

FISCAL NOTE
Requested by Legislative Council
01/05/2019

Bill/Resolution No.: SB 2132

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$(108,349,492)	\$(136,785,105)	\$(108,349,492)	\$(136,785,105)
Appropriations	\$0	\$0	\$(108,349,492)	\$(136,785,105)	\$(108,349,492)	\$(136,785,105)

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 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).*

This bill would require state employees who elect a family contract to pay the difference between the single and family rate. The bill would also reduce the Health Savings Account contribution for family contracts in the High Deductible Health Plan to the difference between the single plans.

- 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.*

This change would cause the NDPERS health plan to lose grandfathered status. The impact of this change is estimated to be a 3% increase in premium to cover required benefits. There would also be an increase in premium to cover adverse selection which Sanford Health Plan estimates to be an additional 10.4%.

The state July 2019 existing health plan monthly premium for a non-grandfathered option would be \$780.86 Single and \$1,883.12 Family. This would result in a \$1,102.26 monthly employee premium for family coverage. The savings to the state would be the difference between the required state combined premium and the single rate for the 15,814 state contracts (state FTE + Legislators) for 24 months.

NDPERS could continue a grandfathered plan, so the political subdivisions would not see a change.

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.*

N/A

- 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 state monthly contribution would be the adjusted single rate of \$780.86 instead of the combined premium before the change of \$1,426.74 for the existing health plan design.

- 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.*

See 3B above.

Name: Bryan Reinhardt

Agency: NDPERS

Telephone: 701-328-3919

Date Prepared: 01/09/2019