

FISCAL NOTE
Requested by Legislative Council
03/11/2015

Bill/Resolution No.: HB 1475

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$6,543,241	\$10,114,945	\$6,543,241	\$10,114,945
Appropriations			\$6,543,241	\$10,114,945	\$6,543,241	\$10,114,945

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties		\$2,227,133	\$2,227,133
Cities		\$1,829,537	\$1,829,537
School Districts		\$1,179,832	\$1,179,832
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill makes changes to the reporting and contract provisions for the North Dakota Public Employees Retirement System uniform group health insurance program.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Sanford Health Plan estimates a cost increase of \$41.52 per active contract per month over the current fully insured bid. The following sections of the measure are those with an increase in fiscal impact:

Section 3 Subsection 2
 Section 4 Subsection 1b
 Section 4 Subsection 1c(2)
 Section 4 Subsection 1c(3)b
 Section 4 Subsection 1c(3)d
 Section 4 Subsection 1c(3)f
 Section 4 Subsection 1c(3)g

There would be no effect on the health premium rates for the NDPERS Medicare retirees.

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.*

The cost would result in \$41.52 per FTE per month for the 2017-2019 biennium over the Sanford fully insured bid rates. If the provisions of this bill cause the NDPERS Board to rebid for the contract, additional administrative costs will be incurred.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The appropriation is based off the Sanford bid and not the executive budget. The cost would result in an additional required health premium of \$41.52 per FTE per month for the 2017-2019 biennium over the Sanford fully insured bid rates. The Sanford bid State active premium would increase from \$1130.22 to \$1171.74 per month. This moves the 15.13% increase to a 19.36% increase. The appropriation in the executive budget is \$1161.59 or a 18.33% increase. The increase in appropriations over the executive budget would be \$10.15 per FTE per month.

Name: Sparb Collins

Agency: NDPERS

Telephone: 701-328-3901

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