

**FISCAL NOTE**  
**Requested by Legislative Council**  
**03/25/2015**

Amendment to: 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 |
| <b>Revenues</b>       |                    |             |                    |             |                    |             |
| <b>Expenditures</b>   |                    |             | \$5,017,745        | \$7,756,740 | \$5,017,745        | \$7,756,740 |
| <b>Appropriations</b> |                    |             | \$5,017,745        | \$7,756,740 | \$5,017,745        | \$7,756,740 |

- 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 |
|-------------------------|--------------------|--------------------|--------------------|
| <b>Counties</b>         |                    | \$1,707,898        | \$1,707,898        |
| <b>Cities</b>           |                    | \$1,402,998        | \$1,402,998        |
| <b>School Districts</b> |                    | \$904,765          | \$904,765          |
| <b>Townships</b>        |                    |                    |                    |

- 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 \$31.84 per active contract per month over the current fully insured bid. The sections 3 and 4 of the measure are those with an increase in fiscal impact.

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 \$31.84 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 \$31.84 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 \$1162.06 per month. This moves the 15.13% increase to a 18.37% 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 \$0.47 per FTE per month.

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