1, 1990; July 1, 2010; April 1, 2012.
General Authority: NDCC 54-52.1-08
Law Implemented: NDCC 54-52.1-08

71-03-05-06. Recovery of benefit payments.

Whenever benefits are paid in noncompliance with the contract, the board retains the right to recover the payments from the party responsible. In case the claims payor is at fault, the amount of overpayment will be withheld from the administrative fees paid by the board. In case overpayments are made because of false or misleading information provided by a member, the claims payor shall attempt to recover the amount. Any moneys recovered shall be credited to the board. In case an overpayment is made because of a mistake or deliberate act by a health care provider, the claims payor shall collect the money from the provider and credit that amount to the board. In cases of suspected fraud, the board may turn the evidence over to the state's attorney or attorney general's office for possible prosecution.

History: Effective October 1, 1986.
General Authority: NDCC 54-52.1-08
Law Implemented: NDCC 54-52.1-08

71-03-05-07. Erroneous payment of premiums - Overpayments.

1. An "overpayment" means a payment of money to the public employees retirement system for group insurance premiums that exceeds the premiums due for the level of coverage that should have been in effect.

2. If an overpayment occurs, the amount of the overpayment must be paid to the insured in a lump sum within thirty days of the discovery of the error. The payment may be made to any person insured under the policy.

History: Effective April 1, 2002; amended effective April 1, 2016.
General Authority: NDCC 54-52.1-08
Law Implemented: NDCC 54-52.1-08

71-03-05-08. Erroneous payment of premiums - Underpayments.

1. An "underpayment" means a payment of money to the public employees retirement system for group insurance premiums that is less than the premiums due for the level of coverage that should have been in effect. Underpayment of premium is solely an error in the amount of premium billed to the individual.

2. An individual who underpays premiums is liable to pay those premiums upon receiving a request for repayment and an explanation of the amount due from the executive director. All underpayments must be collected using the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like gains. If the cost of recovering the underpayment is estimated to exceed the amount of the underpayment, the underpayment is considered to be unrecoverable.

3. If an underpayment is discovered in the first month it occurs, the individual must pay the amount due in a lump sum within thirty days of the discovery of the error.

4. If an underpayment is not discovered within the first month it occurs, the following will apply:

    a. If not the result of any wrongdoing, negligence, misrepresentation, or omission by the individual, then the individual must make arrangements within sixty days of receiving written notification to either pay by lump sum or installments. The installment payment

schedule is subject to approval by the executive director with the minimum repayment amount no less than fifty dollars a month. If repayment arrangements are not in place within sixty days of the date of the written request for repayment, the executive director shall authorize payment to be made in three equal installments, using the same payment method the individual has authorized for paying current monthly premiums.

b. If underpayment is the result, in whole or in part, of the wrongdoing, negligence, misrepresentation, or omission of the individual, underpayments must be made in full within sixty days of written notification.

5. If an underpayment occurs and the individual no longer participates in the group insurance, any premium amounts due are immediately payable.

6. If the individual dies prior to paying in full, then the public employees retirement system must make application to the estate of the deceased to recover the remaining balance.

7. If the individual refuses to repay the underpayment, or the underpayment is not paid in full, coverage may be canceled retroactive to the first day of the month following the month for which full premium payment was received.

History: Effective April 1, 2002; amended effective April 1, 2008; July 1, 2010; April 1, 2016.
General Authority: NDCC 54-52.1-08
Law Implemented: NDCC 54-52.1-08

71-03-05-09. Erroneous payment of premiums - Appeals.

1. A person not satisfied with the repayment arrangements made under this policy may appeal the executive director's decision in writing to the board. The written request must explain the basis of the appeal and must be received in the office within sixty days of the executive director's written decision.

2. The board may release a person from liability to repay an underpayment, in whole or in part, if it determines:

   a. The underpayment is not the fault of the recipient; or

   b. It would be contrary to equity and good conscience to collect the underpayment.

History: Effective April 1, 2002.
General Authority: NDCC 54-52.1-08
Law Implemented: NDCC 54-52.1-08

71-03-05-10. Determining amount of premium overpayments and underpayments.

1. The amount of the health premium overpayment or underpayment must be determined by calculating the difference between the premium that was paid and the premium that should have been paid, retroactively to the month the change in premium should have occurred, or July of the earliest contract period still open, whichever is more recent.

2. The amount of the life premium overpayment or underpayment must be determined by calculating the difference between the premium that was paid and the premium that should have been paid, retroactively to the month the change in premium should have occurred, or the first day of the first month of the earliest contract period still open, whichever is more recent.

3. The amount of the dental premium overpayment or underpayment must be determined by calculating the difference between the premium that was paid and the premium that should

have been paid, retroactively to the month the change in premium should have occurred, or the first day of the first month of the earliest contract period still open, whichever is more recent.

4. The amount of the vision premium overpayment or underpayment must be determined by calculating the difference between the premium that was paid and the premium that should have been paid, retroactively to the month the change in premium should have occurred, or the first day of the first month of the earliest contract period still open, whichever is more recent.

5. The amount of the employee assistance premium overpayment or underpayment must be determined by calculating the difference between the premium that was paid and the premium that should have been paid, retroactively to the month the change in premium should have occurred, or the first day of the first month of the earliest contract period still open, whichever is more recent.

History: Effective April 1, 2002; amended effective April 1, 2008; April 1, 2014; July 1, 2026.
General Authority: NDCC 54-52.1-08
Law Implemented: NDCC 54-52.1-08

71-03-05-11. Failure to provide notification and errors.

1. If the individual fails to notify the public employees retirement system of a change that affects the level of coverage in force, upon learning of the change, the guidelines for premium overpayment or underpayment will apply.

2. If an individual fails to notify the public employees retirement system to establish coverage, the guidelines for premium overpayment or underpayment will not apply. Coverage will only be established prospectively.

3. If the public employees retirement system makes an error that affects the level of coverage in force for the individual, upon learning of the error, the guidelines for premium overpayment or underpayment will apply.

4. If the public employees retirement system makes an error and does not establish coverage for an individual, upon learning of the error, the guidelines for premium underpayment will apply.

5. If an individual does not receive timely notification of COBRA continuation rights, premiums must be paid in full before continuation coverage is established retroactively.

History: Effective April 1, 2002.
General Authority: NDCC 54-52.1-08
Law Implemented: NDCC 54-52.1-08