

NDPERS Proposed Legislation for 2013 Session**Bill No 101. Uniform Group Health Insurance Bill**

Section 1	<i>Changes the definition of temporary employee to match that in the ACA and sets the premium level to that in the ACA</i>
Section 2	<i>Modifies the language for political subdivisions to allow them to set up their own HSA instead of requiring them to join the state plan HSA if they select the HDHP</i>
Section 3	<i>Sets the effective date of the changes relating to the ACA to match the federal implementation date</i>

Shared Responsibility Provision

The Affordable Care Act's Shared Responsibility rules, effective beginning on January 1, 2014, will impose potential penalties on "applicable large employers" that –

1. fail to offer "minimum essential coverage" to "full-time employees" and their dependents ("No Coverage"), or
2. offer "minimum essential coverage" to full-time employees and their dependents, but the coverage does not meet certain minimum value and affordability thresholds ("Inadequate Coverage").

For purposes of the Shared Responsibility rules, a "full-time employee" for any month is anyone who is employed on average at least 30 hours of service per week during that month.

- **"Eligible Employees" include –**
 - "permanent employees," defined as employees "whose services are not limited in duration, who is filling an approved and regularly funded position in a governmental unit, and who is employed at least seventeen and one-half hours per week and at least five months each year or for those first employed after August 1, 2003, is employed at least twenty hours per week and at least twenty weeks each year of employment", and
 - Members of the legislative assembly, judges of the supreme court, paid members of state or political subdivision boards, commissions, or associations, full-time employees of political subdivisions, certain elective state officers, and disabled permanent employees who are receiving compensation from the North Dakota workforce safety and insurance fund.
- **"Temporary Employees" who satisfy the following criteria –**
 - If employed before August 1, 2007, by completing the necessary enrollment forms and qualifying under the medical underwriting requirements, or
 - If employed on or after August 1, 2007, if employed at least 20 hours per week and at least 20 weeks per year.

Shared Responsibility Rules

The Affordable Care Act's Shared Responsibility rules, effective beginning on January 1, 2014, will impose potential penalties on "applicable large employers" that –

1. fail to offer "minimum essential coverage" to "full-time employees" and their dependents ("No Coverage"), or
2. offer "minimum essential coverage" to full-time employees and their dependents, but the coverage does not meet certain minimum value and affordability thresholds ("Inadequate Coverage").

For purposes of the Shared Responsibility rules, a "full-time employee" for any month is anyone who is employed on average at least 30 hours of service per week during that month.

1. Change our definition of FTE to match ACA

1. FTE – fully paid health would remain the same
2. Temp – would change to ACA definition with provision the employer could not charge more than 9.5% of household income

NDPERS Proposed Legislation for 2013 Session

Proposed Legislation	Explanation
Bill No. 101: Uniform Group Health Insurance Bill	
<p>SECTION 1. AMENDMENT. Section 54-52.1-03.4 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>54-52.1-03.4. Temporary employees and employees on unpaid leave of absence.</p> <p>A temporary employee employed before August 1, 2007, may elect to participate in the uniform group insurance program by completing the necessary enrollment forms and qualifying under the medical underwriting requirements of the program. A temporary employee employed on or after August 1, 2007, is only eligible to participate in the uniform group insurance program if the employee is employed at least twenty hours per week and at least twenty weeks each year of employment, <u>a temporary employee first employed on or after January 1, 2014, is only eligible to participate in the uniform group insurance program if the employee meets the definition of a full time employee under section 4980H(c)(4) of the Internal Revenue Code [26 U.S.C. 4980H(c)(4)] in effect on April 15, 2011.</u> The temporary employee or the temporary employee's employer shall pay monthly to the board the premiums in effect for the coverage being provided <u>but in no event shall the temporary employee's required contribution exceed the maximum employee required contribution specified under section 36B(c)(2)(C) of the Internal Revenue Code [26 U.S.C. 36B(c)(2)(C)] in effect on March 23, 2010, and the employer shall pay any difference between the maximum employee required contribution and the cost of the premiums in effect for the coverage being provided.</u> An employer may pay health or life insurance premiums for a permanent employee on an unpaid leave of absence. A political subdivision, department, board, or agency may make a contribution for coverage under this section.</p>	<p><i>Changes the definition of temporary employee to match that in the ACA and sets the premium level to that in the ACA</i></p>
<p>SECTION 2. AMENDMENT. Section 54-52.1-18 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>54-52.1-18. High-deductible health plan alternative with health savings account option.</p> <p>The board shall develop and implement a high-deductible health plan with a health savings account as an alternative to the plan under section 54-52.1-06. The high-deductible health plan <u>alternative with a health savings account</u> must be made available to state employees by January 1, 2012, and. The high-deductible health plan alternative may be offered, at the discretion of the board, to political subdivisions after June 30, 2013. Health savings account fees <u>for participating state employees</u> must be paid by the employer. The difference between the cost of the single and family premium for eligible state employees under section 54-52.1-06 and the premium for those employees electing to participate under the high-deductible health plan under this section must be deposited in a health savings account for the benefit of each participating employee. For political subdivision employees, the board shall deposit into a health savings account for the benefit of the participating political subdivision employee, an amount equal to the difference between the primary plan premium as established by the board and the premium for the high-deductible health plan under this section. Each new employee of a participating employer under this section must be provided the opportunity to elect the high-deductible health plan <u>alternative</u>. At least once each biennium, the board shall have an open enrollment period allowing existing employees of a participating employer under this section to change their coverage.</p>	<p><i>Modifies the language for political subdivisions to allow them to set up their own HSA instead of requiring them to join the state plan HSA if they select the HDHP</i></p>
<p>SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on January 1, 2014.</p>	<p><i>Sets the effective date of the changes relating to the ACA to match the federal implementation date</i></p>