

**BILL NO.**

Introduced by

Representative Boehning

1 A BILL for an Act to create and enact a new section to chapter 54-52.1 of the North Dakota  
2 Century Code, relating to alternative health benefits coverage for state employees; to provide  
3 for a public employee health benefits coverage study and pilot program; to provide for a report;  
4 to provide for application; and to declare an emergency.

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

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

8 **Waiver of health benefits coverage - Health savings account option.**

- 9 1. The board shall develop and implement a health savings account option as an  
10 alternative to the plan under section 54-52.1-02. An eligible employee may elect to  
11 waive medical and hospital benefits coverage under section 54-52.1-02 and elect to  
12 participate in a health savings account as provided under this section.
- 13 2. Except as otherwise provided under this section, subject to the limits of section 223(b)  
14 of the Internal Revenue Code [26 U.S.C. 223(b)], monthly the employer of a  
15 participating employee shall deposit three hundred dollars in a health savings account  
16 for the benefit of the participating employee. If the public employees retirement system  
17 is unable to establish a health savings account due to the employee's ineligibility  
18 under federal or state law or due to failure of the employee to provide necessary  
19 information to establish the account, the system is not responsible for depositing the  
20 health savings account contribution and the member remains a participant under this  
21 option regardless of whether the health savings account is established. If a member  
22 closes the health savings account established for that member under this section, the  
23 system is not responsible for depositing the health savings account contribution after  
24 that closure.

1       3. Each new state employee must be provided the opportunity to elect the option under  
2            this section. At least once each biennium, the board shall provide an open enrollment  
3            period allowing existing state employees to change coverage.

4           **SECTION 2. PUBLIC EMPLOYEES RETIREMENT SYSTEM - HEALTH BENEFITS**  
5           **COVERAGE STUDY - REPORT TO EMPLOYEE BENEFITS PROGRAMS COMMITTEE.**

6           During the 2019-21 biennium, the public employees retirement system shall conduct a study of  
7           health benefits coverage options for public employees. During the 2019-20 and 2021-22  
8           interims, the public employees retirement system shall report to the employee benefits  
9           programs committee on the status of the study. During the 2021 and 2023 regular legislative  
10          sessions, the public employees retirement system shall introduce any legislation necessary to  
11          implement recommendations resulting from the study. Notwithstanding laws to the contrary,  
12          during the 2019-21 biennium, the public employees retirement system may implement one or  
13          more health benefits coverage pilot programs for providing health benefits coverage to state  
14          and political subdivision employees.

15          **SECTION 3. APPLICATION.** Section 1 of this Act applies to uniform group insurance  
16          policies or alternative coverage in effect after June 30, 2019.

17          **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.