

Bill Draft – LC 90113.01

– This bill proposes to change the PreMedicare calculation method to reduce the cost for these retirees and members (PERS, TFFR, TIAA-Cref, HP, Job Service and former legislators)

Proposals	Section
<p>1. State law presently sets the preMedicare rate as:</p> <ul style="list-style-type: none">a. For single plans it is 150% of the state single rateb. For family plans of 2 it is 2 times the single rate (set in a)c. For family plans of 3 or more it is 2.5% times the single rate (set in a) <p>The proposed change in this section would change the 150% to 125% thereby reducing the preMedicare rates. This will increase the active rates and have an effect on the OPEB liability that will be determined in the actuarial review.</p>	Section 1
<p>2. Provides an expiration for the bill as July 1, 2011.</p>	Section 2

Bill Provisions	Explanation	
A BILL for an Act to amend and reenact section 54-52.1-02 of the North Dakota Century Code, relating to non-Medicare retiree insurance rates.		
<p>SECTION 1. AMENDMENT. Section 54-52.1-02 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>54-52.1-02. Uniform group insurance program created – Formation into subgroups. In order to promote the economy and efficiency of employment in the state's service, reduce personnel turnover, and offer an incentive to high-grade men and women to enter and remain in the service of state employment, there is hereby created a uniform group insurance program. The uniform group must be composed of eligible and retired employees and be formed to provide hospital benefits coverage, medical benefits coverage, and life insurance benefits coverage in the manner set forth in this chapter. The uniform group may be divided into the following subgroups at the discretion of the board:</p> <p>1. Medical and hospital benefits coverage group consisting of active eligible employees and retired employees not eligible for Medicare. In determining premiums for coverage under this subsection for retired employees not eligible for Medicare, the rate for a non-Medicare retiree single plan is one hundred fifty <u>twenty-five</u> percent of the active member single plan rate, the rate for a non-Medicare retiree family</p>	<p>The proposed change in this section reduces the rate for premedicare retirees by changing the difference in the premedicare single to active single from 150% to 125%. This change also reduces the premedicare family rate.</p>	

<p>plan of two people is twice the non-Medicare retiree single plan rate, and the rate for a non-Medicare retiree family plan of three or more persons is two and one-half times the non-Medicare retiree single plan rate.</p> <ol style="list-style-type: none"> 2. Retired Medicare-eligible employee group medical and hospital benefits coverage. 3. Active eligible employee life insurance benefits coverage. 4. Retired employee life insurance benefits coverage. 5. Terminated employee continuation group medical and hospital benefits coverage. 6. Terminated employee conversion group medical and hospital benefits coverage. 7. Dental benefits coverage. 8. Vision benefits coverage. 9. Long-term care benefits coverage. 10. Employee assistance benefits coverage. 11. Retired Medicare-eligible employee group prescription drug coverage. 		
<p>SECTION 2. EXPIRATION DATE - SUSPENSION. This Act is effective through June 30, 2011, and after that date is ineffective. North Dakota Century Code section 54-52.1-02 is suspended from the effective date of this act through June 30, 2011. Section 54-52.1-02 as it existed on the day before the effective date of this Act will become effective as of July 1, 2011.</p>	<p>This provision set an expiration date which means if this bill is passed it would only be effective for one biennium.</p>	