

Introduced by

1 A BILL for an Act to amend and reenact sections 54-52.1-06 and 54-52.1-18 of the North
2 Dakota Century Code, relating to state contribution for public employees retirement system
3 health benefits.

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

5 **SECTION 1. AMENDMENT.** Section 54-52.1-06 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-52.1-06. State contribution.**

8 Each

- 9 1. Monthly, each department, board, or agency shall pay to the board ~~each month~~ from
10 its funds appropriated for payroll and salary amounts a state contribution ~~in the~~
11 ~~amount as determined by the primary carrier of the group contract for the full single-~~
12 ~~rate toward the~~ monthly premium for each of its eligible employees enrolled in the
13 uniform group insurance program and ~~the full rate monthly premium, in an amount~~
14 ~~equal to that contributed under the alternate family contract, including major medical~~
15 ~~coverage, for hospital and medical benefits coverage for spouses and dependent~~
16 children of its eligible employees enrolled in the uniform group insurance program
17 pursuant to section 54-52.1-07. The board shall ~~then~~ pay the necessary and proper
18 premium amount for the uniform group insurance program to the proper carrier or
19 carriers on a monthly basis.
- 20 2. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction
21 of premium amount must be credited at least annually to a separate fund of the
22 uniform group insurance program to be used by the board to reimburse the
23 administrative expense and benefit fund of the public employees retirement program
24 for the costs of administration of the uniform group insurance program. ~~In the event~~

1 3. If an enrolled eligible employee is not entitled to receive salary, wages, or other
2 compensation for a particular calendar month, that employee may make direct
3 payment of the required premium to the board to continue the employee's coverage,
4 and the employing department, board, or agency shall provide for the giving of a timely
5 notice to the employee of that ~~person's~~employee's right to make such payment at the
6 time the right arises.

7 **SECTION 2. AMENDMENT.** Section 54-52.1-18 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **54-52.1-18. High-deductible health plan alternative with health savings account**
10 **option.**

11 1. The board shall develop and implement a high-deductible health plan as an alternative
12 to the plan under section 54-52.1-02. The high-deductible health plan alternative with
13 a health savings account must be made available to state employees ~~by January 1,~~
14 ~~2012. After June 30, 2015~~and, at the board's discretion, the high-deductible health
15 plan alternative may be offered to political subdivisions for coverage of political
16 subdivision employees. If a political subdivision elects this high-deductible option the
17 political subdivision may not offer the plan under section 54-52.1-02.

18 2. Health savings account fees for participating state employees must be paid by the
19 employer.

20 a. Except as provided in subdivision b, subject to the limits of section 223(b) of the
21 Internal Revenue Code [26 U.S.C. 233(b)], the difference between the cost of the
22 state contribution for the single and family premium for eligible state employees
23 under section 54-52.1-06 and the premium for those employees electing to
24 participate under the high-deductible health plan under this section must be
25 deposited in a health savings account for the benefit of each participating
26 employee.

27 b. If the public employees retirement system is unable to establish a health savings
28 account due to the employee's ineligibility under federal or state law or due to
29 failure of the employee to provide necessary information ~~in order~~ to establish the
30 account, the system is not responsible for depositing the health savings account

- 1 contribution. The member will remain a participant in the high-deductible health
2 plan regardless of whether a health savings account is established.
- 3 3. Each new state employee must be provided the opportunity to elect the
4 high-deductible health plan alternative. At least once each biennium, the board shall
5 provide an open enrollment period allowing existing state employees or a political
6 subdivision to change their coverage.