

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1099

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1099

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1099

House Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date 01-19-01

Tape Number	Side A	Side B	Meter #
#1	X		1936-4106
			5431-5933
Committee Clerk Signature <i>Robin L. Small</i>			

Minutes:

REP. M. KLEIN called the meeting to order. REP. KLEMIN and REP. WIKENHEISER were absent.

In favor:

SPARB COLLINS, EXECUTIVE DIRECTOR of NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEMS, PERS

Please see attached testimony.

REP. M. KLEIN asks about the transfer of moneys from the life insurance portion to the health insurance portion.

COLLINS replies yes that is correct.

REP. M. KLEIN asks if it basically reduces a members payment by \$7.00 per year?

COLLINS replies no by the month.

REP. M. KLEIN asks where did the carry over funds come from?

COLLINS replies that they came out of the operations of the health insurance plan.

REP. METCALE asks where does the carry over come from, and how do you designate the carry over?

COLLINS replies that the carry over funds, full insured contract with Blue Cross Blue Shield. Part of that contract they have an arrangement with BCBS, that gives the total amount of premium that they pay. Those funds are available to carry over.

REP. METCALE asks if they switch to this, would that eliminate carry over? Or is there still a possibility of carry over?

COLLINS replies that it retains the carry over provision. All it does is set up the account.

REP. GRANDE asks if there was an issue that public employees shared the group?

COLLINS replies that is actually in another bill.

REP. M. KLEIN asks how did this come about, when we always thought it was confidential, was there a case?

COLLINS replies, yes there was a case, and a payment history was asked for.

REP. GRANDE asks if they are still maintaining some confidentiality?

COLLINS replies that it is strictly a federal issue not for state employees.

REP. GRANDE has a point of clarification on the carry over, this is actually public employees coming forward to help out. To help keep the health insurance payments down.

COLLINS states that this \$475,000.00 combined with the other shifts a little more risk to BCBS, to the extent that they will in fact be there. The premium reduction reduces their risk a little bit.

REP. KASPER asks what are the equal savings over the biennium period?

COLLINS replies that it is less than \$3,000,000.00.

Page 3

House Government and Veterans Affairs Committee

Bill/Resolution Number HB 1099

Hearing Date 01-19-01

REP. KASPER asks what would've happened to this 2.6 million in carry over that is going into this reserve account, if it had not gone into the reserve account?

COLLINS replies it would have probably retained into the insurance plan for another two years.

ROD ST. AUBYN, BLUE CROSS BLUE SHIELD

ST. AUBYN states that they are very much in favor of this bill. States that they assume all of the risk.

No questions.

REP. BRUSEGAARD motions for a DO PASS AND BE REREFERRED TO

APPROPRIATIONS, seconded by REP. HUNSKOR. The motion carries. 13-0, 2 absent and not voting. The carrier of the bill is REP. KROEBER.

HB 1099 DO PASS AND BE REREFERRED TO APPROPRIATIONS 13-0

CARRIER: REP. KROEBER

FISCAL NOTE

Requested by Legislative Council
12/14/2000

Bill/Resolution No.: HB 1099

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

No fiscal impact is anticipated as a result of this bill. Certain funds are being transferred from the life insurance to the health insurance fund. If health claim levels are incurred at a level expected by the PERS health consultant these funds will not be drawn upon in the 2001-2003 biennium.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name: Sparb Collins

Agency: North Dakota Public Employees
Retirement System

Phone Number: 328-3901

Date Prepared: 12/20/2000

Date: Jan. 19th, 2001

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1099

House GOVERNMENT AND VETERANS AFFAIRS Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass and be referred to approp.

Motion Made By Brusegaard Seconded By Hunskor

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP KROEBER	✓	
VICE CHAIR GRANDE	✓				
REP BELLEW	✓				
REP BRUSEGAARD	✓				
REP CLARK	✓				
REP DEVLIN	✓				
REP HAAS	✓				
REP KASPER	✓				
REP KLEMIN					
REP MEIER	✓				
REP WIKENHEISER					
REP CLEARY	✓				
REP HUNSKOR	✓				
REP METCALF	✓				

Total (Yes) 13 No 0

Absent 2

Floor Assignment Rep. Kroeber

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 19, 2001 9:47 a.m.

Module No: HR-09-1273
Carrier: Kroeber
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1099: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman)
recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee**
(13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1099 was rereferred to the
Appropriations Committee.

2001 HOUSE APPROPRIATIONS

HB 1099

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1099

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date January 29, 2001

Tape Number	Side A	Side B	Meter #
01-29-01 tape #1	0 - 3380		
Committee Clerk Signature <i>Kermit Hall</i>			

Minutes:

The committee was called to order, and opened the hearing on HB 1099, a bill for an act relating to state retirement board authority over excess uniform group insurance program funds, to the definition of eligible employee, retiree eligibility for the group health insurance program and retiree health benefits, and excess funds and confidentiality of records under the uniform group insurance program, and to provide a transfer. The title was not read.

Sparb Collins, Executive Director of the North Dakota Public Employees Retirement System (PERS): Provided written testimony. This bill does several things, as noted on his written testimony on page 1. Pages 1 through 3 explain how each section will be changed and the reasons for the needed change. Sections 1 through 5 seem fairly straightforward. Section 6 deals to the confidentiality of records. It clarifies that premium payment amounts and the history of payment is confidential. PERS received several requests for this information this biennium and their attorney determined such information is not confidential. Previously it was believed

and treated with the department that these records were confidential. This change is to clarify the legislation. This section also provides that PERS can share this information with a person or entity to which the board is required to disclose pursuant to federal statute or regulation. Section 7 of the bill relates to the renewal with Blue Cross Blue Shield of the group insurance plan for the next biennium. Pursuant to the renewal PERS agreed to establish with BCBS a reserve account and in return BCBS agreed to reduce the health insurance premium charge for all active employees by \$7.47 per contract per month. The reserve account would include estimated carry over funds at the end of this biennium plus the request is for a transfer up to \$475,000 in carryover funds from the employee group life insurance program to the group health insurance program. This fund, as well as the group health insurance carryover, would be retained by BCBS. If the claim levels were less than the premiums paid these funds would be available to the State in 3002. If the claims exceed the premiums paid, BCBS could draw down from this reserve up to the amount of the reserve plus interest. The actuary consulted expects that the premiums should be sufficient to cover the claims during the 2001-2003 biennium and the reserve account should not be needed.

Rep. Koppelman: In section 6 of the bill on the confidentiality matter, I am wondering if this would give special treatment to the public employees over the general public. It is my understanding that payment histories are very commonly shared within the insurance industry for underwriting practices. The general public doesn't share this confidentiality do they?

Response: In the private sector these issues would be addressed by the employer. The employer could not give this information out. Some large employers do just that. By contract in the public sector the open records act requires all information available. We need a specific

policy or direction as to whether or not these premium payment histories of individuals are confidential or not.

Rep. Glassheim: Could you explain on page 2, section 2, are you expanding the number of persons eligible?

Response: This does not expand the eligibility, it really just clarifies who participates.

Rep. Skarphol: In regard to the confidentiality, he doesn't understand the need for this and the potential ramifications to those who need information.

Response: Each individuals records are not closed to themselves. They are really just seeking direction. Historically they have kept these records confidential and were not providing this information. Only recently have they been informed that these records are not closed. The only information to be kept confidential is the individual information on premium payments. The only thing this would limit is the ability of the general public to call in and ask how much the State has paid in premiums since such and such a date, and how long has that person participated in the program for an individual. Any information in the aggregate is not closed off.

Rep. Skarphol: Still unsure as to why this release of information would make any difference; who cares.

Response: We really just want some clarification as to how they should act.

Chairman Byerly: As a private citizen, do I have the right to know what the state pays an individual, are the salaries public record? (Answer is yes). If we pass this as is, then it closes the premium information for an individual, the amount paid as a benefit package, available to the public.

Rep. Koppelman: Can you not figure this out by dividing the total amount spent by the numbers of employees participating? (Not all persons are participating). Are there differences in the amounts paid? (This answer is no, all premiums are the same).

Rep. Carlisle: Why would anyone ask, and whose business is it. Who cares?

Response: Attorneys, ex-spouses, etc.

Rep. Skarphol: How frequently are you asked for this?

Response: Not a lot, we just want to know what to do.

Rep. Byerly: If we transfer the \$475,000 from the life insurance fund to the health insurance fund, what kind of money do we have, didn't we transfer money out of this fund last session. Are we putting the fund in any danger.

Response: No. Last session it was about \$1.5 million or \$1.8 million, somewhere in that range. These funds are related to the supplemental life insurance coverage that is provided through PERS. That plan is a plan that is fully insured with the carrier, ING. These amounts are estimated to be remaining in the fund. These are all supplemental premiums paid by employees.

Chairman Byerly: The trade here is that we would take some of those funds so we can keep the same level of benefits for employees and save a few dollars on the premiums.

Response: Explains what appears in the written testimony on page 3 again.

Rep. Skarphol: These funds will be available where?

Response: The funds after 2003 would return back into the health insurance account, which is available to the state, if the projections are right. The risk is transferred.

Howard Snortland, Association of Former Public Employees: He complimented the PERS Board, and stated that he had not worked with a better board as far as knowing what they

are doing and being very fair in making decisions. He is not under the PERS program, but is under the Teachers Fund For Retirement. He supports and endorses this bill.

Rep. Carlisle: Do you know how many retired public employees there are in Burleigh County?

Response: A lot, but can't tell you a number off hand.

The chairman closed the hearing on this bill.

January 29, 2001 (later on in the afternoon).

The committee was called to order, and opened committee work on HB 1099.

(The committee had some general discussion as to concerns about the bill, which includes the change of confidentiality issue. Rep. Byerly believes that some persons are entitled to knowing this information. Rep. Glassheim says that this information should be discoverable anyway with a court order. Rep. Koppelman wonders if this information is generally discoverable even without a court order. Maybe this is what they are trying to protect from. This really becomes a public's right to know in general, and the public can find out some information, like salaries, but not expenses, and such. Rep. Koppelman says that the aggregate information is not in issue, that what is paid as a group is not confidential. Rep. Skarphol still does see a valid reason for this to be done. He says if one agency has a confidentiality clause and no others do, this information could be found elsewhere. Rep. Byerly reminds the committee that not everyone participates in the group insurance plan.)

Rep. Skarphol: Asks Joe from LC whether or not any other state agency has confidentiality in the same manner. The answer is not that anyone is aware of.

Page 6

Government Operations Division

Bill/Resolution Number HB 1099

Hearing Date January 29, 2001

Chairman Byerly: The committee does not have to push this out today. He would be interested in finding out from the open records supporters their concerns. He is interested in finding out who wants this information and why they are requesting it.

Rep. Koppelman: Notes that the bill is because they have been keeping the information confidential and now are told that they must disclose it, so in essence we are not closing up something that has been open before this. Can we have someone get from Sparb the definition of aggregate.

Chairman Byerly: Asked Joe from LC to find out from Sparb a little more detail, who is requesting and why. Why did this come up in the first place.

The chairman closed the committee work on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1099

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date January 30, 2001

Tape Number	Side A	Side B	Meter #
01-30-01 tape #1	2330 - 3245		
Committee Clerk Signature <i>Kathie Dahl</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1099.

Chairman Byerly: What this bill deals with is some changes in PERS to clarify some definitions and privacy issues. We ended up with the bill because there is \$475,000 that PERS is going to transfer from the employee life insurance fund into the uniform group health insurance program. By doing this BCBS agreed to reduce the cost of medical insurance \$7.47 per month per policy. BCBS can draw on this fund if the claims exceed the number BCBS used to arrive at the cost of insurance. If BCBS doesn't use the fund, PERS gets the money back plus interest. It is a "slush" fund for BCBS, and the trade off is that PERS gets lower insurance premiums. Where we had problems was on page 5, on lines 28 -30, and the issue of confidentiality.

Rep. Skarphol: Based on what I have heard from Sparb Collins and Jack McDohald on behalf of the newspaper association, I would move an amendment to remove changes to new code on lines 29 and 30 to section 6 in this bill.

Page 2

Government Operations Division

Bill/Resolution Number HB 1099

Hearing Date January 30, 2001

Rep. Thoreson: Seconds.

Rep. Glassheim: What did Jack McDonald say?

Rep. Skarphol: Basically, he could not see why this needs to be in the statute either. Closing records is not a good political thing to do. I wanted to hear his opinion as to closing records, and he thought the information was unnecessary.

Chairman Byerly: They cannot not now give out, because of other sections of the Century Code, things like social security numbers, account numbers. We could come up with a number of reasons why persons are asking for the information. Could be anyone doing specific research on a particular person, or any spouse in a domestic issue. I would rather err on the side of having records open than err on the side of closing records.

I hesitate to vote on this when we don't have full committees. (Rep. Koppelman had left a few minutes earlier to go to a meeting). I think we will table the amendment, and take this up at our next meeting.

The chairman closed the committee work on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1099

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date January 31, 2001

Tape Number	Side A	Side B	Meter #
01-31-01 tape #1	0 - 350		
Committee Clerk Signature <i>Kayli Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1099.

We have a motion on the table, and we elected to wait until the full subcommittee was present.

(Went through the amendment, and its purpose, that was handed out).

Vote on the motion to adopt the amendments, 5 yes, 2 no. Motion passed.

Rep. Skarphol: Moves DO PASS AS AMENDED. Rep. Thoreson seconded.

Vote on motion to pass as amended, 7 yes, 0 no. Motion passes.

Rep. Skarphol was assigned to carry the bill to the full committee.

The chairman closed committee work on this bill

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB1099**

House Appropriations Committee

☐ Conference Committee

Hearing Date **February 2, 2001**

Tape Number	Side A	Side B	Meter #
1		x	2954 - 4448
Committee Clerk Signature <i>L. L. Jackson</i>			

Minutes:

House Appropriations Committee action on HB1099.

Rep. Bob Skarphol: HB1099 was presented by the public employees retirement system and it was a request for some changes, the main change that we made to the bill was on section 6 there was some confidentiality of records that we didn't think were appropriate, and they couldn't give us a good reason why they felt these records needed to be confidential, which relate to the health insurance premiums of employees and the amount that has been contributed. The amendment to this bill would delete that language and leave them as open records. I would move amendment .10075.0201. Seconded by Byerly.

Rep. Mike Timm: Did everyone find the amendment? Its behind the bill in my book.

Rep. Bob Skarphol: We asked Jack McDonald with the newspaper association to take a look a look at it and he could not even conceive the logic behind doing this. Its pretty much public record.

Rep. Elliot Glassheim: I'm not sure its a major deal but we have really here a conflict between public right to know and why they would want to know and some form of privacy for employees, and on the other side of the question, I was never convinced that there is any good reason why anybody would want to get these records. This would only stop it from individual reports, we could still information of how much things cost in a particular city or in a particular agency. But this protects individuals from snooping really, because if there were any good legal reason to get this information, on the last page it currently in law and it would continue in law that any court order would open this up. The requested language which is deleted by the amendment was to continue to protect individual employees from basically from snooping, the agency has been doing it this way for years, but their new attorney told them, they might be cross wise with open records, and that's why they brought in the new language. So basically, I am going to vote against the amendment to take out the language from exempting them from open records. That's the way they have been doing it for years and I really didn't hear any good reason why somebody would want to know on each individual case what their history of what we pay for them is .

Rep. Keith Kempenich: PERS is part of Blue Cross is it not? Who operates this?

Rep. Rex Byerly: This is a state agency that is operated by the state and as Rep. Wald has said they contract with Blue Cross and Blue Shield to provide the health insurance and life insurance components of PERS. But No, this is not part of Blue Cross and Blue Shield. If I could explain a little bit more, I'll give you a couple of scenarios, that we felt as a sub section that Rep. Glassheim was incorrect, if you had your local home town newspaper that wanted to do a story about how much it costs to provide state services in your area and they wanted to get a true picture of how much it costs to have that employee sitting out there at that desk in your town,

they couldn't actually get a true picture of it other than in the aggregate. If there was an agency in your town that only had one employee, the newspaper couldn't get the true costs of that person because, PERS would not be able to release that information, because there is only one body there. The other scenario that came up, and we had two separate attorney's that worked in this area said that this was indeed the case, when there is a child support case or a divorce it is still in the discovery state, judges generally don't give through court orders to find out this kind of information, you have to wait until you're actually in the middle of the case, and if we put this in the discovery stage is totally blown out of the water in the preparation of those kinds of cases, and that's the reason we amended this stuff out of here, is because there are two separate circumstances, and we felt that the citizens of the State of North Dakota have a right to know how much it actually costs to have all of these employees working, and the other half of it is in discovery stages in lawsuits the people involved should have the right to find that information out without the court order to do so.

Rep. Keith Kempenich: What follows that besides the payments?

Rep. Rex Byerly: Basically that's what we were talking about, is the cost per month for the benefit package and how long we have been paying for those benefits. There is no other information that they can give out an account number, they can't give out an SS#, none of those other kinds of pieces of information that this changes.

Rep. John Warner: If PERS were to adopt a cafeteria style insurance plan where you could pick and choose different options within the policy, would those items be reflected in the history

Rep. Rex Byerly: This only deals with what the state pays for.

Rep. Mike Timm: Any other discussion?

Rep. Amy Kliniske: Are you saying that a mediator would not be able to collect the information they need to get the custody order written with this bill? **Resp:** If we do not amend the bill, yes that is true.

Rep. Elliot Glassheim: If you look on page 6, already in code is the information may be disclosed only to a person to whom the eligible employee has given written consent to have the information disclosed. So if there is mediation and there trying to work things out amicably, presumably the employee would say sure you can look at it.

Rep. Amy Kliniske: Part of mandatory mediation is not always amicable.

Rep. John Warner: My understanding of the briefing that we received in the section is that this is probably in violation of the privacy implications in HIPPA, and I suspect that HIPPA would eventually override it. I think I will vote against the amendment.

Rep. Ken Svedjan: My understanding of the requirements of privacy in HIPPA which doesn't run real deep at this point, is that it doesn't pertain to the premiums whatsoever, it pertains to the medical record.

Rep. Mike Timm: Any other discussion? We are discussing a proposed amendment to HB1099. Vote on the amendment. All those in favor of adopting the amendment .0201, signify by saying AYE. Motion carried. The amendment is adopted.

Rep. Bob Skarphol: I would move HB1099 as amended. Seconded by Rep. Byerly.

Rep. Mike Timm: Any Discussion?

Rep. Jeff Delzer: I apologize if I missed it and this was already explained, but what is the reason for the transfer in section 7? **Res:** The purpose of this whole bill is defined in section 7. For all intents and purposes, what it is, is when the contract was negotiated for the medical insurance policy, PERS and Blue Cross & Blue Shield developed this fund that's going to have \$475,000

Page 5

House Appropriations Committee

Bill/Resolution Number **HB1099**

Hearing Date February 2, 2001

in it. If the claims against the medical plan exceeds the threshold that's built in on the negotiation, Blue Cross and Blue Shield will be able to tap into this \$475,000.

Rep. Mike Timm: Any other discussion? We will take the roll on HB1099 as amended for DO PASS. YES (19) NO (1) Absent and not voting (1) Motion passed. Rep Skarphol will carry the bill on the floor.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1099

Page 3, line 22, replace "g" with "e"

Page 5, line 29, remove "premium payment amount and history for any"

Page 5, line 30, remove "available insurance coverage."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1099 - House Action

This amendment removes proposed language which would have provided that public employee records relating to insurance premium payments are confidential.

Date: 1-31-01
Roll Call Vote # 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1099

House Appropriations - Government Operations Division Committee

☒ Subcommittee on ~~Appropriations~~ Govt Operations
or
☐ Conference Committee

Legislative Council Amendment Number 10075.0201

Action Taken to adopt amendment

Motion Made By Rep Skarphol Seconded By Rep. Huether

Representatives	Yes	No	Representatives	Yes	No
Rep. Rex R. Byerly - Chairman	✓		Rep. Eliot Glassheim		✓
Rep. Ron Carlisle - Vice Chairman		✓	Rep. Robert Huether	✓	
Rep. Kim Koppelman	✓				
Rep. Bob Skarphol	✓				
Rep. Blair Thoreson	✓				

Total (Yes) 5 No 2

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

to remove lines 29, 30 in Sec. 6

Date: 1-31-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1099

House Appropriations - Government Operations Division Committee

☒ Subcommittee on Government Operations
or
☐ Conference Committee

Legislative Amendment Number 16075.0201

Action Taken

Do PAS AS AMENDED.

Motion Made By

Rep Skarphol

Seconded
By

Rep. Thoreson.

Representatives	Yes	No	Representatives	Yes	No
Rep. Rex R. Byerly - Chairman	✓		Rep. Eliot Glassheim	✓	
Rep. Ron Carlisle - Vice Chairman	✓		Rep. Robert Huether	✓	
Rep. Kim Koppelman	✓				
Rep. Bob Skarphol	✓				
Rep. Blair Thoreson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Rep. Skarphol.

If the vote is on an amendment, briefly indicate intent:

Date: 02-02-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1099

House APPROPRIATIONS Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS AS AMENDED

Motion Made By SKARPHOL Seconded By BYERLY

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold	✓		Rep - Koppelman	✓	
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer	✓		Rep - Svedjan	✓	
Rep - Glassheim	✓		Rep - Thoreson	✓	
Rep - Gulleason	✓		Rep - Warner	✓	
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman					
Rep - Kliniske					

Total (Yes) 19 No 0

Absent 2

Floor Assignment ~~SKARPHOL~~ SKARPHOL

If the vote is on an amendment, briefly indicate intent:

2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1099

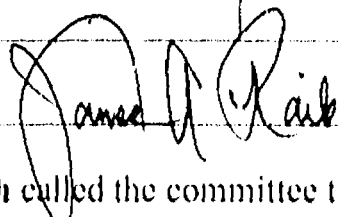
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1099

Senate Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date March 8, 2001

Tape Number	Side A	Side B	Meter #
1	X		0.0-29.3
2	X		28.0-35.0
Committee Clerk Signature 			

Minutes: **Chairman Krebsbach** called the committee to order. The clerk called the roll.

Chairman Krebsbach opened the hearing on HB 1099 which relates to state retirement board authority over excess uniform group insurance funds; relating to definition of eligible employee, retiree eligibility for the group health insurance program and retiree health benefits, and excess funds and confidentiality of records under the uniform group insurance program; and to provide a transfer. Appearing before the committee to introduce the proposed legislation was Sparb Collins , Executive Director for NDPERS. A copy of his written testimony is attached. The clerk was asked to review the fiscal note with the committee. **Senator T. Mathern** inquired about the transfer of the life insurance money into the fund, in terms of how equitable that is as compared to the money that comes from the health. Who pays in the money that created this reserve in the life insurance? **Mr. Collins** indicated that money comes about as a result of premium payments that were made to purchase supplemental life insurance coverage. The amount that you purchase is paid for by the employee. This is some of the money that we get

back from premiums paid by employees. The transfer of the \$475,000 into the life insurance account really is that some of these employee funds are being transferred over to help reduce the premiums for the employee health insurance coverage. **Senator T. Mather**, so would we not make this transfer we could probably have taken that money and bought down our life insurance premiums or got a better rate or whatever or give some money back. What would be the rationale for taking life insurance money over to health versus some other way of doing this, or is that the only place you had money to work with? **Mr. Collins** indicated it was one of the only places we had funds to work with. The goal here was to try and put together a health insurance package that was one that was affordable to the state of ND. **Senator Kilzer** inquired if this is the first time that the health insurance plan will have a reserve fund. **Mr. Collins** indicated that it is the first time the health insurance plan will have reserve fund that is being utilized in this manner. **Senator Kilzer** indicated that many years ago BCBS as a prepaid medical service plan had to have reserves of between 2 and 4 months of what the usual payout was. How far will this \$475,000 go as far as being in that range of 2 to 4 months of what the actual benefits that are paid out of the health plan go? **Mr. Collins** this would actually be in addition to any requirements that they have from the insurance department. They will have to continue to comply with the insurance departments requirements and maintain those reserves. This reserve is just solely to get us the \$7.47 reduction. **Senator C. Nelson** inquired how many people just take the \$1,000 and just don't take any more life insurance at all? **Mr. Collins** indicated that is exactly where that comes from. He indicated he did not have figures with him. There are a lot of employees that take the supplemental coverage. **Senator T. Mather** Assuming the transfer is made and assuming that this money is not needed for payment of claims, will this \$475,000 ever go back into life insurance portion of benefits? Is this a transfer out of life insurance permanently. **Mr.**

Collins indicated that it would be transferred over into health insurance plan and there is no provision for it to return. **Senator Wardner** inquired about section 6 on the confidentiality thing, the house put in premium payment amounts history of any available insurance coverage. That is available now to the public? That's what the amendment does? **Mr. Collins** indicated what that issue was is that the confidentiality provision as it was originally written, we had interpreted at the staff level of PERS, that that meant that the information was confidential and so if you had called our office for that information we would have said that was confidential.

Chairman Krebsbach inquired about the reserve money's whether or not it would gather interest and if so where would the interest go. **Mr. Collins** indicated there will be interest and will be maintained with that account to the extent that they do not need to use those funds due to the fact that they get back to \$3 million plus interest. The risk that is run here is that we won't make the \$3 million. If we don't then the terms of the contract change. **Senator C. Nelson** went back to the confidentiality thing. If she were a part time employee and paying her own premium. Could she tell you that she doesn't want you to give out any of that information? **Mr. Collins** indicated no she could not. Discussion of matters of confidentiality continued with

Senator C. Nelson making inquiries. **Senator T. Mathern** inquired about where these amendments came from. **Mr. Collins** elaborated on this. **Rod St. Aubyn** representing Blue Cross, Blue Shield of North Dakota appeared before the committee. He testified in support of the bill particularly section 7. There were no questions from the committee. No additional testimony was offered in support of, in a neutral position on, or in opposition to HB 1099.

Vice-Chairman Dever closed the hearing on HB 1099. **Chairman Krebsbach** opened the discussion on HB 1099. **Senator T. Mathern** indicated he asked Mr. Collins how this confidentiality thing got changed. He had indicated that in the house committee they thought it

was fine the way the bill was introduced. The house committee supported the introduction of the bill and retention of the confidentiality. Then the bill was rereferred to the appropriations committee and they were the committee that changed the confidentiality issue. He thought that would be of interest to the committee. **Senator C. Nelson** indicated that she and **Senator Wardner** were having this discussion before. Obviously if the state is paying the premiums it should become public notice, but there are certain employees, the part time employees that don't qualify for fringe benefits but could buy into the plan. Those who have that 18 month window at the end of the system which can buy into the plan to have a carryover health insurance, those who go on leave but want to maintain our health insurance that are paying our own premium payments. We don't think it's any business of theirs. It should be confidential. This way it is wide open record. Obviously it's open records. It is really anybody's business to come and see that I paid three months of my own insurance. She wished that part that appropriations took out would be back in there. **Senator Wardner** indicated he visited with Mr. Collins. Either we leave it the way it is or we put it back the way it was. He would rather err on the side of confidentiality so he would like to see it be put back in. **Senator Wardner** moved to put the amendment back in which had been taken out by house appropriations. The motion was seconded by **Senator C. Nelson**. Roll Call vote indicated 6 Yeas, 0 Nays, and 0 Absent or Not Voting. **Senator T. Mathern** moved a Do Pass as amended on HB 1099, seconded by **Senator Wardner**. Roll Call Vote indicated 6 Yeas, 0 Nays, and 0 Absent or Not Voting. **Senator Wardner** will carry the bill.

10075.0301
Title.0400

Adopted by the Government and Veterans
Affairs Committee
March 8, 2001

93
3-8-1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1099

Page 5, line 30, after "claims" insert " premium payment amount and history for any available insurance coverage."

Renumber accordingly

Roll Call Vote #:

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1099 (Engrossed)

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number

Action Taken	Amend - read language
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Motion Made By Sen. Worden Seconded By Sen. C. Nelson

[illegible]

Total (Yes) 2 No 1

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Date: 3/08/01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1099 (Engrossed)

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

☐ Subcommittee on _____
or _____

☐ Conference Committee

Legislative Council Amendment Number 10075.0301

Action Taken Do Pass as Amended

Motion Made By Sen. T. Mathern Seconded By Sen. Wardner

[illegible]

Total (Yes) 6 No 0

Absent 0

Floor Assignment Sen. Wardner

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 9, 2001 8:21 a.m.

Module No: SR-41-5151
Carrier: Wardner
Insert LC: 10075.0301 Title: .0400

REPORT OF STANDING COMMITTEE

HB 1099, as engrossed: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1099 was placed on the Sixth order on the calendar.

Page 5, line 30, after "claims" insert " , premium payment amount and history for any available insurance coverage,"

Renumber accordingly

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

CONFERENCE COMMITTEE

HB 1099

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1099 CC 1

House Government and Veterans Affairs Committee

☒ Conference Committee

Hearing Date 3/29/01

Tape Number	Side A	Side B	Meter #
3	X		0-2643
Committee Clerk Signature <i>Robin D. Small</i>			

Minutes:

CHAIRWOMAN GRANDE called the conference committee to order. All committee members were present. The committee consisted of REP. GRANDE, REP. SKARPHOL, REP. KROEBER, SEN. WARDNER, SEN. KREBSBACH and SEN. C. NELSON.

CHAIRWOMAN GRANDE opens up with asking SEN. WARDNER for an explanation of their non-recommendation on why not to concur. SEN. WARDNER states that it was mainly because of the privacy issue. Because there are some people that do pay their own. We would fall on the side, of the conservative side, will say that we don't need to see anybody's. That was really our feel. There are some people that in political subs, and stuff that have to pay part of their premium. For like example school district, they may pay 70%, the employee pays 30%. I guess that is where we were coming from. We felt that they deserved that privacy. Even though we knew we were probably on thin ice as far as the other people in public record. So it was because

of the people that pay the partials. SEN. KREBSBACH comments that their minutes reflect that way that their committee felt about. Refers to page four of the senate minutes. (Reads)

SEN. C. NELSON asks in reading the minutes, that it wasn't the GVA committee that they wanted to make the amendment, it was the appropriations committee. CHAIRWOMAN replies that is correct, that's why we have an appropriation member present, because it came from them. I didn't feel as those our committee should be the one that has to carry that, and so, if you would REP. SKARPHOL please offer an explanation. REP. SKARPHOL replies that in their discussions with MR. COLLINS, with this particular issue, it seems that the more relevant issue in the whole thing was the fact that there were six cases, that were involved in this. The cases had absolutely nothing to do with health insurance. But everyone of them had to do with a divorce case, in which the spouse wanted to get the information as to what the value of the life insurance policy was. The life insurance policy in the state of North Dakota are term policies, they have no intrinsic value, per say. For that reason, our committee felt that all of this really accomplished was to make work for lawyers. Because they can still get it, by getting a court order. They can still the information that pertains to the divorce. So why force someone that is in a divorce case to hire a lawyer to get information that they should be able to get, because it really has no value. Our life insurance is term insurance. SEN. C. NELSON states that creates a problem, because I don't remember our committee ever talking about life insurance. We just talked about health insurance. We never even mentioned life insurance, because the premiums they were talking about were the retirement program. REP. SKARPHOL replies that the only six cases that he had, and he told us that specifically. If you read the language on the bottom of page five , and the top of page six of the original bill. The first time that I read it I thought that it only applied to life

insurance, I had to reread it to get it to apply to health insurance. It does apply to both, I admit to that. SEN. KREBSBACH comments about medical records for claims and amounts.

SEN. C. NELSON comments that is why we honed in on all it being medical. Because everything else up her was medical insurance, medical this, etc. REP. SKARPHOL adds that is the whole logic of the appropriations is why do we make work for attorneys by closing the records that they are going to be able to get anyway. Why do we force someone to spend dollars that should be as an open record? The health insurance issue wasn't even opposed. Because to be honest with you on that particular regard, anybody can ask what it costs for health insurance, that is an open record. You know the county is paying 70%, you should be able to calculate it out.

Realistically from my perspective, if the county or the city or who ever is paying a percentage of it, any citizen should be able to verify it that. It shouldn't be closed, they should be able to verify that the number that is being talked about in the paper is an accurate number. SEN. C. NELSON asks so your committee said, is that if we don't get our 28 cents worth of one thousand dollar insurance, is what we get, and instead add a hundred thousand dollars for term, that should be open record? REP. SKARPHOL replies yes. But I mean that it wouldn't matter if you owned that policy for thirty years, it wouldn't have any value in a divorce case because it is term insurance.

That was our point. REP. KROEBER comments that one of things that we have done here is that this opens it up to a lot more things than what came to mind. For example the majority of your people can go on the cobra plan for eighteen months. Like with the school plan for example, and they can just come in now and blatantly ask PERS, and say hey we want a list of everybody who is on your cobra plan now. Because we want to try and talk them into buying insurance once that cobra runs out. I don't think that is what we are trying to do here. I think that we should try and keep it as confidential as we can. I think that we have opened it up more here, haven't we? When

we've said that the premium payment amount and history for any available insurance coverage is open, or did we close it up more, with your amendment? With removing your amendment it opens it up more, right? SEN. KREBSBACH replies that is correct.

CHAIRWOMAN GRANDE replies that as she looks at this we have had discussion on privacy issues, issuing out names, addresses, phone numbers throughout this session, in dealing with the public employees with the teachers fund. We have seen a lot coming about asking for closure of these records. First they came through asking for the ability to give away information regarding our public employees. Now we are coming in and they are asking us to close other aspects of it. I think that we have to remember that they are public employees being paid by the tax payers. If there is a tax payer that is looking for any particular information, I guess that leads us to full access. No different if I call up to the school district office, and I say I want to know how much the English teacher over at the high school is making. They need to tell me that, and they need to tell me everything about that. That's the same type of thing that I think that would be considered here. But as MR. COLLINS had relayed to the committee, their only dealing with their specific issues of people that need information for very specific reasons. To add to the burden of a situation that is already difficult, especially in a divorce situation that he brought up. I think that it is not our place to add that burden, especially when these are typically public record, for public knowledge. As far as the partial payments on premiums, I guess we are looking at there is still public being used, so whether your paying part or not, that still should be part of the public record. Because public dollars are being used, whether the person is paying the whole premium themselves, which could be dually noted, but it's also public record. By the end of the session we all know how much everything's being issued for medical, its on every paycheck stub, when you get your check its on that stub. It says how much state pays for each part of it. If medical is not

listed for you, obviously state is not paying your medical. So that type of information is already pretty much public record. I think that closing that section off, especially when adding to the court is going to be the issue. I think that we need to leave records open as much as possible.

SEN. KREBSBACH states I think that in your section one, a person can give written consent, or the newly added language states that it is required or disclosed to federal and or pursuant to federal statutes and for regulations. Now court ordered would be one those such things. Is it right or is wrong? Which do we protect more, by giving all of the information open just because of a court settlement in a divorce case, or just anybody or everybody being able to have access. I think that I would rather have it closed, and let them go through the processes of the information in a case of a divorce. Unless I am confused. REP. SKARPHOL replies with an example that he thought of afterwards, it kind of annoyed him ever since, but I never did anything about it. As you all know I was not reelected in 1999, so I said that I would pay my own health insurance and stay on the state program. So I did, \$511.00 a month. I assumed that I would pay the same price that the state pays. Since I am on the state program. I was on PERS, why wouldn't I pay the same price as the state, I didn't. I paid over a hundred dollars more, because I was paying it myself. I think that is information that people should be made aware of. I don't think that is something that should be closed. SEN. WARDNER states that is just a matter of personal opinion. REP.

SKARPHOL replies that is an example of why it should be opened. People can ask, like REP. KROEBER said somebody wants to buy their own insurance, or pay a portion of their insurance, they should know what they are going to have to pay, and whether or not if they are asked to pay 30%, whether it is 30% of a comparable employee. They should still have the freedom to know that. Without going to court to get it. SEN. KREBSBACH comments that she thinks that information is available to you. REP. SKARPHOL replies, not if you close it.

SEN. KREBSBACH states if you were going to seek out your premium cost, if you weren't a state employee, which at that time you were not. That is just information that would automatically be known. We can get that information at anytime. REP. SKARPHOL asks so you don't think this would close that? REP. KROEBER replies no, that is the same situation that any teacher is on, that once they have retired from teaching, we have a window with a number of days, by what we can choose to go on the first program or not. It is made available to us. But at the same rate as it was to you. Were not at the same rate as the public employee.

REP. SKARPHOL asks who then makes up the difference? REP. KROEBER replies that one of the important things that might confuse the issue a bit, is that if I remember right, I think that it was three sessions ago, that we went from a single rate and a family rate, with all public employees to a standard rate. The reason was is because of the small agencies that we had, that was really difficult for the agencies. like if they had a lot of young unmarried people they had very low premiums. On the other hand if they older people that were married and had children, then at their agency it was much higher. We felt that was really fair to have to choose between two employees and say well I think that I will choose this one, it is going to cost me less money. So what we did was for states employees, we went to a rate averaging situation. Not for a true family, or a single if I remember correctly. Maybe you can correct me if I am wrong. But I think that is where, when you are talking about the rate is less for the public employee, that is where that comes in. That's kind of a rate average for the agencies. REP. SKARPHOL ask about an employee that pays a portion of their insurance, which rate are they then paying?

REP. KROEBER replies if they are obviously in state employment, their paying that state rate, is what they are paying. But if you are a retired teacher who chooses to go on PERS, you would be then paying a different rate. There you would have a true single rate. You would have a true

spouse rate and you have a family rate. You actually have three different rates that you could choose. Like you were retired. They are all different rates. REP. SKARPHOL comments if a city employee that is on PERS, not a state employee, but a city employee that is on PERS, do they have selective rates? Are they at a different rate than a state employee is? REP. KROEBER replies that they may be, but I am not sure of that. SEN. KREBSBACH states that SPARB COLLINS would have to answer those questions. But I think that they are actuarially evaluated within their own group, if I am not mistaken. SEN. WARDNER comments that is correct. For example, the teachers in Dickinson would like to get into the state PERS. The PERS for the political subs is different, and REP. KROEBER explained correctly. Now I am not sure what the rates are for the cities. But I know for the school districts they have a single rate, and a married rate. If you would have been a teacher, and you would have bought it yourself, you would have matched up there. Where as for our public employees, every FTE gets the same rate whether they are married or not. REP. KROEBER replies that he remembers that quite distinctly in appropriation when they did that. I think that it was in the 1995 session, was when that occurred. REP. KREBSBACH states that there is one thing that we should not confuse here, it is information that is available to someone who wants to purchase any product, aside from being a state employee, who in return entitled to do so. The summation of records on an individual state employees, is the difference that we need to address. REP. SKARPHOL comments that the amendment that they took off, under current law, if you read the blue without your amendment, is current law, right? Is that a correct assumption? SEN. KREBSBACH replies that is correct. REP. SKARPHOL comments so under that premium payment amount and history for any available insurance coverage is not included. (Reading the bill.) SEN. KREBSBACH comments about group medical records for claims, would be current law. REP. SKARPHOL replies but not

premium payment, there is no reference to premium payments. SEN. KREBSBACH replies that in that case, it is public knowledge as to what it is. Everybody is on the same pay scale of state rates. But here where you have the premium payments for insurance, that is a different category for life insurance. Because there you have different options of buying greater than. I think that was your contention, was it not? SEN. C. NELSON comments that she was thinking health insurance. Because the first time I was out here they sent me a bill, until I realized I could sign up under the legislative plan, and still have the same plan. So who was paying for it, I wasn't going to pay for the month I was gone. Employed by the same basic employer. SEN. KREBSBACH replies that you are no different than I am. I guess that it isn't going to matter that much.

SEN. WARDNER comments that we realized that some of this, being a public employees, there are some things that are public record. The privacy thing is really getting to a lot of people around here. SEN. C. NELSON states that this could be another thing that could be in that privacy study. SEN. WARDNER replies that when you read this there are some things that are closed. REP. GRANDE comments that when she looks at this, as far as the original bill, what was taken out for the engrossed bill, and then your amendment putting back to the original bill. The premium payment amounts, if the problem that there is history of any available insurance coverage, is that more of the issue, than verses the premium payment amounts?

SEN. WARDNER replies that they were concerned, no one needs to know what they are paying. The history thing was already in there. Because it was already in there before. We decided that we would take the whole thing. REP. GRANDE states that her concern falls in that I feel that it is an open record issue, in not how much the employee is paying, but how much is being paid for by the employer. Do you see what side I am coming from? So if you make something like that confidential, we cut off the tax payer from knowing. SEN. WARDNER states that she can not

argue from that side of view. REP. KROEBER comments that one of the things of this issue with PERS, is that information in aggregate, what they call it, is already available. When they talk about aggregate, they mean when you have more than two people. Like when you want to get information from them, like break it out into colonies, cities, age groups, sex, or by region, or by zip codes or by anything like that, that's aggregate reporting. They do that. What this would do would open it up to the individual, like not worried about what Dickinson city employees would be paying as a group, but it would be what is RICH WARDNER getting or paying. I think is what kind of what we are trying to do. I don't see no reason to open it up on an individual basis. I can see some abuse on that. SEN. C. NELSON comments that general knowledge that full-time public employees are entitled to health insurance and a thousand dollars worth life insurance. A thousand dollars of life insurance costs twenty eight cents a month. A standard blended rate costs whatever it is now. We tell them how much deductible and how much co-insurance and all of that. That is all public record. REP. SKARPHOL replies that that point still remains that the only requests that they had was in regard to life insurance. Six requests is what he quoted us. All relevant to life insurance. We called him back in fact to ask him about that. I don't view the health insurance issue as having been involved in a decision in having to do this, other than they didn't want the inconvenience in having to deal with people or something. If there had been a lot of requests I could see the concern. SEN. KREBSBACH comments that the placement of it is. It's almost as if it applies to the medical as the way I am reading it. Because the life insurance is after.

REP. SKARPHOL comments that he also said that there has been some confusion as to what the board can do. SEN. KREBSBACH replies and the amounts applied for. So it covers both.

REP. SKARPHOL states that COLLINS said that there was confusion on the part of the board as to what was open and what was closed, and the new language probably does close the medical aspect of it. But it never had been an issue. So why do we close something that is not an issue? I guess that is what the appropriations looked at. SEN. KREBSBACH asks why was the language in there for the first place, because it is in the statute now. SEN. C. NELSON replies no, the House was adding it in the original bill. But then we took it out again. REP. KROEBER comments that he has a copy of memo that was sent to GILL MORRISETT. It says concerning the confidentiality provision, question, we have discussed that PERS has received a half of dozen inquiries since we were informed that it was not confidential. These have been from attorneys and other individuals, such as former spouses. In the past we have received some inquiries from the general public, wanting to know if someone is getting health insurance and how much they are paying. Other issues that arise by making this public are, and before that they didn't. They said those were confidential. They felt that they were all confidential. They didn't have to give that out. I don't think that there is such a gray area here, the way it is now. I think that they have a pretty good idea what they have to give out and what they don't. I think that they like to give out the aggregate information and they want to stay away from the specific requests of how much a person pays. When you open this up you get into some other areas that they had some concern about. When I brought up about the cobra when they are still on this, it says that these records also include information on participation at length on dental plans and providing this would also indicate that someone's election to participate in the levels of coverage elected by the members and also the amount that they pay. They would have to get into very, very specific details if we were to have this. REP. SKARPHOL comments that the only time it's been an issue was, for the most part I guess, it is just a confusion issue for them in regards to the medical records. I just

don't see that there is anyone that wouldn't want the information. Why would anyone even care?

Can anybody give me an instance or an example of why anyone would care other than if they were checking on the cost or like an employee would get, what are their benefits. Shouldn't they be entitled to that if taxpayer dollars are involved. REP. KROEBER replies that one of those is what I mentioned, in that they could come in and they could say that they wanted a list of everyone whose going to off of your insurance rates as of this date. Then they would have to provide them with that list. Could be like marketing tool, and then try to contact them and try to sell them supplemental insurance at that time or whatever it may be. REP. GRANDE replies that in the testimony from COLLINS, he states that upon when they were being asked in the previous history about being asked about insurance coverage's, they would always state that it was confidential. So what they ended up doing was they would ask an attorney for their review, The attorney said no this information is not held confidential. So I think that we have an issue with the fact that it is currently not considered confidential. We are trying to close records. I think that we are walking a thin line in a public employees, public dollars, if we start closing records. It goes on to talk about previously believed that the premium payment amounts in the histories were confidential and there for in light of this review, he is now saying that we are going to have clarification. Because they were unclear. SEN. KREBSBACH asks if that is being read from the Jan. 19th hearing? REP. GRANDE replies yes. SEN. KREBSBACH then reads from COLLINS' testimony. This then tends to clarify it. REP. GRANDE replies that it is a matter of whether or not we feel we should go with the attorneys review that this information is not to be confidential or do we go with the PERS idea to close this off that it then can be kept confidential?

SEN. KREBSBACH replies I don't know if the attorneys reviewed that it should not be, or be determined without the language that it was not confidential. REP. GRANDE states in light of

that we would almost have to have somebody such as JACK MACDONALD, who specializes in knowing what should or should not be closed off. REP. SKARPHOL replies that he has talked to JACK several times and he is just as puzzled as I am as to why there is a need to do this. He can't give an explanation at all. He doesn't understand it either. He can't figure what the issue is. He tried to talk to SPARB and hasn't had a lot of success on getting any clarification either, he didn't believe. I guess I wouldn't mind hearing from SPARB again, to be honest with you.

REP. GRANDE replies with the discussion we have had here today. I think that today I would like to recess this committee until rescheduling it on Monday, or maybe next Tuesday. I will then have a time set for you and then have a memo sent out. At that time I will then request that SPARB COLLINS and JACK MACDONALD be present. The hearing was then adjourned. No action was taken at this time.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1099 CC 2

House Government and Veterans Affairs Committee

☒ Conference Committee

Hearing Date 4/5/01

Tape Number	Side A	Side B	Meter #
1	X		0-2800
Committee Clerk Signature <i>Robin L. Small</i>			

Minutes:

CHAIRWOMAN GRANDE called the conference committee to order for the second time. All committee members were present. The committee consisted of REP. GRANDE, REP. SKARPHOL, REP. KROEBER, SEN. WARDNER, SEN. KREBSBACH and SEN. C. NELSON.

REP. GRANDE asks SPARB COLLINS to address the committee. Please explain his intent of the legislation at hand. COLLINS states that the issue was on the wording that was on the original bill. What it did is it basically said that premium history was confidential. Why that arose was for many years we at PERS had treated that information as confidential. But within the last year we were advised by our attorney that information was not confidential. So what we did we put that in a bill, brought that issue forward so that the legislature would have opportunity to beware that is changing. If you did disagree or wanted to maintain that as being confidential it could be continued to be confidential. If not then it would be treated as public information. So

what it is, is the premium payment amount and history for any available insurance coverage. So what does that mean? What it means is that I wanted the public to call in and get information on anyone's premium history. Now that includes premium history that's not only paid for by the state of North Dakota, but recognizing our health insurance plan as well as the insurance plans. We have participating political subdivisions and retirees as well. So that would make that information available for those people as well. So it will make the employer pay history available, it will make the history available for private pay. Also by making this information available it will indicate what programs people may elect to participate in. All state employees are on the health insurance program, if someone made an inquiry on me for example, the history they could find out that I participate in the dental plan and my own election. They can find out that I participate in the life insurance plan, and of course you would be able to find out the premium amount that I pay on my life insurance, and by that you can tell that I also carry supplemental coverage as well. So that is the types of things that those inquiries will also make available. Last thing is, do we get many requests for the information? Well for the last ten or fifteen years, or when we do get periodical ones is in the case of a divorce, when the attorney would call and try to find out information about probably a no-member. They are trying to find out about the spouses member, the amount paid by the employer and the types of coverage that the spouse carries, so they can consider that as they go through settlement agreements. So those are the ones we probably get more recently on the issues. That's kind of a quick overview of that provision, and why it's there.

SEN. KREBSBACH then proposes an amendment that her and SEN. C. NELSON has had drafted up. SEN. KREBSBACH then goes over the amendment. Please see attached amendment. What this basically does is to reinstate the exclusion that this would be more or less as PERS has

been dealing with this in the last few years. By reinserting the language there, however it does take care of the concern under the new subsection on the following page, which would become subsection five. That would take care of the concern that REP. SKARPHOL had. Where by the information for the situation of an ex-spouse would be available. Without court ordered to their legal representation. It would retain the practice that they had been doing, plus it would give you what you were looking for, I believe. I then move those amendments, seconded by SEN. C. NELSON. Discussion. REP. SKARPHOL asks COLLINS a question. I really am having difficulty closing records. I just don't understand the problem that we are trying to solve by doing this. You have to explain to me what plausible reason would anyone have to care? I mean if you don't have requests, why is there a move to close? I realize that this will solve the problem as far as the worse thing and make more work for the lawyers. I guess I am having real difficulty seeing the problems. COLLINS replies from our perspective, why we brought it forward is as far as I have been there and even before, PERS has treated this information as confidential, based upon it's understanding of the statute. Now based upon our more resent opinion it's public. We wanted to make you aware that this was occurring, and to give you an opportunity to address that issue, if you wanted us to continue to do it as confidential. So that is why we brought this issue forward. It is a matter of policy. If you are comfortable releasing it, we then can release that information. REP. SKARPHOL comments that he is having difficulty understanding why if I am paying half of my life insurance, a third of my health insurance and so on, why would anyone care if anyone knew? I got health insurance, so? I mean what is the issue? I still don't see the issue here. COLLINS replies that he thinks that it may be from some of the employees stand points. It could be the opportunity that you can start or by the inquiry, you can start to distinguish what types of coverage they have. Talking about earlier, you can start to

determine that I have elected dental coverage, I have elected supplemental coverage. Some people may not be as comfortable letting their personal elections be known to the general public, something like that could be the issue. Those are elections that I have made, or any employee would make on their own, paying their own premium. SEN. C. NELSON comments that one other category a persons about didn't relate to are beneficiaries of retirees, who also can stay on the plan. Quite frankly some of them are extremely vulnerable. My mother is 92 years old, she pays her supplemental premiums through PERS. I quite frankly am very protective of her at this point since she is in an Alzheimer's unit, and I don't want people coming in and asking what kind of coverage she has, how much she pays and perhaps trying to sell her something else, who knows. She might think oh what a nice, sweet boy that called me and you know their are some scrupulous people out there. Mine is fully paid, I have no problem with that, but when I start making my own selections, like SPARB was doing, or two years from now, when I am retired and I am paying my own premiums I don't think that it is anybody's business except mine.

REP. GRANDE asks JACK MAC DONALD to address the committee next. MAC DONALD states that on behalf of the newspaper association we have always taken a position that we kind of resisted efforts to close records that are currently open. I guess that is the situation we are in right now, that we are closing records that are for whatever reason are currently open. Again, I don't see that there is going to be a great legal human cry for these records. From our standpoint if some time we were going to run a story about the history of different retirement records and maybe the retirement benefits available through judiciary compared to the retirement available to the legislatures or to people in the governors office or something. We might want to ask that the history of the premium payment, how much one retired employee is paid compared to the other employee in a different branch of government. So from that standpoint you can see that those

things should be open. I can understand the amendment on the divorces, that is a very big issue. Our office does a lot of domestic relations, and the retirements accounts and insurance coverage are two of the major issues in most divorces. It would be good to be able to have that available without a court order, because a court order does add expense to a divorce proceeding. So from that standpoint that part of the amendment I think is good. But I guess that we would like to see it stay opened. REP. KROEBER comments that if he remembers right, from the hearing that getting information in the way that COLLINS termed it was in aggregate, is not a problem isn't? Don't you have information in aggregate that you said that you are very happy to release, but you just don't release it on an individual basis, was that not correct? COLLINS replies that is correct. REP. KROEBER asks so if you wanted to make your comparison with the judges, with legislative assembly, with the people that work in health department, I mean that can be done and is done now, and would have no bearing on this. REP. GRANDE addresses COLLINS, I am wondering if someone is asking for this type information, there seems to be a concern that I am hearing that the public employees are concerned about, and it seems to be almost to the part of the retired that are still continuing purchasing this plan. That either way whether they are subsidizing their plans, or retired and paying all their own. At least the state portion that is be paid, with state dollars is that not public record, yet supplemental information is being paid for by the employee themselves is not to be public? COLLINS replies that would be difficult for us to be administered. The reason why is when the premium dollars come in, we don't know who is paying. For the state of North Dakota, we know that is a 100% paid, but let's take a hundred some political subdivisions that participate. We don't know in that political subdivisions case whether the employee is paying part of that premium, all of that premium or none of that premium. For us to administer a funding source we would have to not only find out what the

funding source is, but then we would have to modify our computer system to be able to tract the funding source of those premiums. Something that we don't do right now. REP. GRANDE then replies that since they are the tax payers dollars, would it not be necessary for that to be accessible to the tax payers? COLLINS replies that we can make anything beyond a single individual, if this would pass in its present form we can make anything beyond a single individual available. If its the form that it is in right now, where it is just available, we can administer that. Because then all the information records are, but if we differentiate based on the funding source, then there is going to be a big impact on. Because we then have to put a big modifier computer systems, start tracking, we have to have it reported. Right now all we do is we just get the premium. Like when New Salem or somebody send it to us, they sent it in, we don't know whether its employer paid or employee. REP. GRANDE asks if the problem would be then if you see that we are dealing with philosophical issue, our public funds and public records are meant for the public eye, verses some public dollars are just not meant for people to know how they are being spent. COLLINS replies I guess it is a policy issue. That's why it is being brought forward. REP. GRANDE asks then you feel that some public records need to be closed? COLLINS replies that the PERS board brought this forward, we are not saying that we are not recommending it or not. What we are doing is we are just advising and bringing it forward. However long we treated it confidential, we found out that it isn't confidential. We want to make you aware of it, and if you want to continue to make it confidential it's going to have to be made confidential and if you don't, then it will continue to be open. What we wanted to do by bringing it forward is advise you that this is changing it administratively for us and let you know, so that for many they may have been under the impression that this information was not available now it is. It is a matter of policy do you want to make it the way it was or do you want to continue to

have it the way it is? REP. SKARPHOL asks do you think that any of the requests you have had for information in regard to this, have been inappropriate? In other words, SEN. C. NELSON'S concerns about someone inquiring about her mother, have you had anything or any requests for information like that? Or have the requests that you have been strictly the legal divorce issues that have come up. COLLINS states that the requests that they have had so far have been legal. Also keep in mind that based upon all these years, that previous past practice if people have made inquiries they would be under the impression that it was confidential.

REP. SKARPHOL comments that inquiries that were made before, were any of the inquiries for a list of people participants from your perspective in an effort trying to sell them anything.

COLLINS replies that in all honesty he would not know. Because those would have come in they would have gone in to different staff people over the years, and I would have ventured to say that was confidential. SEN. KREBSBACH states that my point is I am concerned about maintaining some policies that they have been operating under, and it seems to have been working, from their stand point. I also understand the situation that is addresses in the subtitle 5. I think that we have covered that. I just strongly feel that if its been working under the thoughts that they have been assuming is correct, we should give that authority so that there is no doubt that there is no question. Just answer that. SEN. WARDNER comments because there is a mix I would rather move to the side of privacy, basically. There is a mix of personal funds as well as public funds, and I understand the public part. But I think that this amendment is okay. REP. GRANDE asks COLLINS if someone was to request information on my health benefits, do I receive any notification from anyone, you or anyone else notify that someone is looking at my records and how it is? COLLINS replies that right now, no. But keep in mind if someone asks about your health benefits right now, the only information that they can get is the information on your

health insurance premium or your health insurance premium history. If they asked for anything beyond that, like if they wanted to know the type of claims that you or your family have submitted. REP. GRANDE replies that she realizes that side of it, but I am just wondering if somebody request any this information that you are talking about, that we are concerned about, is there a notification process? COLLINS replies that at this point we have not put a process in place. That certainly could be done. REP. GRANDE asks would that be a better way of doing this than closing records? My thought is if we leave it so that on the House amendment side and you just put something in along the lines of at least that notification is taking place so that in a situation of SEN. C. NELSON, there is a notification that goes out to the guardian of SEN. C. NELSON'S mother. That someone has requested this information and who it is. Allowing them to cut it off at the pass, if it is the situation that's negative that she is referring to. COLLINS states that keep in mind even with a notification, the information is going to be distributed. What would happen is if we were to provide notification is we would provide the information and the notification. Let's say that we even provide notification first, and the member in the family came back and said that we don't want that released, we don't have the authority to stop it. SEN. C. NELSON states that it is kind of interesting in this whole section that the group of medical records are confidential. The amount applied under the supplemental life insurance coverage are confidential and its fiction that we are trying to get that in here. Feels that with available insurance coverage which at this point looks to me like its medical, the standard medical insurance and perhaps dental. Because life insurance is already confidential and you are obviously your medical records are going to be confidential. So it seems to me that what we are going over here is our health insurance, and optional health insurance because life insurance is taken care of in another clause here and it is already confidential. And I don't understand why

life insurance should be so much more important to be confidential than your health insurance.

Where did long term care come in? COLLINS comments that when they looked at it, the amount that were applied for under the supplemental life insurance, that wouldn't necessarily mean that the actual premium wouldn't be confidential. It would be if you applied for a death benefit or something like that. But underneath this chapter also is the authority for the dental plan, the long term care plan that is also out there. Also the retiree health credit program. The health insurance program and the employee assistance program, they are all under this. REP. KROEBER asks about the employee assistance program is under this? COLLINS replies that just the authority of course.

REP. KROEBER states that I think that the information that people would want in aggregate they can get now. I don't see any reason why they have to come after the individual people to get this information. I think that they can find out what a legislature gets, as far as benefits are concerned. What a public employee gets. Once we get down into the political subdivisions, in which they work with over a hundred of those. I think that we could be creating a heck of a nightmare here. I see no reason to do that. I think that the Senate amendment to me, makes a lot of sense.

REP. SKARPHOL asks about life insurance that was referred to in the life insurance in the bill will stay as term insurance, is that not correct? COLLINS replies yes. REP. SKARPHOL asks it does not have any intrinsic value as cash value? COLLINS replies no. REP. SKARPHOL asks as far as the retirement program that's not being included in the closing of these records, that's somewhere else? COLLINS replies that is in another chapter. REP. SKARPHOL comments that is confidential? COLLINS replies yes, all records on the retirement are confidential.

REP. SKARPHOL states then what we are dealing with right here, is medical records, medical premiums, and life insurance. COLLINS comments that here we are just dealing with the group insurance programs, the health insurance, the dental, the long term care, and EAP. The medical records them selves are confidential. So the only issue that we are dealing with here are the premium amounts and the premium history, The rest of the records are confidential in the program. REP. SKARPHOL comments why then on the original bill if you include the new language as it is underlined, premium payment amount and history fro any available insurance coverage. Why is it necessary to include and amount applied for under the supplemental life insurance coverage under this chapter? COLLINS states that is existing language.

REP. SKARPHOL asks would it not be unnecessary once you would include the new language?

Because it says premium payment amount and history for any available insurance coverage.

COLLINS states that what they have interpreted that to be is the amounts applied for under the supplemental life insurance coverage under this chapter is confidential. If I would pass way, and my family was to request my term insurance amount, this would make that confidential. Let's say I carried \$200,000.00 worth of coverage, and I passed away, they file an application for that coverage. That would be an application for the supplemental life insurance coverage, that would be confidential. Now premium payment amount and history wouldn't necessarily make the amount of the coverage that is applied for if I pass away be confidential. REP. GRANDE asks are you saying upon death your family could not ask for their life insurance? COLLINS replies they could. I am saying that someone else, let's say I passed away and somebody said I wonder how much Sparb carried. Or I wonder how much Sparbs' family got in term insurance. This wording keeps that confidential. Like of I carried \$200,000.00, somebody else just couldn't come in and find out my wife got that money. REP. SKARPHOL replies that he can understand the

logic for that. That I can understand. But I still can not understand premium payment amount and history for any available insurance coverage. SEN. KREBSBACH comments that she guesses that they would pretty much be able to figure out how much insurance you had if the premium payment amount was available. REP. GRANDE states that they have a motion on the table. The clerk takes the roll, 4-2. REP. SKARPHOL then offers a motion to remove, that the Senate recede from the Senate amendments, and that we further amend to require a notification of any individual through records that have to be accessed. REP. GRANDE seconds the motion just for entertainment of discussion. SEN. WARDNER then also seconds it for that reason.

SEN. WARDNER comments that first of all, I think that we are adding more work to the whole program in fact. So I would reject that idea. I would rather just leave it. SEN. C. NELSON comments that she understands where it is going, but I have a problem with it. Because with what Sparb said, they can notify us even before a decision is made. Even if we say no, you can not do it. He doesn't have any protections that he can't do it. It's almost like you have to, because they are open. But you have paid us a courteous of telling us. Regardless of our answer, it doesn't make any difference. REP. KROEBER asks if you were to take in, account in all of the political subdivisions and everything, how many people are you handling this for? COLLINS replies that it varies by program. REP. KROEBER asks like in the health. COLLINS replies that contracts would be about 22,000. REP KROEBER comments that he thinks on an individual basis is not necessary. REP. GRANDE states that with the number of requests that have taken place in the past, how much extra work are you thinking. I mean if you are looking at six requests per year, how difficult might that be? COLLINS replies at that level, we can handle six request per year. It's not a problem for us administratively dealing with those requests. If you are comfortable with that policy. IF in fact somewhere along the line we start getting a lot of

requests, we would probably come back and talk a little bit about that with you. For us to go out, if they wanted to know my history for the last six or seven years or something like that, they can pull that stuff up in the mainframe. REP. GRANDE asks how would you feel then as far as the motion that is on the table here? Do you feel if you were to look at that a couple of years, and come back and state these are the numbers and run it in for us, that this is the type of problems that you ran into, this is what we are dealing with, these are the types of requests. So that we know what we are looking at. Right now I feel like we are closing records and don't really know why. Why are request being made? What's out there that people are looking for? If we have this overwhelming request for this, then we know we have to deal with this. But right now we don't know that there is an overwhelming request on any of this information. You are closing the record on this dealing with the public files. COLLINS states that they can keep track of it.

SEN. WARDNER states that there is another side to that, what about the people that pay their own? We are opening that up to people. This is a half and half. As I said before, I would rather air on the side of privacy. Being that they can get the aggregate, plus and the last amendment that is dead now., did have if they had a court case they didn't have to get the court order to go get it. No matter how you do this you can say yeah, it is public funds, but what about the private funds? SEN. KREBSBACH states that she finds that we are just making an issue here out of something that we considered being functional and working for fifteen years, and just because they want to make it right with the code. We are sitting here trying to take away what they have been doing as a practice.

REP. SKARPHOL comments that the other side of that argument is that we also have requests to approve things that have been done as a practice that wasn't appropriate. Not in this instance, but I mean that there is nothing wrong questioning whether or not what's been done in the past has

been appropriate. I agree with REP. GRANDE until we have a conceivable problem I don't know why we are trying to solve something. I just don't, I just don't understand. I would consider the notification act until a safeguard that SEN. C. NELSON would be more comfortable with as well. SEN. KREBSBACH comments that she has no problem with the notification process, however I think its just adding unnecessary work for the PERS board and whoever is handling the office. Because time and money are two thing that we need to watch very closely. Every time that you have to d another report, its more time its more money. REP. GRANDE asks if there is any other comments. There is a motion on the table. The clerk takes the role call. The motion does fall, 2-4. REP. GRANDE states that she think that the committee has gathered enough ideas again. Yet again, I think that we will have to at this time recess. Another conference committee will be scheduled. The hearing was the closed. No action was taken at this time.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1099 CC 3

House Government and Veterans Affairs Committee

☒ Conference Committee

Hearing Date 4/10/01

Tape Number	Side A	Side B	Meter #
I	X		0-1000
Committee Clerk Signature <i>Robin L. Hall</i>			

Minutes:

CHAIRWOMAN GRANDE called the conference committee to order, with all members present. The committee was made up of REP. GRANDE, REP. SKARPHOL, REP. KROEBER, SEN. WARDNER, SEN. KREBSBACH and SEN. C. NELSON.

GRANDE: Just kind of a quick thing, did everyone get a chance to see the amendments that I had sent over to the Senate? I don't think that it will be a very big deal, because I don't think we will take them up any ways. I did share these with some of the members as we were waiting. As I sat down here on my loan self for awhile and taking into consideration my conversation with SEN. KREBSBACH, then I had REP. KASPER and myself brainstormed a little bit on the thoughts that has kind of gone around with the discussion here. What each of us is trying to accomplish I think is we are going through, can be reached with in this fashion, if you will bare with me. The concern I think as far as REP. SKARPHOL and I felt had been that when the employee or the employer is paying a premium or paying in something, that is state dollars. The

citizens have a right to know what that is. I think that we were searching for it in the wrong section. It is my thought here, if you will indulge me. The section about section 5 here, talks about the state contributions. So to solve that problem, just putting a line on there at the bottom so it would be after the word "arises" on line 26, to just state all premium amounts contributed by the state, is an open record. But then if we continue on down into section 6, we are dealing with, and then we would say on line 29, confidentiality of employee record, so then we are clear, we are talking about two parts. Employer versus employee contributions. Then we go on to line 30, where we get to the employees group medical records for claims, premium payments made and a salary reduction amounts and the history of any available insurance coverage. Meaning, and what we are getting at there is that when it is the employee premium parts of their paycheck or their amounts, that is not public record. Then to go on from there in to page 6, on subsection, what would be 3 there, a person authorized by court order, then we pull in that, the language that SEN. KREBSBACH had brought in. The members spouse or former spouse, that the individuals legally represent, etc.,etc. That way you have the clarification of not having to go to the court order. That then solves the issue that REP. SKARPHOL was dealing with of lets keep the attorneys out of this.

SEN. C. NELSON: Then you are suggesting that we take out 3 and replace it with in care of 5.

GRANDE: Yes, and actually I need a new copy of that.

SEN. KREBSBACH: A person then authorized by a court order, in this one refers strictly to spouse or ex-spouse. I wonder if we wouldn't need to keep that. You need 3 there, and as they did it there, they just made a new number 5.

GRANDE: I have the wrong amendment to that. So we can leave in three and we add in five.

Okay. The committee is going over the amendment.

REP. SKARPHOL: The only concern that I have is that this has no effect on the law.

GRANDE: I am going to rely on JEFF NELSON to make sure that the words are exactly as we are discussing.

SEN. KREBSBACH: I have no problem with what you are looking at to do there. I do though question in section 5, whether we need to clarify that that is an open record, because I believe that part is open. I think that the reason that the wording was being added in section 6, was just to clarify that it was that section that needed to be kept closed.

GRANDE: That was something that was being discussed and everything is considered an open record unless we close it. Since we don't know if we did close it, I wanted to put that in and if we can find out intent, as far as what is current. Since JEFF NELSON, I did not know that off hand. I wanted that to at least be our intent. If we don't need it then, if you can find out that we do not need that, then we do not have to add that. But as long as we understand that. So SPARB would have to figure that out.

SEN. KREBSBACH: Then asks for the amendment to be explained again. GRANDE then goes over it again with the committee.

SEN. KREBSBACH: I motion that the Senate recedes from their amendments, and further amend.

SEN. C. NELSON: I seconded that motion.

The clerk then takes the roll. The motion passes, 6-0. The CARRIER of the bill on the House side will be REP. GRANDE. The carrier of the bill on the Senate side will be

SEN. WARDNER.

JACK MACDONALD: An answer to your question, all records are open, but this section says which ones are closed. So you are right, so every thing is open but then it says that the following

records in this chapter, in which we are dealing with. But this spells out that under this chapter it is confidential.

Being there was no further discussion the conference committee was closed.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1099

That the Senate recede from its amendments as printed on page 887 of the House Journal and page 759 of the Senate Journal and that Engrossed House Bill No. 1099 be amended as follows:

Page 5, line 30, after "claims" insert "premium payment amount and history for any available insurance coverage."

Page 6, after line 9, insert:

"5. If involved in a dissolution proceeding, the member's spouse or ex-spouse, that person's legal representative, and the judge presiding over the member's dissolution proceeding."

Renumber accordingly

VK
4/11/01

CONFERENCE COMMITTEE AMENDMENTS TO HB 1099 HOUSE GVA 4/11/01

That the Senate recede from its amendments as printed on page 887 of the House Journal and page 759 of the Senate Journal and that Engrossed House Bill No. 1099 be amended as follows:

Page 5, line 29, after "of" insert "employee"

Page 5, line 30, after "claims" insert ", premium payments made, salary reduction amounts, and history for any available insurance coverage"

CONFERENCE COMMITTEE AMENDMENTS TO HB 1099 HOUSE GVA 4/11/01

Page 6, after line 9, insert:

- "5. If involved in a dissolution proceeding, the member's spouse or former spouse, that person's legal representative, and the judge presiding over the member's dissolution proceeding."

Renumber accordingly

Date: 7/3/07
Roll Call Vote # 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. *HB 1099*

House GOVERNMENT AND VETERANS AFFAIRS Committee

☐ Subcommittee on _____
or _____

☒ Conference Committee

Legislative Council Amendment Number _____

Action Taken Consider Amendments # 10075.0302

Motion Made By Krebsbach Seconded By Nelson

Representatives	Yes	No	SENATORS	Yes	No
Rep. Grande		✓	Sen. Wardner	✓	
Rep. Skarphol		✓	Sen. Krebsbach	✓	
Rep. Kroeber	✓		Sen. C. Nelson	✓	
<i>Motion fails</i>					

Total (Yes) 4 No 2

Absent _____

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Date: 4/5/01
Roll Call Vote # 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. *HB 1099*

House GOVERNMENT AND VETERANS AFFAIRS

Committee

☐ Subcommittee on _____

or

☒ Conference Committee

Legislative Council Amendment Number _____

Action Taken Senate recede from amendments * further amend.

Motion Made By Skarphol Seconded By Wardner

[illegible]

Total (Yes) 2 No 4

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

VR
4/12/01

CONFERENCE COMMITTEE AMENDMENTS TO HB 1099 GVA 4/12/01
That the Senate recede from its amendments as printed on page 887 of the House Journal and page 759 of the Senate Journal and that Engrossed House Bill No. 1099 be amended as follows:

Page 5, line 29, after "of" insert "employee"

Page 5, line 30, after "claims" insert ", employee premium payments made, salary reduction amounts taken, history of any available insurance coverage purchased," and after "amounts" insert "and types of insurance"

CONFERENCE COMMITTEE AMENDMENTS TO HB 1099
Page 6, after line 9, insert:

GVA 4/12/01

"5. If involved in a dissolution proceeding, the member's spouse or former spouse, that person's legal representative, and the judge presiding over the member's dissolution proceeding."

Renumber accordingly

Date: 7/10/
Roll Call Vote #

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. *HB 1099*

House GOVERNMENT AND VETERANS AFFAIRS Committee

☐ Subcommittee on _____
or _____

☒ Conference Committee

Legislative Council Amendment Number _____

Action Taken Senate recused from Amend. + further amend

Motion Made By Huebisch Seconded By C. Nelson

[illegible]

Total (Yes) 6 No 0

Absent

Floor Assignment Dep. Grande

If the vote is on an amendment, briefly indicate intent:

REPORT OF CONFERENCE COMMITTEE

HB 1099, as engrossed: Your conference committee (Sens. Wardner, Krebsbach, C. Nelson and Reps. Grande, Skarphol, Kroeber) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 887, adopt further amendments as follows, and place HB 1099 on the Seventh order:

That the Senate recede from its amendments as printed on page 887 of the House Journal and page 759 of the Senate Journal and that Engrossed House Bill No. 1099 be amended as follows:

Page 5, line 29, after "of" Insert "employee"

Page 5, line 30, after "claims" insert ", employee premium payments made, salary reduction amounts taken, history of any available insurance coverage purchased," and after "amounts" insert "and types of insurance"

Page 6, after line 9, Insert:

"5. If involved in a dissolution proceeding, the member's spouse or former spouse, that person's legal representative, and the judge presiding over the member's dissolution proceeding."

Renumber accordingly

Engrossed HB 1099 was placed on the Seventh order of business on the calendar.

Bill Number) AB 1099 (, as (re)engrossed):

Your Conference Committee

For the Senate:

Sen. Gardner
Sen. Kretschmer
Sen. C. Nelson

For the House:

Rep. Grande
Rep. Staphol
Rep. Krecher

☒ recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE) from)
the (Senate/House) amendments on (SJ/HJ) page(s) _____

☐ and place _____ on the Seventh order.

☒ , adopt (further) amendments as follows, and place
AB 1099 on the Seventh order:

☐ having been unable to agree, recommends that the committee be discharged
and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the
calendar.

DATE: _____/_____/_____

CARRIER: _____

LC NO. _____ of amendment

LC NO. _____ of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

2001 TESTIMONY

HB 1099

TESTIMONY
OF
SPARB COLLINS
ON
HB 1099

Mr. Chairman, members of the committee, good morning. My name is Sparb Collins. I am Executive Director of North Dakota Public Employees Retirement System, or PERS.

HB 1099 does the following:

1. Makes several miscellaneous changes relating to the Uniform Group Insurance Program.
2. Clarifies eligibility provisions for members of the new Defined Contribution Plan passed by the last legislation session.
3. Modifies the confidentiality provisions.
4. Provides for a transfer of funds from the Life Insurance Plan under the Uniform Group Insurance Program to the Health Insurance Program, which is also under the Uniform Group Insurance Program.

Section 1 of HB 1099 transfers the wording related to board authority in section 54-52.1-06 to section 54-52-04 entitled board authority. The purpose of this change is to consolidate provisions relating to board authority under one portion of the century code.

Section 2 of HB 1099 clarifies the definition of eligible employee to include retired and terminated employees for purposes of participation in the Uniform Group Insurance Program.

Section 3 of HB 1099 clarifies that individuals taking a periodic distribution from the new Defined Contribution Retirement Plan can continue to participate in the Uniform Group Insurance Program.

Section 4 of HB 1099 also makes a clarifying adjustment for the new defined contribution retirement program members. This clarification relates to the retiree Health Insurance Credit Program and specifically identifies them as an eligible member for this program. The enabling legislation for the Defined Contribution Plan specified that they would continue under the Retiree Health Insurance Credit Program but did not add them to the list under this section.

Section 5 of HB 1099 deletes the wording related to board authority that is transferred to section 54-52 in section 1 of the bill.

Section 6 of HB 1099 relates to the confidentiality of records. It clarifies that the premium payment amounts and the history for any available insurance coverage is confidential. PERS received several requests for this information this biennium. Upon review by our attorney it was determined that such information is not confidential. Previously it was believed that premium payment amounts and the history was

confidential and, therefore, in light of this review we are requesting legislative clarification concerning this information. Secondly this section also provides that PERS can share information with a person or entity to which the board is required to disclose the information pursuant to federal statute or regulations.

Section 7 of HB 1099 relates to the renewal with Blue Cross Blue Shield (BCBS) for the group health insurance plan for the 2001-2003 biennium period. Pursuant to that renewal, PERS agreed to establish with BCBS a reserve account, in return BCBS agreed to reduce the health insurance premium charge for all active employees by \$7.47 per contract per month. The reserve account that is being established with BCBS would include estimated carry over funds at the end of this biennium plus we are requesting, in section 7, to transfer up to \$475,000.00 in carryover funds from the employee Group Life Insurance Program to the Group Health Insurance Program. This fund, as well as the expected group health insurance carry over, would be retained by BCBS for 2001 – 2003. If the claims level were less then the premiums paid by the participating employers, these funds would be available to the State of North Dakota in 2003. If the claims exceed the premium paid, BCBS could draw down from this reserve account up to the amount in the reserve account plus interest. The advantage of establishing this reserve account with the estimated carry forward funds is that the State of North Dakota's premium per contract for the next biennium will be reduced by the \$7.47. Based on the estimates from our actuaries, Deloitte & Touche LLP it is expected that the premium amount should be sufficient to pay the claims incurred during 2001-2003 and that the reserve account will not be needed.

This proposed bill was reviewed by the PERS actuary and was determined not to have any actuarial impact on the Uniform Group Insurance Program.

The interim legislative employee benefits committee has also reviewed this bill and gives it a favorable recommendation.

Mr. Chairman, members of the committee, on behalf of the PERS board, I request your favorable consideration of this bill.

This concludes my testimony.

HB 1099
1-30-01



"Collins, J. Sparb"
<scollins@state.nd.us>
s>

To: "Morrissette, Joe R." <jmorriss@state.nd.us>
cc:
Subject: HB 1099

01/29/01 04:43 PM

Concerning the confidentiality provision question we discussed PERS has received a half dozen inquiries since we were informed that it is not confidential. These have been from attorney's and other individuals such as former spouses. In the past we have received some inquiries from the general public wanting to know if someone is getting health insurance and how much is paid. Other issues that arise when making this information public are:

1. Retiree records also include information about the retiree health insurance credit amount. This program provides a credit of \$4.50 times the number of years of service that is applied to a reduce a members health premium. Providing information on premiums allows someone to determine the amount of credit any individual retiree is getting.
2. Retirees have the option to have premium deducted from a pension check, bank account, or to be on the individual billing system. Having this information open allows people to inquiry on how the premium is being paid and possible information on the individuals account number.
3. By having premium information and history available inquiries could be made to determine if a individual who is no longer employed elected to have COBRA continuation.
4. These records also include information on participation in the life and dental plans and providing this would also indicate someone's election to participate and the levels of coverage elected by the members and the amount they pay.

Concerning what we mean by information in aggregate it is providing data that does not give away information on any individual. Generally speaking that would mean providing information on units of two or more. In the past we have provide information broken out by employers, counties, cities, age groups, sex, region, zip codes, service providers and other aggregate reporting entities.

I hope the above is helpful and thank you for allowing us the opportunity to provide further information on this issue. If I can be of any other assistance please let me know.

sparb

**REPORT OF THE LEGISLATIVE COUNCIL'S
EMPLOYEE BENEFITS PROGRAMS COMMITTEE
HOUSE BILL NO. 1099**

Sponsor: Retirement Board

Proposal: Transfers from NDCC Section 54-52.1-06 to Section 54-52-04 authority of the Retirement Board to use amounts credited to the separate uniform group insurance program fund in excess of the costs of the administration of the uniform group insurance program to reduce the amount of premium amounts paid monthly by enrolled members of the uniform group insurance program, to reduce increases in premium amounts paid monthly by enrolled members, or to provide increased insurance coverage to members, as determined by the board; provides that retirees who have accepted a periodic distribution from the defined contribution retirement plan are eligible for retiree health benefits; provides that premium payment amount and history for any available insurance coverage are confidential, but the Retirement Board may disclose certain information and records to persons or entities to which the board is required to disclose information pursuant to federal statutes or rules.

The committee amended the bill at the request of the Retirement Board to require the executive director of the Public Employees Retirement System to transfer \$475,000 from the public employees life insurance program fund to the uniform group health insurance program fund for the purpose of increasing the health insurance reserve.

Actuarial Analysis: The consulting actuary reported that the proposal will have no actuarial impact on the uniform group health insurance program.

Committee Report: Favorable recommendation. The committee noted that the money transferred from the public employee life insurance program fund to the uniform group health insurance program fund for the purpose of increasing the health insurance reserve is public employee money.

TESTIMONY
OF
SPARB COLLINS
ON
HB 1099

Madame Chair, members of the committee, good morning. My name is Sparb Collins. I am Executive Director of North Dakota Public Employees Retirement System, or PERS.

HB 1099 does the following:

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Section 1 of HB 1099 transfers the wording related to board authority in section 54-52.1-06 to section 54-52-04 entitled board authority. The purpose of this change is to consolidate provisions relating to board authority under one portion of the century code.

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Section 3 of HB 1099 clarifies that individuals taking a periodic distribution from the new Defined Contribution Retirement Plan can continue to participate in the Uniform Group Insurance Program.

Section 4 of HB 1099 also makes a clarifying adjustment for the new defined contribution retirement program members. This clarification relates to the retiree Health Insurance Credit Program and specifically identifies them as an eligible member for this program. The enabling legislation for the Defined Contribution Plan specified that they would continue under the Retiree Health Insurance Credit Program but did not add them to the list under this section.

Section 5 of HB 1099 deletes the wording related to board authority that is transferred to section 54-52 in section 1 of the bill.

Section 6 of HB 1099 relates to the confidentiality of records. This section also provides that PERS can share information with a person or entity to which the board is required to disclose the information pursuant to federal statute or regulations. We would also note that the House deleted wording clarify that the premium payment amount and the history for any available insurance coverage is confidential. In the past PERS had believed that

this information was confidential and therefore, we did not release it. The purpose of including this in this bill was to seek legislative clarification concerning this issue. As a result of the House action we will continue to make this information available to anyone that request it. This means that information concerning a person's coverage on premium history for health, dental, long-term cares, life insurance and retiree health credit will be public information.

Section 7 of HB 1099 relates to the renewal with Blue Cross Blue Shield (BCBS) for the group health insurance plan for the 2001-2003 biennium period. Pursuant to that renewal, PERS agreed to establish with BCBS a reserve account, in return BCBS agreed to reduce the health insurance premium charge for all active employees by \$7.47 per contract per month. The reserve account that is being established with BCBS would include estimated carry over funds at the end of this biennium plus we are requesting, in section 7, to transfer up to \$475,000.00 in carryover funds from the employee Group Life Insurance Program to the Group Health Insurance Program. This fund, as well as the expected group health insurance carry over, would be retained by BCBS for 2001 - 2003. If the claims level were less then the premiums paid by the participating employers, these funds would be available to the State of North Dakota in 2003. If the claims exceed the premium paid, BCBS could draw down from this reserve account up to the amount in the reserve account plus interest. The advantage of establishing this reserve account with the estimated carry forward funds is that the State of North Dakota's premium per contract for the next biennium will be reduced by the \$7.47. Based on the estimates from our actuaries, Deloitte & Touche LLP it is expected that the premium amount should be

sufficient to pay the claims incurred during 2001-2003 and that the reserve account will not be needed.

This proposed bill was reviewed by the PERS actuary and was determined not to have any actuarial impact on the Uniform Group Insurance Program.

The interim legislative employee benefits committee has also reviewed this bill and gives it a favorable recommendation.

Madame Chair, members of the committee, on behalf of the PERS board, I request your favorable consideration of this bill.

This concludes my testimony.