

**BILL NO.**

Introduced by

Representative Kasper

1 A BILL for an Act to amend and reenact sections 54-52.1-04, 54-52.1-04.1, 54-52.1-04.2,  
2 54-52.1-04.7, 54-52.1-04.8, and 54-52.1-05 of the North Dakota Century Code, relating to  
3 public employee uniform group insurance plans; to provide for application; and to declare an  
4 emergency.

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

6 **SECTION 1. AMENDMENT.** Section 54-52.1-04 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **54-52.1-04. Board to contract for insurance - Approval by employee benefits**  
9 **programs committee.**

- 10 1. The board shall receive bids for the providing of hospital benefits coverage, medical  
11 benefits coverage, life insurance benefits coverage for a specified term, and employee  
12 assistance program services; and may receive bids separately for all or part of the  
13 prescription drug benefits coverage component of medical benefits coverage; ~~and~~  
14 ~~shall accept one or more bids of and contract with the carriers the board determines~~  
15 ~~best serve the interests of the state and the state's eligible employees.~~ Solicitations  
16 must be made not later than ninety days before the expiration of an existing uniform  
17 group insurance contract. Bids must be solicited by advertisement in a manner  
18 selected by the board which will provide reasonable notice to prospective bidders. ~~In~~  
19 ~~preparing bid proposals and evaluating bids, the board may utilize the services of~~  
20 ~~consultants on a contract basis in order that the bids received may be uniformly~~  
21 ~~compared and properly evaluated~~
- 22 2. After the board identifies which bids of carriers, if any, the board determines best serve  
23 the interests of the state and the state's eligible employees, the board shall forward a  
24 recommendation and all the bids to the employee benefits programs committee. The

1 board may recommend rejection of one or more bids received under this section.

2 Upon receipt of the board's recommendation, the employee benefits programs

3 committee shall determine which bid, if any, will best serve the interests of eligible

4 employees and the state. In identifying and determining which bid, if any, will best

5 serve the interests of eligible employees and the state, the board and the employee

6 benefits programs committee shall give adequate consideration to the following

7 factors:

8 a. The economy to be effected.

9 b. The ease of administration.

10 c. The adequacy of the coverages.

11 d. The financial position of the carrier, with special emphasis on the solvency of the  
12 carrier.

13 e. The reputation of the carrier and any other information available tending to show  
14 past experience with the carrier in matters of claim settlement, underwriting, and  
15 services.

16 f. The price and contract guarantees.

17 ~~2-3.~~ The boardemployee benefits programs committee may reject any or all bids received  
18 under this section. If the boardemployee benefits programs committee rejects all bids  
19 received, the board again shall again solicit bids as provided in this section. If the  
20 committee does not reject all bids received, the board shall enter a contract with the  
21 bidder selected by the committee under this section.

22 ~~3-4.~~ In preparing a bid proposal and evaluating a bid under this section, the board and the  
23 employee benefits programs committee may use the services of a consultant on a  
24 contract basis so the bids received may be compared uniformly and evaluated  
25 properly. The board may not enter a contract for consultant services under this  
26 subsection unless the employee benefits programs committee has approved the  
27 selection of the consultant.

28 5. Under sections 54-52.1-04.1 and 54-52.1-04.2, following approval by the employee  
29 benefits programs committee, the board may contract for health benefits coverage  
30 through a health maintenance organization or establish a self-insurance health plan.

1       **SECTION 2. AMENDMENT.** Section 54-52.1-04.1 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **54-52.1-04.1. Health maintenance organization contract - Membership option.**

4       Notwithstanding the provisions of section 54-52.1-04, but subject to approval by the  
5 employee benefits programs committee, the board may contract with one or more health  
6 maintenance organizations to provide eligible employees the option of membership in a health  
7 maintenance organization. If ~~the board~~ makes such a contract, the board may not require ~~that~~  
8 the health maintenance organization be federally qualified if the health maintenance  
9 organization has a certificate of authority issued by the North Dakota insurance commissioner.  
10 The contract or contracts must be included in the uniform group insurance program.

11       **SECTION 3. AMENDMENT.** Section 54-52.1-04.2 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13       **54-52.1-04.2. Self-insurance health plan.**

- 14       1. This section applies to a self-insurance health plan for:
- 15           a. Health insurance and prescription drug benefits coverage;
  - 16           b. Health insurance benefits coverage, excluding all or part of prescription drug  
17           benefits coverage; or
  - 18           c. All or part of prescription drug benefits coverage.
- 19       2. Except for prescription drug coverage under subdivision c of subsection 1, a  
20 self-insurance health plan established by the board under this section must be  
21 provided under an administrative services only (ASO) contract or a third-party  
22 administrator (TPA) contract under the uniform group insurance program. The board  
23 may not establish a self-insurance health plan unless the ~~board~~employee benefits  
24 programs committee determines the self-insurance health plan best serves the  
25 interests of the state and the state's eligible employees. ~~Except for prescription drug~~  
26 ~~coverage under subdivision c of subsection 1, if the board~~If the employee benefits  
27 programs committee determines it is in the best interest of the plan, individual  
28 stop-loss coverage insured by a carrier authorized to do business in this state may be  
29 made part of a self-insurance health plan.

30       **SECTION 4. AMENDMENT.** Section 54-52.1-04.7 of the North Dakota Century Code is  
31 amended and reenacted as follows:

1           **54-52.1-04.7. Uniform group insurance program - Vision and dental plans.**

2           The board may establish a dental plan, a vision plan, or both, for eligible employees. The  
3 board shall receive bids for the plan or plans pursuant to section 54-52.1-04. The  
4 ~~board~~employee benefits programs committee may reject any or all bids and provide a plan of  
5 self-insurance. Premiums for this coverage must be paid by the eligible employee. Any refund,  
6 rebate, dividend, experience rating allowance, discount, or other reduction of premium must be  
7 credited as provided by section 54-52.1-06.

8           **SECTION 5. AMENDMENT.** Section 54-52.1-04.8 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10           **54-52.1-04.8. Uniform group insurance program - Long-term care plan.**

11           The board may establish a long-term care plan for eligible employees. The board shall  
12 receive bids for the plan under section 54-52.1-04. The ~~board~~employee benefits programs  
13 committee may reject any or all bids and provide a plan of self-insurance. Premiums for this  
14 plan must be paid by the eligible employee. Any refund, rebate, dividend, experience rating  
15 allowance, discount, or other reduction of premium must be credited as provided by section  
16 54-52.1-06.

17           **SECTION 6. AMENDMENT.** Section 54-52.1-05 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19           **54-52.1-05. Provisions of contract - Term of contract - Renewal of contract.**

- 20           1. Each uniform group insurance contract entered by the board must be approved by the  
21 employee benefits programs committee, must be consistent with the ~~provisions of~~ this  
22 chapter, must be signed for the state of North Dakota by the chairman of the board,  
23 and must include the following:
- 24           a. As many optional coverages as deemed feasible and advantageous by the  
25           board.
  - 26           b. A detailed statement of benefits offered, including maximum limitations and  
27           exclusions, and such other provisions as the board may deem necessary or  
28           desirable.
- 29           2. The initial term or the renewal term of a uniform group insurance contract through a  
30 contract for insurance, health maintenance organization, or self-insurance health plan

1 for hospital benefits coverage, medical benefits coverage, or prescription drug benefits  
2 coverage may not exceed two years.

3 a. The board may renew a contract subject to this subsection without soliciting a bid  
4 under section 54-52.1-04 if the board ~~determines~~recommends and the employee  
5 benefits programs committee approves the renewal in the same manner as  
6 provided for approving a contract under section 54-52.1-04. In making a  
7 recommendation or determination, the board and employee benefits programs  
8 committee shall determine whether the carrier's performance under the existing  
9 contract meets the ~~board's~~ expectations of the board and the employee benefits  
10 programs committee, the proposed premium renewal amount does not exceed  
11 the ~~board's~~ expectations of the board and the employee benefits programs  
12 committee, and renewal best serves the interests of the state and the state's  
13 eligible employees.

14 b. In making a recommendation or determination under this subsection, the board  
15 or employee benefits programs committee, respectively, shall:

16 (1) Use the services of a consultant to ~~concurrently and independently~~ prepare  
17 concurrently and independently a renewal estimate the board and the  
18 employee benefits programs committee shall consider in determining the  
19 reasonableness of the proposed premium renewal amount. The board may  
20 not enter a contract for consultant services under this subsection unless the  
21 employee benefits programs committee has approved the selection of the  
22 consultant.

23 (2) Review the carrier's performance measures, including payment accuracy,  
24 claim processing time, member service center metrics, wellness or other  
25 special program participation levels, and any other measures the board  
26 ~~determines~~and employee benefits programs committee determine relevant  
27 to making the determination and shall consider these measures in  
28 determining the ~~board's~~ satisfaction with the carrier's performance.

29 (3) Consider any additional information the board ~~determines~~and the employee  
30 benefits programs committee determine relevant to making the  
31 determination.

1           c. The board may recommend and the employee benefits programs committee may  
2           determine the carrier's performance under the existing contract does not meet  
3           the board's expectations, the proposed premium renewal amount exceeds the  
4           ~~board's~~ expectations, or renewal does not best serve the interests of the state or  
5           the state's eligible employees, and the board ~~therefore~~ may recommend or the  
6           employee benefits programs committee may decide to solicit a bid under section  
7           54-52.1-04.

8           **SECTION 7. APPLICATION.** This Act applies to contracts entered or renewed on or after  
9           the effective date of this Act.

10          **SECTION 8. EMERGENCY.** This Act is declared to be an emergency measure.