

TESTIMONY OF SCOTT MILLER

House Bill 1435 – Line of Duty Death Health Insurance Coverage

Good Morning, my name is Scott Miller. I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I am here to testify in a neutral position regarding House Bill 1435.

This bill requires an employer to pay for the insurance coverage for a surviving spouse and dependents in the event their public safety employee dies in the line of duty. That coverage includes Medical, Dental, and Vision insurance. The surviving spouse remains covered until they are covered by other insurance or reach age 65. Dependents, including unborn children, remain covered until age 26 or they obtain other coverage.

The bill is unclear regarding whether the coverage would be by the employer's regular insurance, or something obtained in the marketplace. Further, if the coverage is to be by the employer's regular insurance, we are unclear regarding the premium to be charged. As required by federal continuation of coverage regulations, referred to as COBRA, upon the death of an employee, coverage must be offered to any covered dependents for up to 36 months. The federal regulations provide direction that the most an eligible dependent can be charged is 102% of the active employee premium, which is what NDPERS charges in these cases. However, there is not direction in this bill regarding what premium the employer should be charged, whether NDPERS can continue to charge the applicable COBRA rate during the first 36 months, and what the premium for coverage upon the exhaustion of the COBRA continuation period should be. It would be helpful to NDPERS if this type of direction were provided, especially given dependents could be covered for many years following the 36 months of COBRA coverage.

We anticipate that the financial impact to NDPERS would be minimal because of the thankfully few line-of-duty deaths in North Dakota. But note that not all political subdivisions participate in the NDPERS Health Plan, and none are eligible for the NDPERS Dental and Vision plans. Further, any additional cost for this coverage will be paid by the governmental unit employer.