

Introduced by

Senator Mathern

1 A BILL for an Act to create and enact subsection 15 to section 54-52-04 and three new sections  
2 to chapter 54-52.1 of the North Dakota Century Code, relating to availability of public employee  
3 health insurance for employees of nonprofit organizations; to amend and reenact section  
4 54-52.1-02 of the North Dakota Century Code, relating to the public employee uniform group  
5 insurance program; to provide a continuing appropriation; and to provide an effective date.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1.** Subsection 15 to section 54-52-04 of the North Dakota Century Code is  
8 created and enacted as follows:

9 15. The board shall operate the uniform group insurance program as a governmental  
10 benefit plan. The board shall apply to the federal government to receive exempt status  
11 under the federal Employee Retirement Income Security Act to allow for the expansion  
12 of the uniform group insurance program under sections 2, 3, 4, and 5 of this Act.

13 **SECTION 2. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15 **54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

16 ~~In order to~~To promote the economy and efficiency of employment in the state's service,  
17 reduce personnel turnover, and offer an incentive to high-grade individuals to enter and remain  
18 in the service of state employment, there is created a uniform group insurance program. The  
19 uniform group must be composed of eligible and retired public employees and employees of  
20 nonprofit organizations and be formed to provide hospital benefits coverage, medical benefits  
21 coverage, and life insurance benefits coverage in the manner set forth in this chapter. The  
22 uniform group may be divided into the following subgroups at the discretion of the board:

23 1. Medical and hospital benefits coverage group consisting of active eligible employees  
24 and retired employees not eligible for medicare, except for employees who first retire

1 after the effective date of this section and are not eligible for medicare on their  
2 retirement. In determining premiums for coverage under this subsection for retired  
3 employees not eligible for medicare, the rate for a non-medicare retiree single plan is  
4 one hundred fifty percent of the active member single plan rate, the rate for a  
5 non-medicare retiree family plan of two people is twice the non-medicare retiree single  
6 plan rate, and the rate for a non-medicare retiree family plan of three or more persons  
7 is two and one-half times the non-medicare retiree single plan rate.

8 2. In addition to the coverage provided in subsection 1, another coverage option may be  
9 provided for retired employees not eligible for medicare, except for employees who  
10 first retire after the effective date of this section and are not eligible for medicare on  
11 their retirement, provided the option does not increase the implicit subsidy as  
12 determined by the governmental accounting standards board's other postemployment  
13 benefit reporting procedure. In offering this additional option, the board may have an  
14 open enrollment but thereafter enrollment for this option must be as specified in  
15 section 54-52.1-03.

16 3. Retired medicare-eligible employee group medical and hospital benefits coverage.

17 4. Active eligible employee life insurance benefits coverage.

18 5. Retired employee life insurance benefits coverage.

19 6. Terminated employee continuation group medical and hospital benefits coverage.

20 7. Terminated employee conversion group medical and hospital benefits coverage.

21 8. Dental benefits coverage.

22 9. Vision benefits coverage.

23 10. Long-term care benefits coverage.

24 11. Employee assistance benefits coverage.

25 12. Prescription drug coverage.

26 13. Nonprofit organization group medical and hospital benefits coverage.

27 **SECTION 3.** A new section to chapter 54-52.1 of the North Dakota Century Code is created  
28 and enacted as follows:

1        **Certain employees of nonprofit organizations authorized to join uniform group**  
2 **insurance program for hospital and medical benefits coverage - Employer contribution.**

- 3        1. A nonprofit organization may extend the benefits of the uniform group insurance  
4        program for hospital and medical benefits coverage, which may include dental and  
5        vision benefits coverage, under this chapter to the nonprofit organization's employees,  
6        subject to minimum requirements established by the board and a minimum period of  
7        participation of sixty months.
- 8        a. If a participating nonprofit organization employer withdraws from participation in  
9        the uniform group insurance program before completing sixty months of  
10       participation, unless federal or state laws or rules are modified or interpreted in a  
11       way making participation by the nonprofit organization in the uniform group  
12       insurance program no longer allowable or appropriate, that employer shall make  
13       payment to the board in an amount equal to any expenses incurred in the uniform  
14       group insurance program which exceed income received on behalf of the  
15       employees as determined under rules adopted by the board.
- 16       b. A participating nonprofit organization employer may determine the amount of the  
17       employer's monthly contribution toward the total monthly premium amount for  
18       each employee required to be paid by each eligible participating employee.
- 19       2. Section 54-52.1-10 does not apply to the provisions of this section.
- 20       3. The board may apply medical underwriting requirements and risk-adjusted premiums  
21       to an employer seeking to obtain coverage under this section and to deny coverage if,  
22       in the board's discretion, the risk created by the employer is undesirable for the  
23       uniform group insurance program.
- 24       4. For purposes of this section, the board may define the terms "employee" and  
25       "nonprofit organization" by rule and may adopt rules to implement this section. The  
26       board's definitions of the terms "employee" and "nonprofit organization" may allow for  
27       a single nonprofit organization to serve as an employer for multiple nonprofit  
28       organizations.
- 29       5. This section applies to hospital and medical benefits coverage under a contract for  
30       insurance pursuant to section 54-52.1-04 or under a self-insurance plan pursuant to  
31       section 54-52.1-04.2.

1       **SECTION 4.** A new section to chapter 54-52.1 of the North Dakota Century Code is created  
2 and enacted as follows:

3       **Use of agents authorized.**

4       The board may use and pay commissions to an insurance agent licensed under  
5 chapter 26.1-26 to sell health insurance for coverage under sections 2 and 3 of this Act. The  
6 board may adopt rules to implement this section.

7       **SECTION 5.** A new section to chapter 54-52.1 of the North Dakota Century Code is created  
8 and enacted as follows:

9       **Acceptance of moneys - Continuing appropriation.**

10       The board may accept grants, donations, legacies, devises, and premiums from nonprofit  
11 organizations and employees of these organizations for the purpose of implementing this  
12 chapter. All these moneys, not otherwise appropriated, are appropriated to the board for the  
13 purpose of implementing this chapter.

14       **SECTION 6. EFFECTIVE DATE.** Sections 2, 3, and 4 of this Act become effective when the  
15 public employees retirement system board receives notification from the federal government of  
16 the uniform group insurance program's exempt status under the federal Employee Retirement  
17 Income Security Act to allow for the expansion of the uniform group insurance program as  
18 required under section 1 of this Act; the board determines utilizing medical underwriting  
19 requirements and risk-adjustment premiums does not violate the federal Health Insurance  
20 Portability and Accountability Act; and the board enters a contract with an insurer or expands  
21 the self-insurance plan to provide coverage pursuant to this Act. The board shall notify the  
22 legislative council of the effective date of this Act.