

**2025 SENATE HUMAN SERVICES**

**SB 2160**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Human Services Committee Fort Lincoln Room, State Capitol

SB 2160  
1/15/2025

Relating to health insurance benefits coverage provided by the uniform group insurance program; and to provide an effective date.

9:33 a.m. Chairman Lee called the meeting to order.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

### **Discussion Topics:**

- Premium costs
- Grandfather clause
- Affordable Care Act
- Insurance Mandates

9:34 a.m. Rebecca Fricke, Executive Director of the North Dakota Public Employees Retirement System testified in neutral and submitted testimony #28640 and #29191.

9:51 a.m. Chairman Lee closed the hearing.

*Andrew Ficek, Committee Clerk*

## **TESTIMONY OF REBECCA FRICKE**

### **Senate Bill 2160 – Non-Grandfathered Plan Coverage for State Employees and Non-Medicare Retirees**

Good Morning, Madame Chair and members of the Committee. My name is Rebecca Fricke and I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I appreciate the Committee taking the time to analyze Senate Bill 2160, which requires the NDPERS health insurance plan provided to state employees and non-Medicare retirees to include Affordable Care Act (ACA) large employer group mandated coverage, thus requiring the plan to be a non-grandfathered plan under the ACA. I am here today on behalf of the NDPERS Board to provide information in a neutral capacity so the policy makers are able to make an informed decision regarding the bill.

Senate Bill 2160 does the following:

- Requires non-grandfathered large employer group coverage, in addition to existing grandfathered plan coverage, for eligible state employees and pre-Medicare retirees. This coverage would include (list is not all inclusive):
  - Copayments apply towards Out-of-Pocket Maximums
  - Preventive colonoscopies covered at 100%
  - Contraception covered at 100%
  - Additional well child-care coverage
  - Preventative screening for adults covered at 100%
  - Tobacco cessation services
  - Breast pumps
  - Routine prenatal and postnatal care
  - Lactation counseling
- Excludes political subdivisions currently participating in NDPERS grandfathered plan
  - NDPERS would maintain Grandfathered PPO/Basic Plan for this population
    - Majority of participating political subdivisions are small and therefore, if they lose grandfathered status, they lose eligibility to participate in NDPERS health insurance
- Removes language regarding district health units and Garrison Diversion participating in same manner as state agencies:
  - Requires same premium structure, thus could charge similar flat rate as currently done, rather than single/family rate

NDPERS already administers a large employer non-grandfathered PPO/Basic Plan with these mandated benefits for the large group political subdivisions population. Currently there is 1 political subdivision participating. This volume has varied since the Affordable Care Act was passed. This non-grandfathered plan also provides existing grandfathered PPO/Basic Plan coverage, such as infertility benefits, prosthetic repair & replacement with prior authorization.

Our consultant estimates that the bill would have a financial impact on the NDPERS health insurance plan and estimates an increase in premium of 3.9%, or \$26,353,000, for the 2025-2027 biennium. An increase in utilization of the additional benefits accounts for an estimated 1% of this cost. The breakdown in cost is \$25,803,000 for the State and roughly \$550,000 for non-Medicare retirees. Note that the non-Medicare retirees pay 100% of the premium for their coverage.

The consultant also notes that it could result in higher, or lower, premiums in the future for the state and/or political subdivisions that participate in the NDPERS health plan. Currently these groups are pooled together for pricing but with this change, the state and political subdivisions would be pooled separately. Therefore, each group would experience premium differentials based upon their overall claims experience, rather than as a larger pooled group.

NDPERS also asked for guidance from our federal tax compliance firm. They note that certain restrictions would be removed due to a loss of grandfathered status. These include that coverage can be modified without regard to limits placed on a grandfathered plan and that the share of premium paid by employees could be modified without regard to limits placed on a grandfathered plan. In addition, they confirmed that non-grandfathered plans have cost-sharing limitations and that the amount of premium charged to an employee towards single coverage must be affordable under ACA regulations to avoid employer penalties. Coverage provided must also provide minimum value under the ACA to avoid tax penalties.

There are additional reporting requirements required by the federal government if the plan becomes non-grandfathered that NDPERS would be responsible for ensuring occurs.

Senate Bill 2160 was a bill introduced during the interim, with the analysis provided to the Employee Benefits Programs Committee, which gave the bill a favorable recommendation. The consultant and federal legal analysis provided to the Committee is included as an attachment to the end of my testimony (please note this was bill draft 142 during the interim session).

Ms. Chairman, I appreciate the Committee taking the time to learn more about the impact this bill will have to our state. This concludes my testimony, and I'd be happy to answer any questions the Committee may have.



## Memo

**Date:** October 22, 2024

**To:** Rebecca Fricke - Executive Director, North Dakota Public Employees Retirement System  
  
Representative Austen Schauer - Chair, Legislative Employee Benefits Programs  
Committee, North Dakota State Government

**From:** Tim Egan, Dan Plante, Ford Edgerton, and Karno Sarkar - Deloitte Consulting LLP

**Subject:** **FINANCIAL REVIEW OF PROPOSED BILL 25.0142.01000**

Deloitte Consulting LLP (Deloitte 'i') was engaged to review the proposed legislation and the potential financial impact to the Uniform Group Insurance Program (Program) administered by the North Dakota Public Employees Retirement System (NDPERS), as well as other considerations that may contribute to the evaluation of the legislation.

The information included in the review relies on data provided by NDPERS, as well as publicly available data and industry studies. From the data provided by NDPERS, some of these data sources were developed by NDPERS, while others were prepared or created by third parties and delivered to NDPERS.

As part of the review, all data were reviewed for reasonableness, but an audit was not performed on the data. To the extent the data contain errors or anomalies that were unknown at the time the data were provided, the analysis may be affected by those issues.

### OVERVIEW OF PROPOSED BILL

The current Bill amends and reenacts sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of the North Dakota Century Code relating to health insurance benefits coverage provided by the Uniform Group Insurance Program. The amendment changes the following:

- Consolidates the definition of "carrier" to an entity that is authorized to provide health insurance in the state:
  - The prior definition splits out coverage for medical benefits coverage and hospital coverage.
- Revises the definition for "health insurance benefits coverage" to be a non-grandfathered PPO health plan sponsored by a large employer that offers hospital coverage, medical coverage, or both coverages.
- Defines a non-grandfathered health plan to mean a plan that does not qualify as a grandfathered plan under the Patient Protection and Affordable Care Act (PPACA).
- Requires that State active employees and non-Medicare retirees will solely be offered the NDPERS non-grandfathered health plan. Political subgroups will still be offered the grandfathered health plan alongside the non-grandfathered plan. Additionally, any political

subdivisions that are currently offered the grandfathered plan can continue to participate in this plan.

- Specifies that Garrison Diversion Conservancy District and district health units that are required to participate in the retirement system may participate in the Uniform Group Insurance Program. The premium structure for these members will mirror what is offered to state employees.
- Requires that the Uniform Group Insurance program must provide health insurance benefits.

## **IMPLICATIONS OF BILL**

One of the impacts of Bill 142 will result in a shift of the State active employee and non-Medicare retiree populations to a non-grandfathered health plan as determined by the PPACA. By moving to a non-grandfathered plan, the following plan design enhancements will be mandated for covered individuals:

- 1) Large group employer non-grandfathered plans must offer a minimum value standard of coverage as determined by the PPACA. To meet the minimum value threshold, plans must adhere to the following:
  - a. Plans must cover at least 60% of total allowed costs of benefits that are expected to be incurred under the plan. The employee is responsible for the remaining costs through deductibles, copayments, and coinsurance. Plans must receive an actuarial certification that deems that the minimum actuarial value is at least 60% in order to meet this requirement.
  - b. Large group employers must offer significant coverage for core services in order to be compliant under non-grandfathered PPACA requirements. These services include:
    - i. Coverage for room and board, nursing care, and other hospital services when admitted as an inpatient.
    - ii. Coverage for both physician and specialist visits during an inpatient stay, including follow-up care.
    - iii. Coverage for surgical services, including pre- and post-operative care. This includes the cost of procedure and the cost of consultation with surgeons, anesthesiologists, and other physicians involved in inpatient surgical procedures.
    - iv. Coverage for intensive care units (ICUs), neonatal intensive care (NICU), and other specialized inpatient services.
    - v. Coverage for prescription drugs administered during a hospital stay.
    - vi. Coverage for diagnostic tests, imaging, and lab work performed during an inpatient visit.
    - vii. Coverage for inpatient rehabilitation services such as physical therapy, occupational therapy, and speech therapy.

- viii. Coverage for primary care physician (PCP) visits, routine check-ups, and outpatient treatment of illness.
  - ix. Coverage for specialist visits.
  - x. Coverage for diagnostic tests, imaging, and lab work performed in an outpatient setting.
  - xi. Coverage for outpatient mental health and substance abuse disorder services.
- 2) Plans are prohibited from imposing annual or lifetime limits on the dollar value of the services mentioned above.
- 3) Plans must cover preventative services without any cost-sharing requirements. Preventative services include (but are not limited to):
  - a. Vaccinations for adults and children;
  - b. Routine annual wellness visits;
  - c. Routine Diagnostic screenings;
  - d. Screenings for cervical, colorectal, and prostate cancer;
  - e. Tobacco Cessation programs and eligible supplies;
  - f. Preventative medications and supplements;
  - g. Childcare visits up to the age of 6;
  - h. Coverage for contraception; and
  - i. Women's wellness visits and breastfeeding support (including breast pump coverage).
- 4) Non-grandfathered health plans must comply with out-of-pocket maximum limits set by the PPACA. All member costs such as deductible or copay costs must accumulate towards their out-of-pocket maximum.
- 5) Out-of-Network emergency room services will be covered at the same level as in-network services.
- 6) A non-grandfathered plan, unlike a grandfathered plan, must comply with all PPACA reporting provisions. This includes Transparency in Coverage reporting, RxDC reporting, and the No Surprises Act attestations.

Political subgroups that are offered health insurance by NDPERS will still be eligible for a grandfathered plan. When developing the premium of both health plans, the non-grandfathered plan will utilize experience from the State employee and non-Medicare population, whereas the political subgroups will be underwritten separately. This is a deviation from how premium rates were developed in prior biennia.

State active employee premiums are currently established using a single rate per contract. The premium for a State employee with dependents is set at the same level as a State employee that only covers themselves. Political subgroups have two rates: one for employee only coverage and one for covering families. A political subgroup employee that covers their family will have a premium set at a higher level than an employee that only covers themselves. Bill 142 requires that the Garrison Diversion Conservancy District and district health units' premium structures to be treated in the same manner as State employees. The premium rates for these employees will be calculated based on grandfathered plan experience however, instead of charging two rates like other political subgroups, these employees will be offered a single flat rate like the premium structure for State employees.

## **ESTIMATED FINANCIAL IMPACT**

Based on the review of current offerings and the stipulations within the current legislation, it is anticipated that moving State active employees and non-Medicare retirees from grandfathered to non-grandfathered status will have a financial impact on the Uniform Group Insurance Program. It is estimated the financial impact of this move is approximately \$26,353,000 in the 2025 – 2027 biennium ending 6/30/2027.

Currently, the NDPERS plan does meet many of the non-grandfathered plan design requirements that were listed earlier. However, the following changes must be made to fully comply with the non-grandfathered plan design requirements:

- All copays will accumulate towards a member's plan out-of-pocket maximum.
- Preventative services will be covered with no cost-sharing responsibilities for members:
  - Currently, the NDPERS plan has an annual wellness allowance of \$200. Once this allowance is exhausted, preventative services are covered with a member cost share. This cost-sharing responsibility has been removed when analyzing the financial impact.
  - Additionally, preventative care will now include 100% coverage for breast pumps, an increase in coverage for childcare wellness visits, contraceptive medications regardless of formulary status, tobacco cessation, colonoscopies, and cancer screenings without any service limits. Previously, these services were not covered at 100% and included some service limits.

The development of the estimated claims impact utilized an internal Medical Rate Model, which includes medical and pharmacy benefit designs and is based on over 40 million active/non-Medicare retiree claims. The Medical Rate Model functions as a claims repayment model, applying detailed input plan provisions against the claims record database, effectively repricing the claims, and producing the expected plan claim payments versus allowed charges.

It is estimated the plan design changes required as a result of the proposed Bill would produce a 3.0% increase to the expected total claims paid *for State employees and non-Medicare retirees* covered under the Uniform Group Insurance Program (no change for other covered groups). This is the impact of increasing the richness of coverage under the plan. Additionally, an increase in the richness of benefits may lead to a bump in utilization. Members, once hearing about a richer benefit offering, may withhold utilization until the new plan provisions are active, which may lead to pent-up demand once the new benefits are in place. The estimated increase in cost due to this uptick in utilization is 1.0%. The combination of these two factors impacting claims would result in a **3.9% increase to premiums for the State Active and non-Medicare Retiree plans.**

The Political Subgroup plans and the Medicare population will not see an impact to their plan offerings as a result of Bill 142. Political Subgroups will still have access to the grandfathered plans and the Medicare population will have access to the same plans as they currently do. Therefore, these two groups will **not see any increase in premiums**.

When combining the impact of the premium increase to State Active and Non-Medicare Retiree plans to the current costs of the Political Subgroup and Medicare plans, the result is a **3.1% increase in total plan costs** for the Uniform Group Insurance Program. This anticipated change to the expected claims costs was applied to the estimated biennium claims cost for actives and pre-Medicare retirees enrolled in the PPO/Basic Grandfathered plan developed using 2023 – 2025 biennium costs and trending these costs forward to develop the 2025 – 2027 renewal rates.

The table below outlines the impact of Bill 142 for each subgroup under NDPERS:

Group	State Actives	Political Subgroups	Non-Medicare Retirees	Medicare	Total Cost
Status Quo 2025 -2027 Cost	\$667,166,000	\$132,048,000	\$14,204,000	\$50,426,000	<b>\$863,844,000</b>
Plan Design Change Actuarial Value Adjustment	3.0%	No Impact	3.0%	No Impact	
Initial Utilization Change	1.0%		1.0%		
Adjusted Estimated Total Cost	\$692,969,000	\$132,048,000	\$14,754,000	\$50,426,000	<b>\$890,197,000</b>
<b>Estimated Total Cost % Impact</b>	<b>3.9%</b>	<b>0.0%</b>	<b>3.9%</b>	<b>0.0%</b>	<b>3.1%</b>

It is estimated that the financial impact of the proposed legislation on the Uniform Group Insurance Program is approximately \$26,353,000 in the 2025-2027 biennium ending 6/30/2027.

<sup>i</sup> This document is intended strictly for the client's internal use and not for any other third party. As such, Deloitte is not, by means of any resulting disclosure or publication of this document, rendering professional advice or services to any third party. This document and its contents should not be used by any third party as a basis for any decision or action. Deloitte shall not be responsible for any loss sustained by any third party who relies on this document or its contents.

About Deloitte: Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Please see [www.deloitte.com/us/about](http://www.deloitte.com/us/about) for a detailed description of the legal structure of Deloitte LLP.

**MEMORANDUM**

**TO:** Rebecca Fricke, North Dakota PERS

**FROM:** Christopher S. Sears, ICE MILLER LLP

**DATE:** October 16, 2024

**RE:** Bill Draft # 142 - Mandating ACA Coverage for State of North Dakota

---

*This memorandum is given to you in confidence and with the attorney-client privilege. We have not delivered or mailed any copies of this memorandum to anyone else, other than those individuals noted in this memorandum. You should disclose the contents of this memorandum only to those officers or trustees who need to know the contents in order to make informed decisions on the matters discussed herein.*

We have reviewed the proposed changes (Bill Draft #142, attached as provided to us on September 23, 2024) to the current uniform group insurance program (“Program”) codified at NDCC Section 54.52.1-02. In short, the Bill Draft requires the Program to provide a new non-grandfathered health plan that would provide enhanced coverage that includes all of the benefits required under the Affordable Care Act (“ACA”) for non-grandfathered plans. We also understand that the Bill Draft is intended to require the new plan to include the benefits that are also covered under the currently existing grandfathered plan such as infertility benefits and prosthetics repair/replacement. We will refer to this new coverage as “Enhanced Coverage.” This memorandum addresses a number of issues under the ACA for your consideration related to the Bill Draft.

**Relevant Facts**

It is our understanding the Program is fully insured and has maintained its “grandfathered” status under the ACA since 2010. We also understand that it is the Bill Draft’s sponsor’s intent to require Enhanced Coverage for State employees/former employees and all non-Medicare age retirees who are currently eligible for the Program. The Enhanced Coverage would require the State to provide these individuals with ACA mandated coverage for non-grandfathered plans. The Enhanced Coverage would not apply to current employees who work for a political subdivision that participates in NDPERS, or retirees who are of Medicare age. Further, the intent is to have individuals who are not eligible for the Enhanced Coverage (e.g. political subdivisions) remain in the current grandfathered plan. The effective date for the Enhanced Coverage is January 1, 2026.



### **Coverage Required to be Added to a Non-Grandfathered Plan**

The creation of the Enhanced Coverage will result in a non-grandfathered plan under the ACA. Such plans must offer benefits that are not required to be offered under grandfathered plans. The benefits that must be added to the Enhanced Coverage include:

- Coverage of preventive care without employee cost-sharing (Public Health Service Act [“PHSA”] Section 2713);
- Limitations on out-of-pocket maximums (PHSA Section 2707);
- Expanded claims and appeal requirements (PHSA Section 2719);
- Additional patient protections (right to choose a primary care provider designation, OB/GYN access without a referral, and coverage for out-of-network emergency department services) (PHSA Section 2719A); and
- Coverage of routine costs associated with clinical trials (PHSA Section 2709).

If NDPERS uses an insured product to provide the Enhanced Coverage (as it does for the current Program), the policy will almost certainly contain those benefits. If NDPERS decides to self-insure the Enhanced Coverage, it will need to ensure that these additional benefits are included in the Coverage.

### **Restrictions Removed As a Result of Losing Grandfathered Status**

As you know, maintaining grandfathered status came with a loss of flexibility with respect to member premiums and costs associated with the Program. For example, to maintain grandfathered status, the Program was limited in raising cost-sharing requirements such as deductibles, copayments, and coinsurance, eliminating benefits, and increasing employees’ share of premiums. As a non-grandfathered plan, the Enhanced Coverage could be modified without regard to the limits placed on grandfathered plans. As a result, out-of-pocket cost sharing could be increased year-to-year (subject to the ACA’s statutory limits on out-of-pocket costs as described below), benefits could be added or eliminated (presumably provided the benefits that are also provided under the current grandfathered plan are not eliminated), and the share of the premium paid by employees may be increased without regard to the limits imposed by the grandfather rule. This obviously would provide NDPERS with additional tools to deal with the rising cost of health care.

### **Remaining Restrictions**

NDPERS’ ability to increase cost-sharing and premiums in a manner not allowed by the grandfather rule is subject to certain restrictions.

### Restrictions on Cost-Sharing

First, Section 2707(b) of the PHSA generally applies to non-grandfathered governmental plans. PHSA Section 2707(b) provides, “[a] group health plan shall ensure that any annual cost-sharing imposed under the plan does not exceed the limitations provided for under [42 USC §18022(c)].” Further, guidance issued by CMS provides, “[PHSA S]ection 2707(b), as added by the Affordable Care Act, provides that a non-grandfathered group health plan shall ensure that any annual cost-sharing imposed under the plan does not exceed the limitations provided for under sections 1302(c)(1) and (c)(2) of the Affordable Care Act. Section 1302(c)(1) limits out-of-pocket costs . . . .” (CMS.gov, Affordable Care Act Implementation FAQs – Set 18, last modified September 6, 2023; see also, CMS.gov, Affordable Care Act Implementation FAQs — Set 12 (“As stated in the preamble to the HHS final regulation on standards related to essential health benefits, the Departments read PHS Act section 2707(b) as requiring all non-grandfathered group health plans to comply with the annual limitation on out-of-pocket maximums described in section 1302(c)(1) of the Affordable Care Act”)).

PHSA §2707 provides that cost-sharing for self-only coverage may not exceed \$9,450 in 2024 (subject to annual changes). For other coverage (*e.g.*, family), cost-sharing may not exceed twice the amount in the preceding sentence (*i.e.*, \$18,900 in 2024). Cost-sharing is generally defined as: (i) amounts spent on deductibles, coinsurance, copayments, or similar charges; and (ii) other expenses paid by the insured individual which are considered qualified medical expenses with respect to essential health benefits covered under the plan. “Cost-sharing” for these purposes does not include premiums, balance billing amounts for non-network providers, or spending for non-covered services.

Accordingly, the NDPERS will want to carefully review the terms of the Enhanced Coverage to ensure cost-sharing is limited to what is allowed by PHSA §2707.

### Restrictions on Premium Increases

Even though the grandfather rule would not limit premium increases in the non-grandfathered Enhanced Coverage like it does in the current Program, another provision of the ACA has the practical effect of limiting the premium NDPERS may charge members for the Enhanced Coverage.

Under Code Section 4980H, an applicable large employer may be subject to tax penalties if it does not offer “affordable” coverage to at least 95% of its full-time employees and their dependents. The coverage must also offer “minimum value.” The State is an applicable large employer. The penalty can be triggered when one or more full-time employees receive a premium tax-credit or cost sharing reduction to purchase health coverage on a health insurance exchange because the coverage offered is deemed to be “unaffordable” or fails to provide “minimum value.” Subject to certain adjustments, the Code Section 4980H(b) penalty is \$4,460 per affected employee (or \$371.67 per month) in 2024.



The “affordability” standard is keyed to the employee’s required monthly contribution for single coverage under the employer’s lowest cost health plan. The coverage is considered “unaffordable” if it exceeds 8.39% (as of 2024, subject to adjustments for inflation) of the employee’s household income for the tax year. Because most employers will not know an employee’s annual household income, the Internal Revenue Service (“IRS”) has prescribed 3 optional affordability safe harbors to avoid the Code §4890H(b) penalty:

1. Form W-2 Safe Harbor. In general, this safe harbor is met if a full-time employee's required contribution for the calendar year for the employer's lowest cost self-only coverage that provides minimum value during the entire calendar year does not exceed 8.39% in 2024 (subject to annual adjustments) of the employee's Form W-2 wages (*i.e.*, Box 1 wages). (Treas. Reg. §54.4980H-5(e)(2)(ii)(A); Proposed Reliance Treas. Reg. §54.4980H-5(e)(2)(ii)(A); Rev. Proc. 2023-29)). In situations where an employee is not offered coverage for the entire calendar year, the employee’s Form W-2 wages (*i.e.*, Box 1 wages) are adjusted to reflect the period when coverage was offered based on the months coverage as offered. (Treas. Reg. §54.4980H-5(e)(2)(ii)(B); Proposed Reliance Treas. Reg. §54.4980H-5(e)(2)(ii)(A); Rev. Proc. 2023-29)).

2. Rate of Pay Safe Harbor. In general, an applicable large employer satisfies this safe harbor for an hourly employee in any month where the employee’s required contribution for the employer’s lowest cost self-only coverage that provides minimum value does not exceed 8.39% in 2024 (subject to adjustments) of an amount equal to 130 hours multiplied by the lower of: (i) the employees hourly rate as of the first day of the coverage period (*e.g.*, first day of the plan year); or (ii) the employee’s lowest hourly rate of pay during the calendar month. With respect to a non-hourly employee, this safe harbor is generally satisfied in any month where the employee’s required contribution for the employer’s lowest cost self-only coverage that provides minimum value does not exceed 8.39% in 2024 (subject to adjustments) of the employee’s monthly salary as of the 1st day of the coverage period. (Treas. Reg. §54.4980H-5(e)(2)(ii)(B); Proposed Reliance Treas. Reg. §54.4980H-5(e)(2)(iii); Rev. Proc. 2023-29)).

3. Federal Poverty Line Safe Harbor. This safe harbor is generally satisfied during a month when the employee’s required contribution for the applicable large employer’s lowest cost self-only coverage that provides minimum value does not exceed \$101.93 per month in 2024 (subject to annual adjustments). (Treas. Reg. §24.4980H-5(e)(2)(iv); Proposed Reliance Treas. Reg. §24.4980H-5(e)(2)(ii)(A); Rev. Proc. 2023-29)).

Thus, NDPERS will need to be mindful of this limitation when setting employee premiums for the Enhanced Coverage. We note that this limitation only applies to active full-time employees. It does not apply to terminated employees who may participate in the Enhanced Coverage such as retirees not yet eligible for Medicare.

In addition, the Enhanced Coverage should provide “minimum value” to avoid potential ACA tax penalties for the employer. In general, a plan provides “minimum value” for an

employee or related individual where it provides: (i) a minimum value percentage of at least 60% based on the plan's share of total allowed costs of benefits provided to the employee or related individual; and (ii) the plan provides substantial coverage of inpatient hospital services and physician services. (Treas. Reg. §1.36B-6(a)(1)-(2)(i)). The State's insurance carrier should be able to easily let you know whether the Enhanced Coverage provides minimum value.

### **Employer Shared Responsibility Payment Reporting Requirements**

We assume that under the current Program, the insurer furnishes each member with a Form 1095-B and files Forms 1094-B and 1095-B with the IRS. We further assume that NDPERS (or some other State agency) provides active full-time employees participating in the Program with Parts I and II of the Form 1095-C and files Forms 1094-C and 1095-C to the IRS. If this is not the case, please let us know. These filing obligations would not change under the Enhanced Coverage. These filing obligations apply regardless of whether an employer sponsors a grandfathered or non-grandfathered plan.

### **Transparency in Coverage**

Section 1311 of the ACA, along with its implementing regulations (The Transparency in Coverage Final Rules or "TiC" Final Rules) requires non-grandfathered employer plans and health insurance issuers offering non-grandfathered coverage to disclose, on a public website, information regarding in-network rates for covered items and services, out-of-network allowed amounts and billed charges for covered items and services, and negotiated rates and historical net prices for covered prescription drugs in separate machine-readable files. The machine-readable file requirements of the TiC Final Rules were applicable for plan years beginning on or after January 1, 2022, although enforcement of various parts of the TiC Final Rules were delayed in certain respects. Additionally, the TiC Final Rules require plans and issuers to make price comparison information available to participants through an internet-based self-service tool and in paper form, upon request. This information must be available for plan years beginning on or after January 1, 2023, with respect to the 500 items and services identified by the Departments in Table 1 in the preamble to the TiC Final Rules, and with respect to all covered items and services, for plan or policy years beginning on or after January 1, 2024.

These obligations apply to both the group health plan and any insurer of a group health plan. Thus, the requirements would apply to NDPERS (as sponsor of the Enhanced Coverage) and any insurer of the Enhanced Coverage. However, the TiC Final Rules contain a nonduplication provision. It provides that, "to the extent coverage under a group health plan consists of group health insurance coverage, the plan satisfies the requirements . . . if the plan requires the health insurance issuer offering the coverage to provide the information required by [the TiC Final Rules] in compliance with [the TiC Final Rules] pursuant to a written agreement. Accordingly, if a health insurance issuer and a plan sponsor enter into a written agreement under which the issuer agrees to provide the information required under [the TiC Final Rules] . . . and the issuer fails to do so, then the issuer, but not the plan, violates the transparency disclosure requirements of [the TiC Final Rules]. (45 CFR 147.211(b)(3)). Thus, if NDPERS is required



to implement the Enhanced Coverage and it is insured, NDPERS should enter into a contract with the insurer that imposes the TiC Final Rules' responsibilities on the insurer.

### **Prescription Drug Reporting (RxDC)**

We assume that you are already aware of the No Surprises Act's requirements for plans and issuers to report information about prescription drug spending because it is applicable to group health plans like the Program and the Enhanced Coverage regardless of grandfathered status. However, we at least wanted to note it here to ensure you are aware of the obligation. NDPERS and/or the Rx benefit provider for the Program should already be complying with this obligation. It will apply equally to any Enhanced Coverage that is implemented.

### **Bill Draft Text**

We understand the Bill Draft to have three primary goals:

1. To require the creation of a new health plan that contains the benefits required under the ACA for non-grandfathered plans;
2. To require the new plan to also cover the benefits that are currently covered by the current grandfathered plan, such as infertility benefits and prosthetic repair/replacement; and
3. To maintain the grandfathered plan for entities that are not eligible to participate in the new non-grandfathered plan such as political subdivisions.

We are attaching a mark-up of the Bill Draft with our specific comments and proposed edits related to whether the Bill Draft's language achieves these goals.

We believe the Bill Draft's language achieves the first goal.

With respect to the second goal, it is not clear to us what the scope of the new language at NDCC Section 54-52.1-01.5.1 is trying to achieve. It states that the new plan must include "benefits provided under the uniform group insurance program's grandfathered preferred provider organization plan." This language is vague. Are the benefits to be preserved as of the date of the amendment's enactment? What if the grandfathered plan is amended in the future to add a new benefit? Will the new non-grandfathered plan have to be amended to adopt the new benefit, too? This language could also limit flexibility in the new plan. For example, it could not be converted into a high-deductible health plan, particularly if the equivalency requirement also applies to deductibles, copayments, coinsurance, and out-of-pocket limits. We believe that this section could benefit from additional clarity.

With respect to the third goal, it is not clear to us that the new Section 54-52.1-03.1.2 transparently states that the current grandfathered plan must remain available to political

subdivisions. The new language states, “For purposes of this Section, the uniform group insurance program must provide health insurance benefit coverage as defined in Section 54-52.1-01.” “Health insurance coverage” (as amended by the Bill Draft) means the non-grandfathered plan, hospital benefits coverage, and medical benefits coverage. That definition does not include the grandfathered health plan, yet it is our understanding that the intent is for political subdivisions covered by Section 54-52.1-03.01 to remain eligible to participate in the grandfathered plan. Assuming that is true, it should be more clearly stated. Perhaps a new definition for the grandfathered plan could be added to Section 54-52.1-01 (e.g., “the plan sponsored by the State that is a grandfathered plan as that term is defined by 42 U.S.C. 18011(e)"). Then, the new language at 54-52.1-03.1.2 could state, “For purposes of this Section, the uniform group insurance program offered under the section must include, to the extent still offered by the State, the grandfathered plan.”

### **Final Thoughts**

As you know, there are a myriad of disclosure and other obligations applicable to group health plans. In keeping with our understanding of your original e-mail, we have focused on those that will be new or otherwise change if the Enhanced Coverage is implemented. We are very happy to provide more detail on the obligations discussed in this e-mail.

25.0142.02000

Sixty-ninth  
Legislative Assembly  
of North Dakota

**BILL NO.**

Introduced by

Senator Davison

A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of the North Dakota Century Code, relating to health insurance benefits coverage provided by the uniform group insurance program; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Section 54-52.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-01. Definitions.**

As used in this chapter, ~~unless the context otherwise requires:~~

1. "Board" means the public employees retirement board.
2. "Carrier" means:
  - a. ~~For the hospital~~ health insurance benefits coverage, an insurance company authorized to do business in the state, or a nonprofit hospital service association, or a prepaid group practice hospital or medical care plan authorized to do business in the state, or the state if a self-insurance health plan is used for providing hospital or medical benefits coverage.
  - b. ~~For the medical benefits coverage, an insurance company authorized to do business in the state, or a nonprofit medical service association, or a prepaid group practice medical care plan authorized to do business in the state, or the state if a self-insurance health plan is used for providing medical benefits coverage.~~
  - c. For the life insurance benefits coverage, an insurance company authorized to do business in the state.
3. "Department, board, or agency" means ~~the departments~~ a department, ~~boards~~ board, ~~agencies~~ agency, or ~~associations~~ association of this state. The term includes the state's

Sixty-ninth  
Legislative Assembly

charitable, penal, and higher educational institutions; the Bank of North Dakota; the state mill and elevator association; and counties, cities, district health units, and school districts.

4. "Eligible employee" means every permanent employee who is employed by a governmental unit, as that term is defined in section 54-52-01. "Eligible employee" includes members of the legislative assembly, judges of the supreme court, paid members of state or political subdivision boards, commissions, or associations, full-time employees of political subdivisions, elective state officers as defined by section 54-06-01, and disabled permanent employees who are receiving compensation from the North Dakota workforce safety and insurance fund. As used in this subsection, "permanent employee" means one whose services are not limited in duration, who is filling an approved and regularly funded position in a governmental unit, and who is employed at least seventeen and one-half hours per week and at least five months each year or for those first employed after August 1, 2003, is employed at least twenty hours per week and at least twenty weeks each year of employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and 54-52.1-11, "eligible employee" includes retired and terminated employees who remain eligible to participate in the uniform group insurance program pursuant to applicable state or federal law.

5. "Health insurance benefits coverage" means ~~hospital~~.

a. A nongrandfathered group health plan sponsored by a large employer which meets the applicable requirements of 42 U.S.C. chapter 6A, subchapter XXV, without regard to 42 U.S.C. 18011, including benefits provided under the uniform group insurance program's grandfathered preferred provider organization plan;

b. Hospital benefits coverage or medical;

c. Medical benefits coverage; or both

d. Both hospital and medical benefits coverage.

6. "Health maintenance organization" means an organization certified to establish and operate a health maintenance organization in compliance with chapter 26.1-18.1.

**Commented [CSS1]:** This still feels very vague. Is this as those benefits existed under the grandfathered plan as of the date of this amendment's enactment? What if the GF plan is amended? Does that require an automatic amendment of the NGF plan? What if the NGF plans gets turned into a high deductible health plan. If that's the case, then the benefits will necessarily be different. What if there are other policy or legal reasons for them to differ? Does this also mean that their deductible/copayment/coinsurance/out-of-pocket max structures have to be the same? This section should have more clarity.



- 1 7. "Hospital benefits coverage" means a plan that either provides coverage for, or pays,  
2 or reimburses expenses for hospital services incurred in accordance with the uniform  
3 contract.
- 4 8. "Life insurance benefits coverage" means a plan that provides both term life insurance  
5 and accidental death and dismemberment insurance in amounts determined by the  
6 board, with a minimum of one thousand dollars provided for the term life insurance  
7 portion of the coverage.
- 8 9. "Medical benefits coverage" means a plan that either provides coverage for, or pays,  
9 or reimburses expenses for medical services in accordance with the uniform contract.
- 10 10. "Member contribution" means the payment by the member into the retiree health  
11 benefits fund pursuant to sections 54-52-02.9 and 54-52-17.4.
- 12 11. "Member's account balance" means the member's contributions plus interest at the  
13 rate set by the board.
- 14 12. "Nongrandfathered health plan" means a plan that is not a "grandfathered health plan" as  
15 that term is defined by 42 U.S.C. 18011(e) does not qualify as a grandfathered  
16 plan under the Patient Protection and Affordable Care Act [Pub. L. 111-148], as  
17 amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-  
18 152].
- 19 13. "Self-insurance health plan" means a plan of self-insurance providing health insurance  
20 benefits coverage under section 54-52.1-04.2.
- 21 14. "Temporary employee" means a governmental unit employee who is not filling an  
22 approved and regularly funded position in an eligible governmental unit and whose  
23 services may or may not be limited in duration.
- 24 **SECTION 2. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is  
25 amended and reenacted as follows:
- 26 **54-52.1-02. Uniform group insurance program created - Formation into subgroups.**
- 27 In order to promote the economy and efficiency of employment in the state's service, reduce  
28 personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the  
29 service of state employment, there is created a uniform group insurance program.
- 30 1. The uniform group insurance program must be:
- 31 a. Be composed of eligible and retired employees and be formed to provide hospital-  
32 benefits coverage, medical benefits coverage,

**Commented [C552]:** What is hospital benefits coverage and medical benefits coverage? Are these concepts really relevant? How are these different from the GF and NGF plans?

**Commented [C553]:** See prior comment.

- 1        b. Except as provided in subsection 2 of section 54-52.1-03.1, provide coverage as  
2        defined in subdivision a of subsection 5 of section 54-52.1-01; and  
3        c. Provide life insurance benefits coverage in the manner set forth in this chapter.  
4        2. The ~~board may divide the~~ uniform group ~~may be divided~~ into the following subgroups  
5        ~~at the discretion of the board:~~  
6        1. ~~Medical and hospital~~  
7        a. Health insurance benefits coverage group consisting of active eligible employees  
8        and retired employees not eligible for Medicare, except for employees who first  
9        retire after July 1, 2015, and are not eligible for Medicare on their retirement. In  
10       determining premiums for coverage under this ~~subsection~~subdivision for retired  
11       employees not eligible for Medicare, the rate for a non-Medicare retiree single  
12       plan is one hundred fifty percent of the active member single plan rate, the rate  
13       for a non-Medicare retiree family plan of two people is twice the non-Medicare  
14       retiree single plan rate, and the rate for a non-Medicare retiree family plan of  
15       three or more persons is two and one-half times the non-Medicare retiree single  
16       plan rate.  
17       2. b. In addition to the coverage provided in ~~subsection 1~~subdivision a, another  
18       coverage option may be provided for retired employees not eligible for Medicare,  
19       except for employees who first retire after July 1, 2015, and are not eligible for  
20       Medicare on their retirement, provided the option does not increase the implicit  
21       subsidy as determined by the governmental accounting standards board's other  
22       postemployment benefit reporting procedure. In offering this additional option, the  
23       board may have an open enrollment but thereafter enrollment for this option must  
24       be as specified in section 54-52.1-03.  
25       3. c. Retired Medicare-eligible employee group ~~medical and hospital~~health insurance  
26       benefits coverage.  
27       4. d. Active eligible employee life insurance benefits coverage.  
28       5. e. Retired employee life insurance benefits coverage.  
29       6. f. Terminated employee continuation group ~~medical and hospital~~health insurance  
30       benefits coverage.



Sixty-ninth  
Legislative Assembly

7. ~~g.~~ Terminated employee conversion group ~~medical and hospital~~ health insurance  
benefits coverage.

8. ~~h.~~ Dental benefits coverage.

9. ~~i.~~ Vision benefits coverage.

10. ~~j.~~ Long-term care benefits coverage.

11. ~~k.~~ Employee assistance benefits coverage.

12. ~~l.~~ Prescription drug coverage.

**SECTION 3. AMENDMENT.** Section 54-52.1-03.1 of the North Dakota Century Code is  
amended and reenacted as follows:

**54-52.1-03.1. Certain political subdivisions authorized to join uniform group  
insurance program - Employer contribution.**

1. If eligible under federal law, a political subdivision may extend the benefits of the  
uniform group insurance program under this chapter to its permanent employees,  
subject to ~~minimum~~ requirements established by the board and ~~as follows~~:

a. A minimum period of participation of sixty months. If the political subdivision  
withdraws from participation in the uniform group insurance program, before  
completing sixty months of participation, unless federal or state laws or rules are  
modified or interpreted in a way that makes participation by the political  
subdivision in the uniform group insurance program no longer allowable or  
appropriate, the political subdivision shall make payment to the board in an  
amount equal to any expenses incurred in the uniform group insurance program  
that exceed income received on behalf of the political subdivision's employees as  
determined under rules adopted by the board.

b. The Garrison Diversion Conservancy District, and district health units required to  
participate in the public employees retirement system under section 54-52-02,  
shall participate in the uniform group insurance program under the same ~~terms--  
and conditions~~ premium structures as state agencies.

c. A retiree who has accepted a retirement allowance from a participating political  
subdivision's retirement plan may elect to participate in the uniform group under  
this chapter without meeting minimum requirements at age sixty-five, when the  
employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the

1 political subdivision joins the uniform group insurance plan if the retiree was a  
2 member of the former plan, or when the spouse terminates employment. If a  
3 retiree or surviving spouse does not elect to participate at the times specified in  
4 this ~~section~~subdivision, the retiree or surviving spouse must meet the minimum  
5 requirements established by the board.

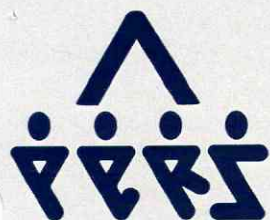
6 d. Each retiree or surviving spouse shall pay directly to the board the premiums in  
7 effect for the coverage then being provided. The board may require  
8 documentation that the retiree has accepted a retirement allowance from an  
9 eligible retirement plan other than the public employees retirement system.

10 2. For purposes of this section, the uniform group insurance program must provide health  
11 insurance benefits coverage as defined in section 54-52.1-01.

12 **SECTION 4. EFFECTIVE DATE.** This Act becomes effective on January 1, 2026.

**Commented [CSS4]:** We believe it is still not clear what has to be offered to the polisubs. "Health insurance benefits coverage" (as amended by this bill) means the NGF plan, hospital benefits coverage, and medical benefits coverage. The definition does not include the GF plan, but our understanding that the polisubs are supposed to still have the GF plan available to them. Assuming that's true, then that should just be clearly stated. Perhaps add a definition of GF plan at 54-52.1-01 (e.g., the plan sponsored by the State that is a GF plan as defined by 42 U.S.C. 18011(e)), and then say here that, "For purposes of this section, the uniform group insurance program offered under this section must include the NGF plan and, to the extent still offered by the State, the GF plan." It is just better to state clearly what must be offered.





**NORTH DAKOTA  
PUBLIC EMPLOYEES  
RETIREMENT SYSTEM**

## WHO WE ARE

**42**

Full-time Team Members

**1**

Temporary Team Member

**44**

Business Partners



## WHAT WE'RE ABOUT

### Our Mission

Champion the health and financial security of our members by providing comprehensive, innovative retirement and insurance benefit solutions through collaboration and personalized support.

### Proud to serve our members

NDPERS is one of only a handful of state agencies in the entire country that administers both retirement plans and insurance plans for the benefit of state and political subdivision employees and their families.

Dedicated to providing exceptional service, the agency offers nine retirement plans and a broad selection of insurance options for employers, participating members, and their families.

## WHO WE SERVE

### Retirement Plans

Almost 60,000 employees and retirees participate in the retirement plans we administer

### Employer Participation

100 state agencies, 51 counties, 100 cities, 133 school districts, and 95 other political subdivisions in our retirement plans

### Retirement Benefits

We make nearly \$240 million in retirement benefit payments every year to retirees living in every county in the state



### Health Plans

Our health plans cover nearly 60,000 North Dakotans, including actives, retirees, and covered dependents

### Employer Participation

101 state agencies, 26 counties, 28 cities, 14 school districts, and 51 other political subdivisions in our health plans

### Health Plan Benefits

We provide our covered members with over \$370 million in health benefits every year

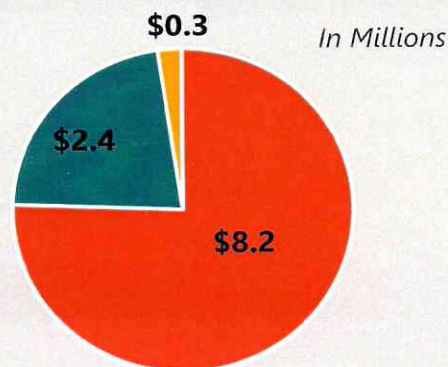


## HOW WE DO IT

**Total Legislative  
Base Budget:**  
**\$10,898,654**

- All special funds

- Salary
- Operating
- Contingency





# NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM (NDPERS)

## WHAT WE'RE PROUD OF

### Remote Workforce

NDPERS was one of the first state agencies to recognize the long-term benefit of remote workers, and moved into new offices on state property in 2021, cutting our footprint and rent by 50%

### Member Education

Our website and YouTube channel offer a wealth of information and educational resources, making it easier for employers and members to access valuable content

### Improved Technology

Technological upgrades, including laptops for all employees and new benefit software, improves disaster recovery and our ability to serve our members

Retirement  
Plan Funding  
Stabilization

Expansive  
Employee  
Benefit  
Program  
Menu

Successfully  
Implemented  
House Bill  
(HB) 1040

Implemented  
Jr.  
Management  
Program for  
Succession  
Planning

## WHAT WE DO



### Retirement – Defined Benefit

The Defined Benefit/Hybrid retirement plan provides a modest yet secure retirement benefit to public employees.



### Uniform Group Insurance

Including Health, Dental, Vision, Life, and EAP insurance options for our public employees.



### Retirement – Defined

**Contribution** A 401(K)-like retirement option open to new employees starting January 1, 2025.



### Retiree Health Insurance Credit

A monthly lifetime benefit eligible retirees can use as reimbursement for after-tax insurance premiums.



### Retirement – Deferred

**Compensation** An optional, supplementary tax-deferred savings option for public employees.



### Flexible Compensation

A pre-tax savings program that active employees can use to pay for medical and dependent care expenses.

## HOW WE MEASURE SUCCESS

### 4-Point Customer Service Report Cards

- Courtesy – 3.76
- Promptness – 3.59
- Staff Explanation – 3.66
- Ease of Understanding – 3.61

### Team ND Gallup Surveys

The HRMS Gallup Survey revealed that the Fully Paid Health Insurance Plan and the Retirement Plan ranked among the top three reasons employees value their roles with Team ND

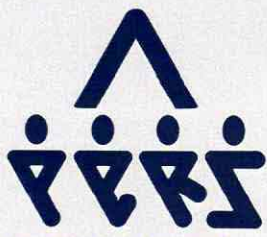
### Awards and Recognition

- GFOA Certificate of Achievement for Excellence in Financial Reporting
- Public Pension Coordinating Council Award for Administration

### Clean Audit Opinion

Twenty-seven consecutive years of unmodified opinions from an independent audit firm





**NORTH DAKOTA  
PUBLIC EMPLOYEES  
RETIREMENT SYSTEM**

**WHO WE SERVE**

**26,037**

Active Members

**14,274**

Retired Members

**18,698**

Deferred Members

**479**

Participating Employers



**KEY RETIREMENT FACTS**

Opening its doors in July 1966, the Public Employees Retirement System has since grown to administer **nine retirement plans** for the State of North Dakota along with numerous insurance plans.

The breadth and complexity of the benefits that NDPERS administers make it one of the most unique state government agencies in the entire nation.

*Historical Financial Breakdown as of July 2024*

**\$3.2 B**

Contributions  
received

**\$3.5 B**

Paid  
benefits

**\$4.3 B**

Value of  
Assets

**NINE RETIREMENT PLANS ADMINISTERED BY NDPERS**

*EE represents Employee, ER represents Employer*

**Main Defined Benefit**

*Hybrid Plan – Three Benefit Tiers*

Total Participants:	57,073
Current Funded Ratio:	66.3%
EE Contribution Rate:	7.00%
ER Contribution Rate:	8.52%

**Public Safety**

*With Prior Service*

Total Participants:	2,407
Current Funded Ratio:	68.6%
Pol Sub EE Contribution Rate:	5.5%
Pol Sub ER Contribution Rate:	11.4%
BCI EE Contribution Rate:	8.00%
BCI Employer Contribution:	22.26%

**Public Safety**

*Without Prior Service*

Total Participants:	490
Current Funded Ratio:	93%
EE Contribution Rate:	5.50%
ER Contribution Rate:	9.16%

**Highway Patrol**

Total Participants:	373
Current Funded Ratio:	68.6%
EE Contribution Rate:	15.3%
ER Contribution Rate:	21.7%

**Judges**

Total Participants:	128
Current Funded Ratio:	112.5%
EE Contribution Rate:	8.00%
ER Contribution Rate:	17.52%

**Job Service**

Total Participants:	164
Current Funded Ratio:	117.8%
EE Contribution Rate:	7%
ER Contribution Rate:	0%

**457 Deferred Compensation**

*Optional supplemental  
retirement plan*

Current participants:	9,182
Market Value of Assets:	\$220.1M

**Defined Contribution**

*Three Benefit Tiers*

*Tier 3 is the primary retirement plan  
for members first enrolled after 2024*

Current participants:	88
Market Value of Assets:	\$23.2M

**RHIC – Retiree Health  
Insurance Credit**

*Eligible retirees receive \$5 in  
monthly credit for each year they  
earned service*

Total participants:	16,283
---------------------	--------



# NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

YEAR EACH PLAN IS PROJECTED TO BE FULLY FUNDED

**Main DB**  
2056

**Public Safety  
w/ prior service**  
2046

**Public Safety  
without  
prior service**  
2036

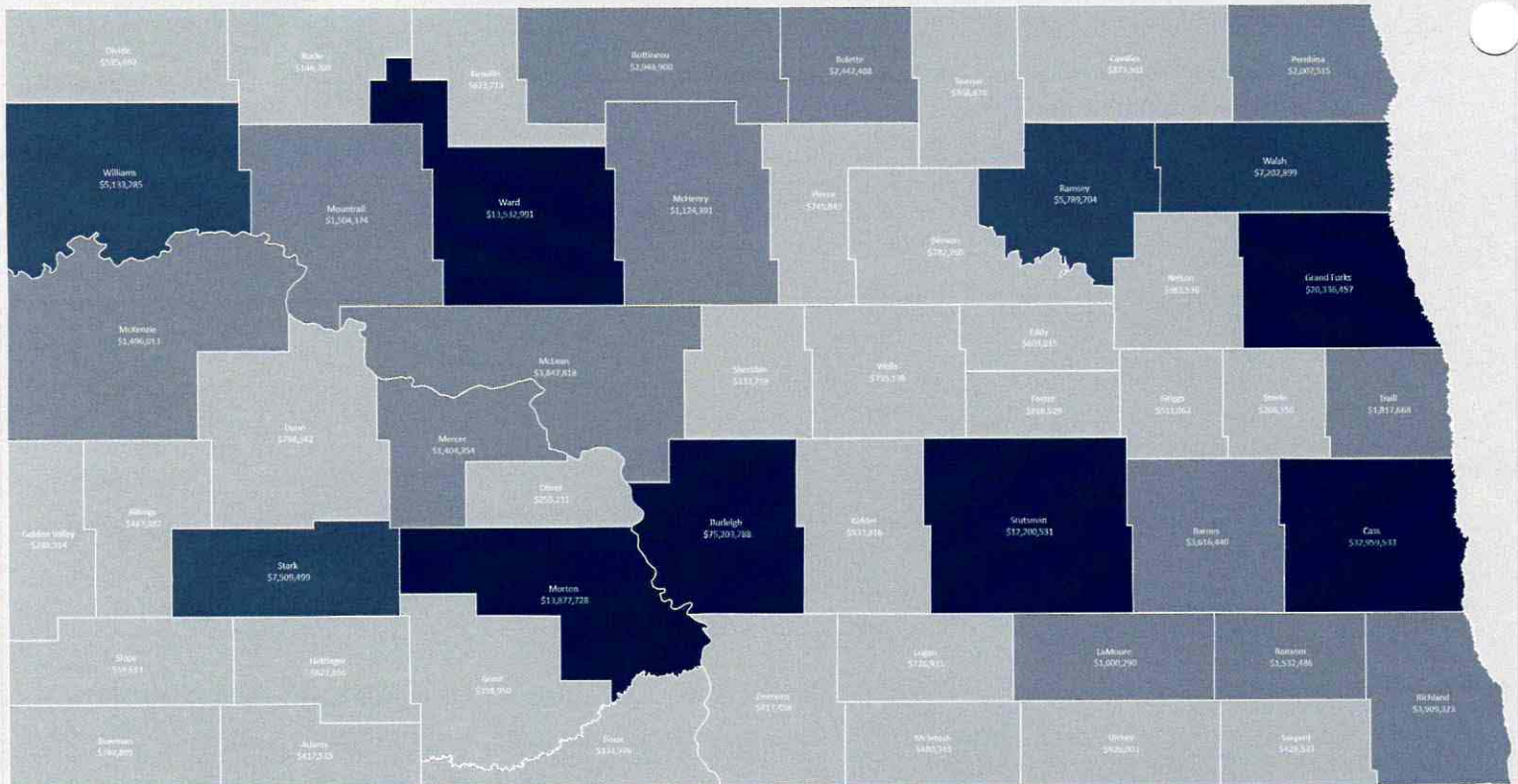
**RHIC**  
2043

**Highway  
Patrol**  
**NEVER**  
*Needs support*

**Judges**  
112.5% Funded

**Job Service**  
117.8% Funded

## ECONOMIC IMPACT ACROSS NORTH DAKOTA



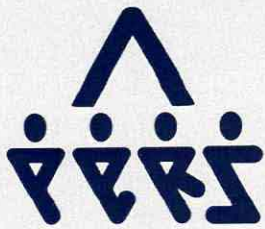
**Average Monthly Benefit**  
The average monthly per retiree is \$1,496



### Total Payments in 2024

In-state paid benefits: \$239,002,577  
Out-of-state paid benefits: \$279,238,745





**NORTH DAKOTA  
PUBLIC EMPLOYEES  
RETIREMENT SYSTEM**

## WHO WE SERVE

**18,293**

Active Contracts

**7,086**

Retiree Contracts

**58,763**

Total Covered Lives

**225**

Participating Employers



## KEY HEALTH INSURANCE FACTS

NDPERS administers six health insurance plans for eligible active employees, retirees, and their family members as part of the Dakota Plan.

The Dakota Plan, underwritten by Sanford Health Plan (SHP), was created to promote wellness, reduce personnel turnover, and offer an incentive to individuals to enter and remain in the service of state employment.

**3**

Active Member  
Plans

**1**

Non-Medicare  
Retiree Plan

**2**

Retiree Plans Bundled  
With Medicare

## SIX HEALTH INSURANCE PLANS

### Grandfathered Plan

*PPO/Basic*

Total Contracts: 17,191  
Total Participating Employers: 223

### Non-Grandfathered Plan

*PPO/Basic*

Total Contracts: 334  
Total Participating Employers: 2

### High Deductible Health Plan

*Health Savings Account Option*

Total Contracts: 768  
Total Participating Employers: 101

### Dakota Retiree Plan

*Bundled With Medicare Part D*

Total Contracts: 7,039

### Medicare Part D Prescription Drug Plan

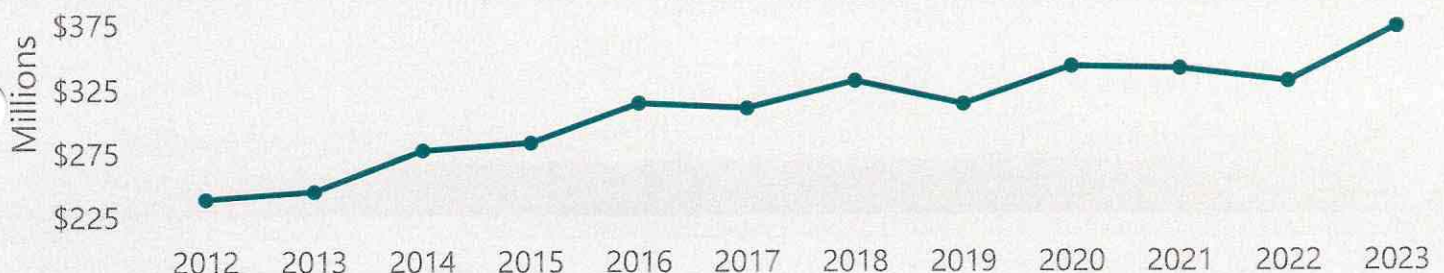
*Underwritten by Humana*

Total Contracts: 9,115

### Non-Medicare Retiree

Total Contracts: 47

## HEALTH INSURANCE BENEFITS PAID



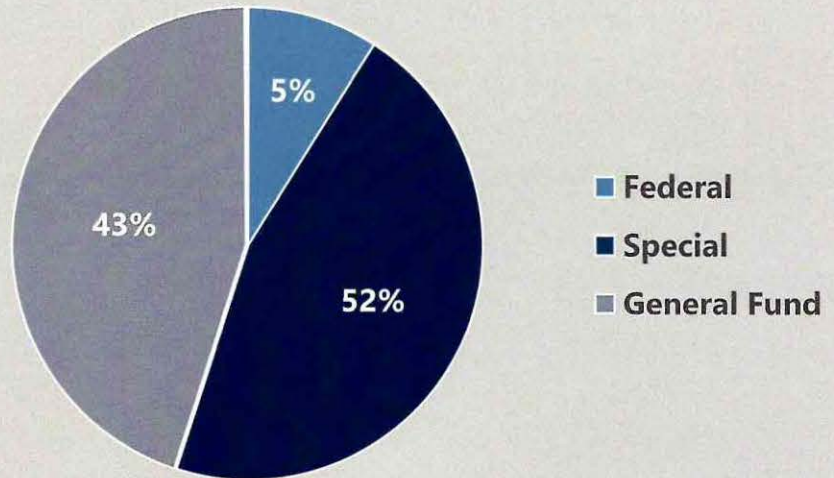


## HEALTH INSURANCE PLAN FUNDING

### HYBRID

#### Fully Insured/Self Insured Plan

- NDPERS receives the gains but has no risk for losses
- Reserves cover the administration fee shortage (roughly .01% of premium) and benefit enhancements, and buy down premiums when General Fund monies are not available



## OTHER WELLNESS BENEFITS

### Diabetes Prevention and Management

NDPERS provides diabetes prevention and management programs, including Teladoc Health, through SHP, and About the Patient through the ND Pharmacy Association.

### Healthy Pregnancy

SHP offers the Healthy Pregnancy Program as a free offering with tools and support for expecting parents to give their baby the healthiest start possible with up to \$850 in out-of-pocket savings.

### Wellness Benefit

The NDPERS Dakota Wellness Program \$250 Benefit is available to all eligible members and their covered spouses participating in the NDPERS group health insurance plan.

### ND Quits

NDPERS partners with the ND Department of Health & Human Services to promote the ND Quits program, which offers free counseling, Nicotine Replacement Therapy, and other resources.

## OTHER INSURANCE PLANS ADMINISTERED BY NDPERS



### Dental Insurance

Underwritten by Delta Dental of Minnesota with 14,375 current contracts.



### Life Insurance

Underwritten by Voya Life Insurance with 22,714 current contracts.



### Vision Insurance

Underwritten by Superior Vision with 14,513 current contracts.



### Employee Assistance Program

Provides confidential, voluntary, short-term assessment and counseling sessions for employees and families.



### Flexible Compensation

This benefit allows employees to pretax eligible insurance premiums and contribute to Flexible Spending Accounts.



### Health Savings Accounts

Eligible members enrolled in the High Deductible Health Plan can benefit from a Health Savings Account (HSA).



# 2025 SENATE STANDING COMMITTEE MINUTES

## Human Services Committee Fort Lincoln Room, State Capitol

SB 2160  
1/21/2025

Relating to health insurance benefits coverage provided by the uniform group insurance program; and to provide an effective date.

3:33 p.m. Chairman Lee opened the hearing.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

### **Discussion Topics:**

- Out of pocket costs
- ACA compliant plan

3:34 p.m. Senator Roers gave overview of covered services and importance of cost analysis.

3:46 p.m. Chairman Lee closed the hearing. *Andrew Ficek, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Human Services Committee Fort Lincoln Room, State Capitol

SB 2160  
1/28/2025

Relating to health insurance benefits coverage provided by the uniform group insurance; and to provide an effective date.

2:31 p.m. Chairman Lee opened the hearing.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

### **Discussion Topics:**

- Out of pocket expenses
- Grandfather clause
- Open enrollment options
- 2027 policy options

2:32 p.m. Dylan Wheeler, Sanford Health Care, answered committee questions.

2:35 p.m. Rebecca Fricke, Executive Director of ND Public Employee Retirement System, answered committee questions.

3:07 p.m. Chairman Lee closed the hearing.

*Andrew Ficek, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Human Services Committee Fort Lincoln Room, State Capitol

SB 2160  
2/5/2025

Relating to health insurance benefits coverage provided by the uniform group insurance program; and to provide an effective date.

9:32 a.m. Chairman Lee called the meeting to order.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

### Discussion Topics:

- Grandfather clause
- Monthly utilization cost
- Compensation study
- Premium and 3<sup>rd</sup> plan options

9:33 a.m. Dylan Wheeler, Government Affairs at Sanford Health, answered committee questions.

9:42 a.m. Rebecca Fricke, Executive Director of ND Public Employee Retirement System, answered committee questions.

10:13 a.m. Chairman Lee closed the hearing.

*Andrew Ficek, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Human Services Committee Fort Lincoln Room, State Capitol

SB 2160  
2/11/2025

Relating to health insurance benefits coverage provided by the uniform group insurance program; and to provide an effective date.

3:36 p.m. Chairman Lee opened the hearing.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers

### Discussion Topics:

- Grandfather clause
- Implementation date
- Mandating coverage

3:36 p.m. Senator Roers submitted testimony #38365.

3:39 p.m. Rebecca Fricke, Executive Director of ND Public Employee Retirement System, answered committee questions.

3:51 p.m. Senator Hogan moved on non-grandfather clause amendment.

3:51 p.m. Senator Lee seconded the motion.

Senators	Vote
Senator Judy Lee	Y
Senator Kent Weston	N
Senator David A. Clemens	N
Senator Kathy Hogan	Y
Senator Kristin Roers	N
Senator Desiree Van Oosting	N

Motion failed 2-4-0.

3:59 p.m. Dylan Wheeler, Sanford Health Plan, answered committee questions.

4:01 p.m. Chairman Lee closed the hearing.

*Andrew Ficek, Committee Clerk*

25.0142.02002  
Title.

Prepared by the Legislative Council  
staff for Senator Roers  
February 10, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### SENATE BILL NO. 2160

Introduced by

Senators Davison, Bekkedahl, Sorvaag

Representatives Bosch, Stemen

1 A BILL ~~for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of~~  
2 ~~the North Dakota Century Code, relating to health insurance benefits coverage provided by the~~  
3 ~~uniform group insurance program; and to provide an effective date for an Act to create and~~  
4 ~~enact a new section to chapter 54-52.1 of the North Dakota Century Code, relating to public~~  
5 ~~employees retirement system health benefits; to amend and reenact section 54-52.1-06 of the~~  
6 ~~North Dakota Century Code, relating to state employee contributions for enhanced coverage;~~  
7 ~~and to provide for a legislative management study.~~

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

9 ~~— **SECTION 1. AMENDMENT.** Section 54-52.1-01 of the North Dakota Century Code is~~  
10 ~~amended and reenacted as follows:~~  
11 ~~— **54-52.1-01. Definitions.**~~  
12 ~~— As used in this chapter, unless the context otherwise requires:~~  
13 ~~— 1. "Board" means the public employees retirement board.~~  
14 ~~— 2. "Carrier" means:~~  
15 ~~— a. For the hospital health insurance benefits coverage, an insurance company~~  
16 ~~authorized to do business in the state, or a nonprofit hospital service association,~~  
17 ~~or a prepaid group practice hospital or medical care plan authorized to do~~  
18 ~~business in the state, or the state if a self-insurance health plan is used for~~  
19 ~~providing hospital or medical benefits coverage.~~

1 ~~\_\_\_\_\_ b. For the medical benefits coverage, an insurance company authorized to do~~  
2 ~~business in the state, or a nonprofit medical service association, or a prepaid~~  
3 ~~group practice medical care plan authorized to do business in the state, or the~~  
4 ~~state if a self-insurance health plan is used for providing medical benefits~~  
5 ~~coverage.~~

6 ~~\_\_\_\_\_ c. For the life insurance benefits coverage, an insurance company authorized to do~~  
7 ~~business in the state.~~

8 ~~\_\_\_\_\_ 3. "Department, board, or agency" means the departmentsa department, boardsboard,~~  
9 ~~agenciesagency, or associationsassociation of this state. The term includes the state's~~  
10 ~~charitable, penal, and higher educational institutions; the Bank of North Dakota; the~~  
11 ~~state mill and elevator association; and counties, cities, district health units, and school~~  
12 ~~districts.~~

13 ~~\_\_\_\_\_ 4. "Eligible employee" means every permanent employee who is employed by a~~  
14 ~~governmental unit, as that term is defined in section 54-52-01. "Eligible employee"~~  
15 ~~includes members of the legislative assembly, judges of the supreme court, paid~~  
16 ~~members of state or political subdivision boards, commissions, or associations,~~  
17 ~~full-time employees of political subdivisions, elective state officers as defined by~~  
18 ~~section 54-06-01, and disabled permanent employees who are receiving~~  
19 ~~compensation from the North Dakota workforce safety and insurance fund. As used in~~  
20 ~~this subsection, "permanent employee" means one whose services are not limited in~~  
21 ~~duration, who is filling an approved and regularly funded position in a governmental~~  
22 ~~unit, and who is employed at least seventeen and one-half hours per week and at~~  
23 ~~least five months each year or for those first employed after August 1, 2003, is~~  
24 ~~employed at least twenty hours per week and at least twenty weeks each year of~~  
25 ~~employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and~~  
26 ~~54-52.1-11, "eligible employee" includes retired and terminated employees who~~  
27 ~~remain eligible to participate in the uniform group insurance program pursuant to~~  
28 ~~applicable state or federal law.~~

29 ~~\_\_\_\_\_ 5. "Health insurance benefits coverage" means hospital;~~

30 ~~\_\_\_\_\_ a. A nongrandfathered health plan sponsored by a large employer which meets the~~  
31 ~~applicable requirements of 42 U.S.C. chapter 6A, subchapter XXV, without regard~~

~~to 42 U.S.C. 18011, including benefits provided under the uniform group  
insurance program's grandfathered preferred provider organization plan;~~

~~b. Hospital benefits coverage or medical;~~

~~c. Medical benefits coverage,; or both~~

~~d. Both hospital and medical benefits coverage.~~

~~6. "Health maintenance organization" means an organization certified to establish and  
operate a health maintenance organization in compliance with chapter 26.1-18.1.~~

~~7. "Hospital benefits coverage" means a plan that either provides coverage for, or pays,  
or reimburses expenses for hospital services incurred in accordance with the uniform  
contract.~~

~~8. "Life insurance benefits coverage" means a plan that provides both term life insurance  
and accidental death and dismemberment insurance in amounts determined by the  
board, with a minimum of one thousand dollars provided for the term life insurance  
portion of the coverage.~~

~~9. "Medical benefits coverage" means a plan that either provides coverage for, or pays,  
or reimburses expenses for medical services in accordance with the uniform contract.~~

~~10. "Member contribution" means the payment by the member into the retiree health  
benefits fund pursuant to sections 54-52-02.9 and 54-52-17.4.~~

~~11. "Member's account balance" means the member's contributions plus interest at the  
rate set by the board.~~

~~12. "Nongrandfathered health plan" means a plan that does not qualify as a grandfathered  
plan under the Patient Protection and Affordable Care Act [Pub. L. 111-148], as  
amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-  
152].~~

~~13. "Self-insurance health plan" means a plan of self-insurance providing health insurance  
benefits coverage under section 54-52.1-04.2.~~

~~13.14. "Temporary employee" means a governmental unit employee who is not filling an  
approved and regularly funded position in an eligible governmental unit and whose  
services may or may not be limited in duration.~~

~~**SECTION 2. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is  
amended and reenacted as follows:~~

~~54-52.1-02. Uniform group insurance program created -- Formation into subgroups.~~

~~In order to promote the economy and efficiency of employment in the state's service, reduce personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the service of state employment, there is created a uniform group insurance program.~~

~~1. The uniform group insurance program must be:~~

~~a. Be composed of eligible and retired employees and be formed to provide hospital benefits coverage, medical benefits coverage;~~

~~b. Except as provided in subsection 2 of section 54-52.1-03.1, provide coverage as defined in subdivision a of subsection 5 of section 54-52.1-01; and~~

~~c. Provide life insurance benefits coverage in the manner set forth in this chapter.~~

~~2. The board may divide the uniform group may be divided into the following subgroups at the discretion of the board:~~

~~1. Medical and hospital~~

~~a. Health insurance benefits coverage group consisting of active eligible employees and retired employees not eligible for Medicare, except for employees who first retire after July 1, 2015, and are not eligible for Medicare on their retirement. In determining premiums for coverage under this subsectionsubdivision for retired employees not eligible for Medicare, the rate for a non-Medicare retiree single plan is one hundred fifty percent of the active member single plan rate, the rate for a non-Medicare retiree family plan of two people is twice the non-Medicare retiree single plan rate, and the rate for a non-Medicare retiree family plan of three or more persons is two and one-half times the non-Medicare retiree single plan rate.~~

~~2. b. In addition to the coverage provided in subsection 1subdivision a, another coverage option may be provided for retired employees not eligible for Medicare, except for employees who first retire after July 1, 2015, and are not eligible for Medicare on their retirement, provided the option does not increase the implicit subsidy as determined by the governmental accounting standards board's other postemployment benefit reporting procedure. In offering this additional option, the board may have an open enrollment but thereafter enrollment for this option must be as specified in section 54-52.1-03.~~



~~3. c. Retired Medicare-eligible employee group medical and hospital health insurance benefits coverage.~~

~~4. d. Active eligible employee life insurance benefits coverage.~~

~~5. e. Retired employee life insurance benefits coverage.~~

~~6. f. Terminated employee continuation group medical and hospital health insurance benefits coverage.~~

~~7. g. Terminated employee conversion group medical and hospital health insurance benefits coverage.~~

~~8. h. Dental benefits coverage.~~

~~9. i. Vision benefits coverage.~~

~~10. j. Long-term care benefits coverage.~~

~~11. k. Employee assistance benefits coverage.~~

~~12. l. Prescription drug coverage.~~

~~**SECTION 3. AMENDMENT.** Section 54-52.1-03.1 of the North Dakota Century Code is amended and reenacted as follows:~~

~~**54-52.1-03.1. Certain political subdivisions authorized to join uniform group insurance program -- Employer contribution.**~~

~~1. If eligible under federal law, a political subdivision may extend the benefits of the uniform group insurance program under this chapter to its permanent employees, subject to minimum requirements established by the board and as follows:~~

~~a. A minimum period of participation of sixty months. If the political subdivision withdraws from participation in the uniform group insurance program, before completing sixty months of participation, unless federal or state laws or rules are modified or interpreted in a way that makes participation by the political subdivision in the uniform group insurance program no longer allowable or appropriate, the political subdivision shall make payment to the board in an amount equal to any expenses incurred in the uniform group insurance program that exceed income received on behalf of the political subdivision's employees as determined under rules adopted by the board.~~

~~b. The Garrison Diversion Conservancy District, and district health units required to participate in the public employees retirement system under section 54-52-02,~~

shall participate in the uniform group insurance program under the same terms and conditions ~~premium structures as state agencies.~~

~~c. A retiree who has accepted a retirement allowance from a participating political subdivision's retirement plan may elect to participate in the uniform group under this chapter without meeting minimum requirements at age sixty-five, when the employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the political subdivision joins the uniform group insurance plan if the retiree was a member of the former plan, or when the spouse terminates employment. If a retiree or surviving spouse does not elect to participate at the times specified in this section subdivision, the retiree or surviving spouse must meet the minimum requirements established by the board.~~

~~d. Each retiree or surviving spouse shall pay directly to the board the premiums in effect for the coverage then being provided. The board may require documentation that the retiree has accepted a retirement allowance from an eligible retirement plan other than the public employees retirement system.~~

~~2. For purposes of this section, the uniform group insurance program must provide health insurance benefits coverage as defined in section 54-52.1-01.~~

~~**SECTION 4. EFFECTIVE DATE.** This Act becomes effective on January 1, 2026.~~

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

**Enhanced coverage option - State employees.**

1. The board shall develop and implement, for eligible state employee members of the uniform group insurance program, an enhanced coverage option which meets the applicable requirements of 42 U.S.C. chapter 6A, subchapter XXV, without regard to 42 U.S.C. 18011, and includes benefits provided under the uniform group insurance program's grandfathered preferred provider organization plan.

2. By January 1, 2026, the board shall make the enhanced coverage option available to eligible employees of the state.

**SECTION 2. AMENDMENT.** Section 54-52.1-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-06. State contribution - State employee contribution for enhanced coverage -**

**Penalty.**

1. Each department, board, or agency shall pay to the board each month from its funds appropriated for payroll and salary amounts, and from applicable employee contributions under subsection 2, a state contribution in the amount as determined by the primary carrier of the group contract for the full single rate monthly premium for each of its eligible employees enrolled in the uniform group insurance program and the full rate monthly premium, in an amount equal to that contributed under the alternate family contract, including major medical coverage, for hospital and medical benefits coverage for spouses and dependent children of its eligible employees enrolled in the uniform group insurance program pursuant to section 54-52.1-07. The board then shall pay the necessary and proper premium amount for the uniform group insurance program to the proper carrier or carriers on a monthly basis.
2. Beginning January 1, 2026, an eligible state employee who elects to participate in the enhanced coverage option under section 1 of this Act must be assessed and required to pay fifty dollars each month toward the monthly premium amount, to be collected by the employer and remitted to the board.
3. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium amount must be credited at least annually to a separate fund of the uniform group insurance program to be used by the board to reimburse the administrative expense and benefit fund of the public employees retirement program for the costs of administration of the uniform group insurance program.
- ~~3.4.~~ If an enrolled eligible employee is not entitled to receive salary, wages, or other compensation for a particular calendar month, that employee may make direct payment of the required premium to the board to continue the employee's coverage, and the employing department, board, or agency shall provide for the giving of a timely notice to the employee of that employee's right to make such payment at the time the right arises.
- ~~4.5.~~ A governmental unit that fails to pay the contributions by the board's established due date is subject to a civil penalty of fifty dollars and, as interest, one percent of the

amount due for each month of delay or fraction of a month after the payment became due.

**SECTION 3. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE TOTAL**

**REWARDS COMPENSATION SYSTEM.** During the 2025-26 interim, the legislative management shall consider studying the classified state employee total rewards compensation system, including a review of the development and determination of pay grade, classifications, and health care benefit options. The study must include a review of the history of changes to classification and pay grade levels; comparisons between state employee compensation levels and similar private sector jobs; the use of equity funding and bonuses to retain employees; the payment of prevailing wages on state projects; wage levels in awarding contracts for state projects; the impact to state employees of moving from a grandfathered health plan to a nongrandfathered health plan based on utilization and services that would be covered at one hundred percent under a nongrandfathered health plan and which currently are being paid by employees through cost-shares under the grandfathered health plan; and premium rate structure for single and family coverage and the impact of any proposed changes. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

# 2025 SENATE STANDING COMMITTEE MINUTES

## Human Services Committee Fort Lincoln Room, State Capitol

SB 2160  
2/12/2025

Relating to health insurance benefits coverage provided by the uniform group insurance program; and to provide an effective date.

9:16 a.m. Chairman Lee opened the hearing.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

### Discussion Topics:

- Cost sharing
- Fiscal impact

9:18 a.m. Senator Roers moved Do Pass and Rerefer to Appropriations.

9:18 a.m. Senator Van Oosting seconded the motion.

Senators	Vote
Senator Judy Lee	Y
Senator Kent Weston	Y
Senator David A. Clemens	Y
Senator Kathy Hogan	Y
Senator Kristin Roers	Y
Senator Desiree Van Oosting	Y

Motion Passed 6-0-0.

Senator Roers will carry the bill.

9:18 a.m. Chairman Lee closed the hearing.

*Andrew Ficek, Committee Clerk*

**REPORT OF STANDING COMMITTEE**  
**SB 2160 ([25.0142.02000](#))**

**Human Services Committee (Sen. Lee, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2160 was rereferred to the **Appropriations Committee**. This bill does not affect workforce development.

**2025 SENATE APPROPRIATIONS**

**SB 2160**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2160  
2/20/2025

Relating to health insurance benefits coverage provided by the uniform group insurance program, and to provide an effective date.

8:36 a.m. Chairman Dever opened the hearing.

Members Present: Chairman Dever and Senators Cleary, Davison, Magrum & Mathern.

### **Discussion Topics:**

- Non-Grandfathered Plan Services and Benefits
- Non-Grandfathered Plan Effective Date
- Monthly Employee Cost

8:36 a.m. Senator Davison introduced the bill.

8:40 a.m. Rebecca Fricke, Executive Director, ND Public Employee Retirement System (ND PERS), testified neutral.

8:55 a.m. Senator Davison testified in favor, introduced the amendment LC 25.0142.02004 and submitted testimony #38169.

8:57 a.m. Rebecca Fricke, Executive Director, NDPERS, testified neutral, and answered committee questions.

9:15 Derrick Hohbein, Chief Operating Financial Officer, NDPERS, testified neutral and answered committee questions.

9:17 a.m. Chairman Dever closed the hearing.

*Joan Bares, Committee Clerk*



5/22/20  
2-20-25

25.0142.02004  
Title.

Prepared by the Legislative Council  
staff for Senator Davison  
February 19, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### SENATE BILL NO. 2160

Introduced by

Senators Davison, Bekkedahl, Sorvaag

Representatives Bosch, Stemen

1 A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, ~~and 54-52.1-03.1, and~~  
2 54-52.1-06 of the North Dakota Century Code, relating to health insurance benefits coverage  
3 provided by the uniform group insurance program and state employee contributions; and to  
4 provide an appropriation; to provide for a statement of legislative intent; to provide an effective  
5 date; and to provide an expiration date.

### 6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

7 **SECTION 1. AMENDMENT.** Section 54-52.1-01 of the North Dakota Century Code is  
8 amended and reenacted as follows:

#### 9 **54-52.1-01. Definitions.**

10 As used in this chapter, ~~unless the context otherwise requires:~~

- 11 1. "Board" means the public employees retirement board.
- 12 2. "Carrier" means:
  - 13 a. ~~For the hospital~~ health insurance benefits coverage, an insurance company
  - 14 authorized to do business in the state, or a nonprofit hospital service association,
  - 15 or a prepaid group practice hospital or medical care plan authorized to do
  - 16 business in the state, or the state if a self-insurance health plan is used for
  - 17 providing hospital or medical benefits coverage.
  - 18 b. ~~For the medical benefits coverage, an insurance company authorized to do~~
  - 19 ~~business in the state, or a nonprofit medical service association, or a prepaid~~
  - 20 ~~group practice medical care plan authorized to do business in the state, or the~~

1 ~~state if a self-insurance health plan is used for providing medical benefits-~~  
2 ~~coverage.~~

3 e. For the life insurance benefits coverage, an insurance company authorized to do  
4 business in the state.

5 3. "Department, board, or agency" means ~~the departments~~ a department, board,  
6 agencies agency, or associations association of this state. The term includes the state's  
7 charitable, penal, and higher educational institutions; the Bank of North Dakota; the  
8 state mill and elevator association; and counties, cities, district health units, and school  
9 districts.

10 4. "Eligible employee" means every permanent employee who is employed by a  
11 governmental unit, as that term is defined in section 54-52-01. "Eligible employee"  
12 includes members of the legislative assembly, judges of the supreme court, paid  
13 members of state or political subdivision boards, commissions, or associations,  
14 full-time employees of political subdivisions, elective state officers as defined by  
15 section 54-06-01, and disabled permanent employees who are receiving  
16 compensation from the North Dakota workforce safety and insurance fund. As used in  
17 this subsection, "permanent employee" means one whose services are not limited in  
18 duration, who is filling an approved and regularly funded position in a governmental  
19 unit, and who is employed at least seventeen and one-half hours per week and at  
20 least five months each year or for those first employed after August 1, 2003, is  
21 employed at least twenty hours per week and at least twenty weeks each year of  
22 employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and  
23 54-52.1-11, "eligible employee" includes retired and terminated employees who  
24 remain eligible to participate in the uniform group insurance program pursuant to  
25 applicable state or federal law.

26 5. "Health insurance benefits coverage" means ~~hospital~~:  
27 a. A nongrandfathered health plan sponsored by a large employer which meets the  
28 applicable requirements of 42 U.S.C. chapter 6A, subchapter XXV, without regard  
29 to 42 U.S.C. 18011, including benefits provided under the uniform group  
30 insurance program's grandfathered preferred provider organization plan;  
31 b. Hospital benefits coverage ~~or medical~~;

*what  
benefit  
or*

Sixty-ninth  
Legislative Assembly

1           c. Medical benefits coverage; or both

2           d. Both hospital and medical benefits coverage.

3           6. "Health maintenance organization" means an organization certified to establish and  
4           operate a health maintenance organization in compliance with chapter 26.1-18.1.

5           7. "Hospital benefits coverage" means a plan that either provides coverage for, or pays,  
6           or reimburses expenses for hospital services incurred in accordance with the uniform  
7           contract.

8           8. "Life insurance benefits coverage" means a plan that provides both term life insurance  
9           and accidental death and dismemberment insurance in amounts determined by the  
10          board, with a minimum of one thousand dollars provided for the term life insurance  
11          portion of the coverage.

12          9. "Medical benefits coverage" means a plan that either provides coverage for, or pays,  
13          or reimburses expenses for medical services in accordance with the uniform contract.

14          10. "Member contribution" means the payment by the member into the retiree health  
15          benefits fund pursuant to sections 54-52-02.9 and 54-52-17.4.

16          11. "Member's account balance" means the member's contributions plus interest at the  
17          rate set by the board.

18          12. "Nongrandfathered health plan" means a plan that does not qualify as a grandfathered  
19          plan under the Patient Protection and Affordable Care Act [Pub. L. 111-148], as  
20          amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-  
21          152].

22          13. "Self-insurance health plan" means a plan of self-insurance providing health insurance  
23          benefits coverage under section 54-52.1-04.2.

24          ~~13-14.~~ "Temporary employee" means a governmental unit employee who is not filling an  
25          approved and regularly funded position in an eligible governmental unit and whose  
26          services may or may not be limited in duration.

27          **SECTION 2. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is  
28          amended and reenacted as follows:



**54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

In order to promote the economy and efficiency of employment in the state's service, reduce personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the service of state employment, there is created a uniform group insurance program.

1. The uniform group insurance program must be:

a. Be composed of eligible and retired employees ~~and be formed to provide hospital benefits coverage, medical benefits coverage,;~~

b. Except as provided in subsection 2 of section 54-52.1-03.1, provide coverage as defined in subdivision a of subsection 5 of section 54-52.1-01; and

c. Provide life insurance benefits coverage ~~in the manner set forth in this chapter.~~

2. The board may divide the uniform group ~~may be divided~~ into the following subgroups ~~at the discretion of the board:~~

4. ~~Medical and hospital~~

a. Health insurance benefits coverage group consisting of active eligible employees and retired employees not eligible for Medicare, except for employees who first retire after July 1, 2015, and are not eligible for Medicare on their retirement. In determining premiums for coverage under this ~~subsection~~subdivision for retired employees not eligible for Medicare, the rate for a non-Medicare retiree single plan is one hundred fifty percent of the active member single plan rate, the rate for a non-Medicare retiree family plan of two people is twice the non-Medicare retiree single plan rate, and the rate for a non-Medicare retiree family plan of three or more persons is two and one-half times the non-Medicare retiree single plan rate.

2. b. In addition to the coverage provided in ~~subsection 4~~subdivision a, another coverage option may be provided for retired employees not eligible for Medicare, except for employees who first retire after July 1, 2015, and are not eligible for Medicare on their retirement, provided the option does not increase the implicit subsidy as determined by the governmental accounting standards board's other postemployment benefit reporting procedure. In offering this additional option, the board may have an open enrollment but thereafter enrollment for this option must be as specified in section 54-52.1-03.

- 1       3. ~~c.~~ Retired Medicare-eligible employee group ~~medical and hospital~~health insurance
- 2               benefits coverage.
- 3       4. ~~d.~~ Active eligible employee life insurance benefits coverage.
- 4       5. ~~e.~~ Retired employee life insurance benefits coverage.
- 5       6. ~~f.~~ Terminated employee continuation group ~~medical and hospital~~health insurance
- 6               benefits coverage.
- 7       7. ~~g.~~ Terminated employee conversion group ~~medical and hospital~~health insurance
- 8               benefits coverage.
- 9       8. ~~h.~~ Dental benefits coverage.
- 10      9. ~~i.~~ Vision benefits coverage.
- 11      10. ~~j.~~ Long-term care benefits coverage.
- 12      11. ~~k.~~ Employee assistance benefits coverage.
- 13      12. ~~l.~~ Prescription drug coverage.

14       **SECTION 3. AMENDMENT.** Section 54-52.1-03.1 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16       **54-52.1-03.1. Certain political subdivisions authorized to join uniform group**  
17 **insurance program - Employer contribution.**

18       1. If eligible under federal law, a political subdivision may extend the benefits of the  
19 uniform group insurance program under this chapter to its permanent employees,  
20 subject to ~~minimum~~ requirements established by the board and as follows:

21       a. A minimum period of participation of sixty months. If the political subdivision  
22 withdraws from participation in the uniform group insurance program, before  
23 completing sixty months of participation, unless federal or state laws or rules are  
24 modified or interpreted in a way that makes participation by the political  
25 subdivision in the uniform group insurance program no longer allowable or  
26 appropriate, the political subdivision shall make payment to the board in an  
27 amount equal to any expenses incurred in the uniform group insurance program  
28 that exceed income received on behalf of the political subdivision's employees as  
29 determined under rules adopted by the board.

30       b. The Garrison Diversion Conservancy District, and district health units required to  
31 participate in the public employees retirement system under section 54-52-02,



1 shall participate in the uniform group insurance program under the same terms-  
2 ~~and conditions~~ premium structures as state agencies.

3 c. A retiree who has accepted a retirement allowance from a participating political  
4 subdivision's retirement plan may elect to participate in the uniform group under  
5 this chapter without meeting minimum requirements at age sixty-five, when the  
6 employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the  
7 political subdivision joins the uniform group insurance plan if the retiree was a  
8 member of the former plan, or when the spouse terminates employment. If a  
9 retiree or surviving spouse does not elect to participate at the times specified in  
10 this ~~section~~ subdivision, the retiree or surviving spouse must meet the minimum  
11 requirements established by the board.

12 d. Each retiree or surviving spouse shall pay directly to the board the premiums in  
13 effect for the coverage then being provided. The board may require  
14 documentation that the retiree has accepted a retirement allowance from an  
15 eligible retirement plan other than the public employees retirement system.

16 2. For purposes of this section, the uniform group insurance program must provide health  
17 insurance benefits coverage as defined in section 54-52.1-01.

18 **SECTION 4. AMENDMENT.** Section 54-52.1-06 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20 **54-52.1-06. State contribution - State employee contribution - Penalty.**

21 1. Each department, board, or agency shall pay to the board each month from its funds  
22 appropriated for payroll and salary amounts and from applicable employee  
23 contributions under subsection 2 a state contribution in the amount as determined by  
24 the primary carrier of the group contract for the full single rate monthly premium for  
25 each of its eligible employees enrolled in the uniform group insurance program and the  
26 full rate monthly premium, in an amount equal to that contributed under the alternate  
27 family contract, including major medical coverage, for hospital and medical benefits  
28 coverage for spouses and dependent children of its eligible employees enrolled in the  
29 uniform group insurance program pursuant to section 54-52.1-07. The board then shall  
30 pay the necessary and proper premium amount for the uniform group insurance  
31 program to the proper carrier or carriers on a monthly basis.

Employee  
Premium  
cost  
share



2. Beginning January 1, 2027, an eligible state employee who is participating in the uniform group insurance program and is receiving coverage as defined in subdivision a of subsection 5 of section 54-52.1-01 or section 54-52.1-18, must be assessed and required to pay twenty-five dollars each month toward the monthly premium amount, to be collected by the employer and remitted to the board.

3. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium amount must be credited at least annually to a separate fund of the uniform group insurance program to be used by the board to reimburse the administrative expense and benefit fund of the public employees retirement program for the costs of administration of the uniform group insurance program.

~~3.4.~~ If an enrolled eligible employee is not entitled to receive salary, wages, or other compensation for a particular calendar month, that employee may make direct payment of the required premium to the board to continue the employee's coverage, and the employing department, board, or agency shall provide for the giving of a timely notice to the employee of that employee's right to make such payment at the time the right arises.

~~4.5.~~ A governmental unit that fails to pay the contributions by the board's established due date is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction of a month after the payment became due.

**SECTION 5. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - HEALTH INSURANCE PREMIUM POOL.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,600,000, or so much of the sum as may be necessary, and from other funds derived from federal funds and special funds, not otherwise appropriated, the sum of \$4,700,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of a health insurance premium pool, which the office of management and budget shall use to distribute appropriation authority to state agencies for paying a portion of health insurance premium cost increase related to this Act, for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 6. LEGISLATIVE INTENT.** It is the intent of the sixty-ninth legislative assembly that the public employees retirement system use an estimated amount of \$8,300,000, or so

*June 26*

*to preserve  
SSM*

1 much of the sum as may be necessary, from the health insurance reserve fund established in  
2 section 54-52.1-06 for a portion of the state employer share of any increase in premiums for  
3 health benefits resulting from the provisions of this Act for the period beginning with the effective  
4 date of this Act and ending June 30, 2027.

5 **SECTION 7. EFFECTIVE DATE.** This Act becomes effective on January 1, 2026.

6 **SECTION 8. EXPIRATION DATE.** Section 4 of this Act is effective through December 31,  
7 2027, and after that date is ineffective.

*expiration*



# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2160 pm  
2/20/2025

Relating to health insurance benefits coverage provided by the uniform group insurance program, and to provide an effective date.

3:36 p.m. Chairman Dever opened the hearing.

Members Present: Chairman Dever, Senators Cleary, Davison, Magrum & Mathern.

### Discussion Topics:

- Non-Grandfathered Plan Additional Expense
- Non-Grandfathered Plan Effective Date
- Monthly Employee Cost Share

3:37 p.m. Levi Kinnischtzke, Senior Fiscal Analyst, LC, testified neutral and submitted testimony #38251.

3:59 p.m. Rebecca Fricke, Executive Director, ND Public Employees Retirement System (NDPERS), testified neutral.

4:08 p.m. Senator Cleary moved amendment LC 25.0142.02005, testimony #38251.

4:09 p.m. Senator Davison seconded.

Voice Vote. Motion Passed.

4:12 p.m. Senator Cleary moved Do Pass as Amended.

4:12 p.m. Senator Magrum seconded the motion.

Senators	Vote
Senator Dick Dever	N
Senator Sean Cleary	Y
Senator Kyle Davison	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	N

Motion Passed 3-2-0.

Senator Davison carried the bill.

4:15 p.m. Chairman Dever closed the hearing.

*Joan Bares, Committee Clerk*

25.0142.02005  
Title.

Prepared by the Legislative Council  
staff for Senator Davison  
February 20, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### SENATE BILL NO. 2160

Introduced by

Senators Davison, Bekkedahl, Sorvaag

Representatives Bosch, Stemen

1 A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, ~~and~~ 54-52.1-03.1, and  
2 54-52.1-06 of the North Dakota Century Code, relating to health insurance benefits coverage  
3 provided by the uniform group insurance program and state employee contributions; and to  
4 provide an appropriation; to provide for a statement of legislative intent; to provide an effective  
5 date; and to provide an expiration date.

### 6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

7 **SECTION 1. AMENDMENT.** Section 54-52.1-01 of the North Dakota Century Code is  
8 amended and reenacted as follows:

#### 9 **54-52.1-01. Definitions.**

10 As used in this chapter, ~~unless the context otherwise requires:~~

- 11 1. "Board" means the public employees retirement board.
- 12 2. "Carrier" means:
  - 13 a. ~~For the hospital~~ health insurance benefits coverage, an insurance company
  - 14 authorized to do business in the state, or a nonprofit hospital service association,
  - 15 or a prepaid group practice hospital or medical care plan authorized to do
  - 16 business in the state, or the state if a self-insurance health plan is used for
  - 17 providing hospital or medical benefits coverage.
  - 18 b. ~~For the medical benefits coverage, an insurance company authorized to do~~
  - 19 ~~business in the state, or a nonprofit medical service association, or a prepaid-~~
  - 20 ~~group practice medical care plan authorized to do business in the state, or the~~

1                   state if a self-insurance health plan is used for providing medical benefits-  
2                   coverage.

3           e.   For the life insurance benefits coverage, an insurance company authorized to do  
4           business in the state.

5           3.   "Department, board, or agency" means ~~the departments~~a department, boardsboard,  
6           ~~agencies~~agency, or ~~associations~~association of this state. The term includes the state's  
7           charitable, penal, and higher educational institutions; the Bank of North Dakota; the  
8           state mill and elevator association; and counties, cities, district health units, and school  
9           districts.

10          4.   "Eligible employee" means every permanent employee who is employed by a  
11          governmental unit, as that term is defined in section 54-52-01. "Eligible employee"  
12          includes members of the legislative assembly, judges of the supreme court, paid  
13          members of state or political subdivision boards, commissions, or associations,  
14          full-time employees of political subdivisions, elective state officers as defined by  
15          section 54-06-01, and disabled permanent employees who are receiving  
16          compensation from the North Dakota workforce safety and insurance fund. As used in  
17          this subsection, "permanent employee" means one whose services are not limited in  
18          duration, who is filling an approved and regularly funded position in a governmental  
19          unit, and who is employed at least seventeen and one-half hours per week and at  
20          least five months each year or for those first employed after August 1, 2003, is  
21          employed at least twenty hours per week and at least twenty weeks each year of  
22          employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and  
23          54-52.1-11, "eligible employee" includes retired and terminated employees who  
24          remain eligible to participate in the uniform group insurance program pursuant to  
25          applicable state or federal law.

26          5.   "Health insurance benefits coverage" means ~~hospital~~;  
27          a.   A nongrandfathered health plan sponsored by a large employer which meets the  
28          applicable requirements of 42 U.S.C. chapter 6A, subchapter XXV, without regard  
29          to 42 U.S.C. 18011, including benefits provided under the uniform group  
30          insurance program's grandfathered preferred provider organization plan;  
31          b.   Hospital benefits coverage ~~or medical~~;

1           c. Medical benefits coverage; or both

2           d. Both hospital and medical benefits coverage.

3           6. "Health maintenance organization" means an organization certified to establish and  
4           operate a health maintenance organization in compliance with chapter 26.1-18.1.

5           7. "Hospital benefits coverage" means a plan that either provides coverage for, or pays,  
6           or reimburses expenses for hospital services incurred in accordance with the uniform  
7           contract.

8           8. "Life insurance benefits coverage" means a plan that provides both term life insurance  
9           and accidental death and dismemberment insurance in amounts determined by the  
10          board, with a minimum of one thousand dollars provided for the term life insurance  
11          portion of the coverage.

12          9. "Medical benefits coverage" means a plan that either provides coverage for, or pays,  
13          or reimburses expenses for medical services in accordance with the uniform contract.

14          10. "Member contribution" means the payment by the member into the retiree health  
15          benefits fund pursuant to sections 54-52-02.9 and 54-52-17.4.

16          11. "Member's account balance" means the member's contributions plus interest at the  
17          rate set by the board.

18          12. "Nongrandfathered health plan" means a plan that does not qualify as a grandfathered  
19          plan under the Patient Protection and Affordable Care Act [Pub. L. 111-148], as  
20          amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-  
21          152].

22          13. "Self-insurance health plan" means a plan of self-insurance providing health insurance  
23          benefits coverage under section 54-52.1-04.2.

24          ~~13.~~14. "Temporary employee" means a governmental unit employee who is not filling an  
25          approved and regularly funded position in an eligible governmental unit and whose  
26          services may or may not be limited in duration.

27          **SECTION 2. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is  
28          amended and reenacted as follows:

**54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

In order to promote the economy and efficiency of employment in the state's service, reduce personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the service of state employment, there is created a uniform group insurance program.

1. The uniform group insurance program must be:

a. Be composed of eligible and retired employees ~~and be formed to provide hospital benefits coverage, medical benefits coverage,~~

b. Except as provided in subsection 2 of section 54-52.1-03.1, provide coverage as defined in subdivision a of subsection 5 of section 54-52.1-01; and

c. Provide life insurance benefits coverage in the manner set forth in this chapter.

2. The board may divide the uniform group ~~may be divided~~ into the following subgroups at the discretion of the board:

~~1. Medical and hospital~~

a. Health insurance benefits coverage group consisting of active eligible employees and retired employees not eligible for Medicare, except for employees who first retire after July 1, 2015, and are not eligible for Medicare on their retirement. In determining premiums for coverage under this ~~subsection~~subdivision for retired employees not eligible for Medicare, the rate for a non-Medicare retiree single plan is one hundred fifty percent of the active member single plan rate, the rate for a non-Medicare retiree family plan of two people is twice the non-Medicare retiree single plan rate, and the rate for a non-Medicare retiree family plan of three or more persons is two and one-half times the non-Medicare retiree single plan rate.

~~2.~~ b. In addition to the coverage provided in ~~subsection 1~~subdivision a, another coverage option may be provided for retired employees not eligible for Medicare, except for employees who first retire after July 1, 2015, and are not eligible for Medicare on their retirement, provided the option does not increase the implicit subsidy as determined by the governmental accounting standards board's other postemployment benefit reporting procedure. In offering this additional option, the board may have an open enrollment but thereafter enrollment for this option must be as specified in section 54-52.1-03.

- 1       3.   c.   Retired Medicare-eligible employee group ~~medical and hospital~~health insurance
- 2                   benefits coverage.
- 3       4.   d.   Active eligible employee life insurance benefits coverage.
- 4       5.   e.   Retired employee life insurance benefits coverage.
- 5       6.   f.   Terminated employee continuation group ~~medical and hospital~~health insurance
- 6                   benefits coverage.
- 7       7.   g.   Terminated employee conversion group ~~medical and hospital~~health insurance
- 8                   benefits coverage.
- 9       8.   h.   Dental benefits coverage.
- 10      9.   i.   Vision benefits coverage.
- 11      10.   j.   Long-term care benefits coverage.
- 12      11.   k.   Employee assistance benefits coverage.
- 13      12.   l.   Prescription drug coverage.

14       **SECTION 3. AMENDMENT.** Section 54-52.1-03.1 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16       **54-52.1-03.1. Certain political subdivisions authorized to join uniform group**  
17 **insurance program - Employer contribution.**

- 18       1.   If eligible under federal law, a political subdivision may extend the benefits of the
- 19                   uniform group insurance program under this chapter to its permanent employees,
- 20                   subject to ~~minimum~~ requirements established by the board and as follows:
- 21           a.   A minimum period of participation of sixty months. If the political subdivision
- 22                   withdraws from participation in the uniform group insurance program, before
- 23                   completing sixty months of participation, unless federal or state laws or rules are
- 24                   modified or interpreted in a way that makes participation by the political
- 25                   subdivision in the uniform group insurance program no longer allowable or
- 26                   appropriate, the political subdivision shall make payment to the board in an
- 27                   amount equal to any expenses incurred in the uniform group insurance program
- 28                   that exceed income received on behalf of the political subdivision's employees as
- 29                   determined under rules adopted by the board.
- 30           b.   The Garrison Diversion Conservancy District, and district health units required to
- 31                   participate in the public employees retirement system under section 54-52-02,



shall participate in the uniform group insurance program under the same terms-  
and conditions premium structures as state agencies.

c. A retiree who has accepted a retirement allowance from a participating political  
subdivision's retirement plan may elect to participate in the uniform group under  
this chapter without meeting minimum requirements at age sixty-five, when the  
employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the  
political subdivision joins the uniform group insurance plan if the retiree was a  
member of the former plan, or when the spouse terminates employment. If a  
retiree or surviving spouse does not elect to participate at the times specified in  
this section subdivision, the retiree or surviving spouse must meet the minimum  
requirements established by the board.

d. Each retiree or surviving spouse shall pay directly to the board the premiums in  
effect for the coverage then being provided. The board may require  
documentation that the retiree has accepted a retirement allowance from an  
eligible retirement plan other than the public employees retirement system.

2. For purposes of this section, the uniform group insurance program must provide health  
insurance benefits coverage as defined in section 54-52.1-01.

**SECTION 4. AMENDMENT.** Section 54-52.1-06 of the North Dakota Century Code is  
amended and reenacted as follows:

**54-52.1-06. State contribution - State employee contribution - Penalty.**

1. Each department, board, or agency shall pay to the board each month from its funds  
appropriated for payroll and salary amounts and from applicable employee  
contributions under subsection 2 a state contribution in the amount as determined by  
the primary carrier of the group contract for the full single rate monthly premium for  
each of its eligible employees enrolled in the uniform group insurance program and the  
full rate monthly premium, in an amount equal to that contributed under the alternate  
family contract, including major medical coverage, for hospital and medical benefits  
coverage for spouses and dependent children of its eligible employees enrolled in the  
uniform group insurance program pursuant to section 54-52.1-07. The board then shall  
pay the necessary and proper premium amount for the uniform group insurance  
program to the proper carrier or carriers on a monthly basis.

2. Beginning January 1, 2027, an eligible state employee who is participating in the uniform group insurance program and is receiving coverage as defined in subdivision a of subsection 5 of section 54-52.1-01 or section 54-52.1-18, must be assessed and required to pay twenty-five dollars each month toward the monthly premium amount, to be collected by the employer and remitted to the board.

3. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium amount must be credited at least annually to a separate fund of the uniform group insurance program to be used by the board to reimburse the administrative expense and benefit fund of the public employees retirement program for the costs of administration of the uniform group insurance program.

~~3.4.~~ If an enrolled eligible employee is not entitled to receive salary, wages, or other compensation for a particular calendar month, that employee may make direct payment of the required premium to the board to continue the employee's coverage, and the employing department, board, or agency shall provide for the giving of a timely notice to the employee of that employee's right to make such payment at the time the right arises.

~~4.5.~~ A governmental unit that fails to pay the contributions by the board's established due date is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction of a month after the payment became due.

**SECTION 5. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - HEALTH INSURANCE PREMIUM POOL.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,100,000, or so much of the sum as may be necessary, and from other funds derived from federal funds and special funds, not otherwise appropriated, the sum of \$6,500,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of a health insurance premium pool, which the office of management and budget shall use to distribute appropriation authority to state agencies for paying a portion of health insurance premium cost increase related to this Act, for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 6. LEGISLATIVE INTENT.** It is the intent of the sixty-ninth legislative assembly that the public employees retirement system use an estimated amount of \$11,600,000, or so

1 much of the sum as may be necessary, from the health insurance reserve fund established in  
2 section 54-52.1-06 for a portion of the state employer share of any increase in premiums for  
3 health benefits resulting from the provisions of this Act for the period beginning with the effective  
4 date of this Act and ending June 30, 2027.

5 **SECTION 7. EFFECTIVE DATE.** This Act becomes effective on January 1, 2026.

6 **SECTION 8. EXPIRATION DATE.** Section 4 of this Act is effective through December 31,  
7 2027, and after that date is ineffective.

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

SB 2160  
2/24/2025

A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of the North Dakota Century Code, relating to health insurance benefits coverage provided by the uniform group insurance program; and to provide an effective date.

9:27 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

### Discussion Topics:

- Premium for State Employees
- Funding from Reserve and General Funds
- Increased Costs of Benefits
- Flexibility in Medical Inflation

9:28 a.m. Senator Davison introduced the bill and submitted testimony #38357.

9:34 a.m. Senator Davison moved amendment LC 25.0142.02007.

9:34 a.m. Senator Conley seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	A
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 15-0-1.



9:36 a.m. Senator Davison moved a Do Pass as Amended.

9:36 a.m. Senator Cleary seconded the motion.

<b>Senators</b>	<b>Vote</b>
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	N
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 15-1-0.

Senator Davison will carry the bill.

9:42 a.m. Chairman Bekkedahl closed the hearing.

*Elizabeth Reiten, Committee Clerk*

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### SENATE BILL NO. 2160

Introduced by

Senators Davison, Bekkedahl, Sorvaag

Representatives Bosch, Stemen

1 A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of  
2 the North Dakota Century Code, relating to health insurance benefits coverage provided by the  
3 uniform group insurance program; to provide an appropriation; to provide for a statement of  
4 legislative intent; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 54-52.1-01 of the North Dakota Century Code is  
7 amended and reenacted as follows:

#### 8 **54-52.1-01. Definitions.**

9 As used in this chapter, ~~unless the context otherwise requires:~~

10 1. "Board" means the public employees retirement board.

11 2. "Carrier" means:

12 a. ~~For the hospital~~ health insurance benefits coverage, an insurance company  
13 authorized to do business in the state, or a nonprofit hospital service association,  
14 or a prepaid group practice hospital or medical care plan authorized to do  
15 business in the state, or the state if a self-insurance health plan is used for  
16 providing hospital or medical benefits coverage.

17 b. ~~For the medical benefits coverage, an insurance company authorized to do~~  
18 ~~business in the state, or a nonprofit medical service association, or a prepaid~~  
19 ~~group practice medical care plan authorized to do business in the state, or the~~

1                   ~~state if a self insurance health plan is used for providing medical benefits~~  
2                   ~~coverage.~~

3           e.   For the life insurance benefits coverage, an insurance company authorized to do  
4                   business in the state.

5           3.   "Department, board, or agency" means ~~the departments~~ a department, boards  
6                   agency, or ~~associations~~ association of this state. The term includes the state's  
7                   charitable, penal, and higher educational institutions; the Bank of North Dakota; the  
8                   state mill and elevator association; and counties, cities, district health units, and school  
9                   districts.

10          4.   "Eligible employee" means every permanent employee who is employed by a  
11                   governmental unit, as that term is defined in section 54-52-01. "Eligible employee"  
12                   includes members of the legislative assembly, judges of the supreme court, paid  
13                   members of state or political subdivision boards, commissions, or associations,  
14                   full-time employees of political subdivisions, elective state officers as defined by  
15                   section 54-06-01, and disabled permanent employees who are receiving  
16                   compensation from the North Dakota workforce safety and insurance fund. As used in  
17                   this subsection, "permanent employee" means one whose services are not limited in  
18                   duration, who is filling an approved and regularly funded position in a governmental  
19                   unit, and who is employed at least seventeen and one-half hours per week and at  
20                   least five months each year or for those first employed after August 1, 2003, is  
21                   employed at least twenty hours per week and at least twenty weeks each year of  
22                   employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and  
23                   54-52.1-11, "eligible employee" includes retired and terminated employees who  
24                   remain eligible to participate in the uniform group insurance program pursuant to  
25                   applicable state or federal law.

26          5.   "Health insurance benefits coverage" means ~~hospital~~:

27           a.   A nongrandfathered health plan sponsored by a large employer which meets the  
28                   applicable requirements of 42 U.S.C. chapter 6A, subchapter XXV, without regard  
29                   to 42 U.S.C. 18011, including benefits provided under the uniform group  
30                   insurance program's grandfathered preferred provider organization plan;

31           b.   Hospital benefits coverage ~~or medical~~;

1           c. Medical benefits coverage; or both

2           d. Both hospital and medical benefits coverage.

3           6. "Health maintenance organization" means an organization certified to establish and  
4           operate a health maintenance organization in compliance with chapter 26.1-18.1.

5           7. "Hospital benefits coverage" means a plan that either provides coverage for, or pays,  
6           or reimburses expenses for hospital services incurred in accordance with the uniform  
7           contract.

8           8. "Life insurance benefits coverage" means a plan that provides both term life insurance  
9           and accidental death and dismemberment insurance in amounts determined by the  
10          board, with a minimum of one thousand dollars provided for the term life insurance  
11          portion of the coverage.

12          9. "Medical benefits coverage" means a plan that either provides coverage for, or pays,  
13          or reimburses expenses for medical services in accordance with the uniform contract.

14          10. "Member contribution" means the payment by the member into the retiree health  
15          benefits fund pursuant to sections 54-52-02.9 and 54-52-17.4.

16          11. "Member's account balance" means the member's contributions plus interest at the  
17          rate set by the board.

18          12. "Nongrandfathered health plan" means a plan that does not qualify as a grandfathered  
19          plan under the Patient Protection and Affordable Care Act [Pub. L. 111-148], as  
20          amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-  
21          152].

22          13. "Self-insurance health plan" means a plan of self-insurance providing health insurance  
23          benefits coverage under section 54-52.1-04.2.

24          ~~13.~~ 14. "Temporary employee" means a governmental unit employee who is not filling an  
25          approved and regularly funded position in an eligible governmental unit and whose  
26          services may or may not be limited in duration.

27          **SECTION 2. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is  
28          amended and reenacted as follows:



1       **54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

2       In order to promote the economy and efficiency of employment in the state's service, reduce  
3       personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the  
4       service of state employment, there is created a uniform group insurance program.

5       1.    The uniform group insurance program must be:

6           a.   Be composed of eligible and retired employees ~~and be formed to provide hospital~~  
7                ~~benefits coverage, medical benefits coverage;~~

8           b.   Except as provided in subsection 2 of section 54-52.1-03.1, provide coverage as  
9                defined in subdivision a of subsection 5 of section 54-52.1-01; and

10          c.   Provide life insurance benefits coverage ~~in the manner set forth in this chapter.~~

11       2.    The board may divide the uniform group ~~may be divided~~ into the following subgroups  
12           ~~at the discretion of the board:~~

13       1.    ~~Medical and hospital~~

14           a.   Health insurance benefits coverage group consisting of active eligible employees  
15                and retired employees not eligible for Medicare, except for employees who first  
16                retire after July 1, 2015, and are not eligible for Medicare on their retirement. In  
17                determining premiums for coverage under this ~~subsection~~ subdivision for retired  
18                employees not eligible for Medicare, the rate for a non-Medicare retiree single  
19                plan is one hundred fifty percent of the active member single plan rate, the rate  
20                for a non-Medicare retiree family plan of two people is twice the non-Medicare  
21                retiree single plan rate, and the rate for a non-Medicare retiree family plan of  
22                three or more persons is two and one-half times the non-Medicare retiree single  
23                plan rate.

24       2.    b.   In addition to the coverage provided in ~~subsection 1~~ subdivision a, another  
25                coverage option may be provided for retired employees not eligible for Medicare,  
26                except for employees who first retire after July 1, 2015, and are not eligible for  
27                Medicare on their retirement, provided the option does not increase the implicit  
28                subsidy as determined by the governmental accounting standards board's other  
29                postemployment benefit reporting procedure. In offering this additional option, the  
30                board may have an open enrollment but thereafter enrollment for this option must  
31                be as specified in section 54-52.1-03.

Sixty-ninth  
Legislative Assembly

- 1       3. ~~c.~~ Retired Medicare-eligible employee group ~~medical and hospital~~ health insurance
- 2                   benefits coverage.
- 3       4. ~~d.~~ Active eligible employee life insurance benefits coverage.
- 4       5. ~~e.~~ Retired employee life insurance benefits coverage.
- 5       6. ~~f.~~ Terminated employee continuation group ~~medical and hospital~~ health insurance
- 6                   benefits coverage.
- 7       7. ~~g.~~ Terminated employee conversion group ~~medical and hospital~~ health insurance
- 8                   benefits coverage.
- 9       8. ~~h.~~ Dental benefits coverage.
- 10      9. ~~i.~~ Vision benefits coverage.
- 11      10. ~~j.~~ Long-term care benefits coverage.
- 12      11. ~~k.~~ Employee assistance benefits coverage.
- 13      12. ~~l.~~ Prescription drug coverage.

14       **SECTION 3. AMENDMENT.** Section 54-52.1-03.1 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16       **54-52.1-03.1. Certain political subdivisions authorized to join uniform group**  
17 **insurance program - Employer contribution.**

- 18      1. If eligible under federal law, a political subdivision may extend the benefits of the
- 19                   uniform group insurance program under this chapter to its permanent employees,
- 20                   subject to ~~minimum~~ requirements established by the board and as follows:
- 21          a. A minimum period of participation of sixty months. If the political subdivision
- 22                   withdraws from participation in the uniform group insurance program, before
- 23                   completing sixty months of participation, unless federal or state laws or rules are
- 24                   modified or interpreted in a way that makes participation by the political
- 25                   subdivision in the uniform group insurance program no longer allowable or
- 26                   appropriate, the political subdivision shall make payment to the board in an
- 27                   amount equal to any expenses incurred in the uniform group insurance program
- 28                   that exceed income received on behalf of the political subdivision's employees as
- 29                   determined under rules adopted by the board.
- 30          b. The Garrison Diversion Conservancy District, and district health units required to
- 31                   participate in the public employees retirement system under section 54-52-02,



shall participate in the uniform group insurance program under the same terms and conditions premium structures as state agencies.

c. A retiree who has accepted a retirement allowance from a participating political subdivision's retirement plan may elect to participate in the uniform group under this chapter without meeting minimum requirements at age sixty-five, when the employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the political subdivision joins the uniform group insurance plan if the retiree was a member of the former plan, or when the spouse terminates employment. If a retiree or surviving spouse does not elect to participate at the times specified in this section subdivision, the retiree or surviving spouse must meet the minimum requirements established by the board.

d. Each retiree or surviving spouse shall pay directly to the board the premiums in effect for the coverage then being provided. The board may require documentation that the retiree has accepted a retirement allowance from an eligible retirement plan other than the public employees retirement system.

2. For purposes of this section, the uniform group insurance program must provide health insurance benefits coverage as defined in section 54-52.1-01.

**SECTION 4. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - HEALTH INSURANCE PREMIUM POOL.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,900,000, or so much of the sum as may be necessary, and from other funds derived from federal funds and special funds, not otherwise appropriated, the sum of \$2,400,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of a health insurance premium pool, which the office of management and budget shall use to distribute appropriation authority to state agencies for paying a portion of health insurance premium cost increases related to this Act, for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 5. LEGISLATIVE INTENT.** It is the intent of the sixty-ninth legislative assembly that the public employees retirement system use an estimated amount of \$4,300,000, or so much of the sum as may be necessary, from the health insurance reserve fund established in section 54-52.1-06 for a portion of the state employer share of any increase in premiums for

1 health benefits resulting from the provisions of this Act for the period beginning with the effective  
2 date of this Act and ending June 30, 2027.

3 **SECTION 6. EFFECTIVE DATE.** ~~This~~ Sections 1 through 3 of this Act become effective on  
4 January 1, ~~2026~~ 2027.



**REPORT OF STANDING COMMITTEE  
SB 2160**

**Appropriations Committee (Sen. Bekkedahl, Chairman)** recommends **AMENDMENTS** ([25.0142.02007](#)) and when so amended, recommends **DO PASS** (15 YEAS, 1 NAY, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2160 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

2-24-25  
Davison

25.0142.02007  
Title.

Prepared by the Legislative Council  
staff for Senator Davison  
February 24, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### SENATE BILL NO. 2160

Introduced by

Senators Davison, Bekkedahl, Sorvaag

Representatives Bosch, Stemen

1 A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of  
2 the North Dakota Century Code, relating to health insurance benefits coverage provided by the  
3 uniform group insurance program; to provide an appropriation; to provide for a statement of  
4 legislative intent; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 54-52.1-01 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **54-52.1-01. Definitions.**

9 As used in this chapter, ~~unless the context otherwise requires:~~

- 10 1. "Board" means the public employees retirement board.
- 11 2. "Carrier" means:
  - 12 a. ~~For the hospital~~health insurance benefits coverage, an insurance company
  - 13 authorized to do business in the state, or a nonprofit hospital service association,
  - 14 or a prepaid group practice hospital or medical care plan authorized to do
  - 15 business in the state, or the state if a self-insurance health plan is used for
  - 16 providing hospital or medical benefits coverage.
  - 17 b. ~~For the medical benefits coverage, an insurance company authorized to do~~
  - 18 ~~business in the state, or a nonprofit medical service association, or a prepaid~~
  - 19 ~~group practice medical care plan authorized to do business in the state, or the~~

1                   ~~state if a self-insurance health plan is used for providing medical benefits~~  
2                   ~~coverage.~~

3           e.   For the life insurance benefits coverage, an insurance company authorized to do  
4               business in the state.

5           3.   "Department, board, or agency" means ~~the departments~~a department, boards~~board,~~  
6               ~~agencies~~agency, or ~~associations~~association of this state. The term includes the state's  
7               charitable, penal, and higher educational institutions; the Bank of North Dakota; the  
8               state mill and elevator association; and counties, cities, district health units, and school  
9               districts.

10          4.   "Eligible employee" means every permanent employee who is employed by a  
11               governmental unit, as that term is defined in section 54-52-01. "Eligible employee"  
12               includes members of the legislative assembly, judges of the supreme court, paid  
13               members of state or political subdivision boards, commissions, or associations,  
14               full-time employees of political subdivisions, elective state officers as defined by  
15               section 54-06-01, and disabled permanent employees who are receiving  
16               compensation from the North Dakota workforce safety and insurance fund. As used in  
17               this subsection, "permanent employee" means one whose services are not limited in  
18               duration, who is filling an approved and regularly funded position in a governmental  
19               unit, and who is employed at least seventeen and one-half hours per week and at  
20               least five months each year or for those first employed after August 1, 2003, is  
21               employed at least twenty hours per week and at least twenty weeks each year of  
22               employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and  
23               54-52.1-11, "eligible employee" includes retired and terminated employees who  
24               remain eligible to participate in the uniform group insurance program pursuant to  
25               applicable state or federal law.

26          5.   "Health insurance benefits coverage" means ~~hospital~~;

27           a.   A nongrandfathered health plan sponsored by a large employer which meets the  
28               applicable requirements of 42 U.S.C. chapter 6A, subchapter XXV, without regard  
29               to 42 U.S.C. 18011, including benefits provided under the uniform group  
30               insurance program's grandfathered preferred provider organization plan;

31           b.   Hospital benefits coverage ~~or medical~~;

1           ~~c.~~   Medical benefits coverage; or ~~both~~

2           d.   Both hospital and medical benefits coverage.

3           6.   "Health maintenance organization" means an organization certified to establish and  
4           operate a health maintenance organization in compliance with chapter 26.1-18.1.

5           7.   "Hospital benefits coverage" means a plan that either provides coverage for, or pays,  
6           or reimburses expenses for hospital services incurred in accordance with the uniform  
7           contract.

8           8.   "Life insurance benefits coverage" means a plan that provides both term life insurance  
9           and accidental death and dismemberment insurance in amounts determined by the  
10          board, with a minimum of one thousand dollars provided for the term life insurance  
11          portion of the coverage.

12          9.   "Medical benefits coverage" means a plan that either provides coverage for, or pays,  
13          or reimburses expenses for medical services in accordance with the uniform contract.

14          10.  "Member contribution" means the payment by the member into the retiree health  
15          benefits fund pursuant to sections 54-52-02.9 and 54-52-17.4.

16          11.  "Member's account balance" means the member's contributions plus interest at the  
17          rate set by the board.

18          12.  "Nongrandfathered health plan" means a plan that does not qualify as a grandfathered  
19          plan under the Patient Protection and Affordable Care Act [Pub. L. 111-148], as  
20          amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-  
21          152].

22          13.  "Self-insurance health plan" means a plan of self-insurance providing health insurance  
23          benefits coverage under section 54-52.1-04.2.

24          ~~13.14.~~ "Temporary employee" means a governmental unit employee who is not filling an  
25          approved and regularly funded position in an eligible governmental unit and whose  
26          services may or may not be limited in duration.

27          **SECTION 2. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is  
28          amended and reenacted as follows:



1       **54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

2       In order to promote the economy and efficiency of employment in the state's service, reduce  
3       personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the  
4       service of state employment, there is created a uniform group insurance program.

5       1. The uniform group insurance program must be:

6       a. Be composed of eligible and retired employees ~~and be formed to provide hospital-~~  
7       benefits coverage, medical benefits coverage;

8       b. Except as provided in subsection 2 of section 54-52.1-03.1, provide coverage as  
9       defined in subdivision a of subsection 5 of section 54-52.1-01; and

10      c. Provide life insurance benefits coverage ~~in the manner set forth in this chapter.~~

11      2. The board may divide the uniform group ~~may be divided~~ into the following subgroups  
12      ~~at the discretion of the board:~~

13      ~~1. Medical and hospital~~

14      a. Health insurance benefits coverage group consisting of active eligible employees  
15      and retired employees not eligible for Medicare, except for employees who first  
16      retire after July 1, 2015, and are not eligible for Medicare on their retirement. In  
17      determining premiums for coverage under this ~~subsections~~subdivision for retired  
18      employees not eligible for Medicare, the rate for a non-Medicare retiree single  
19      plan is one hundred fifty percent of the active member single plan rate, the rate  
20      for a non-Medicare retiree family plan of two people is twice the non-Medicare  
21      retiree single plan rate, and the rate for a non-Medicare retiree family plan of  
22      three or more persons is two and one-half times the non-Medicare retiree single  
23      plan rate.

24      ~~2.~~ b. In addition to the coverage provided in ~~subsection 1~~subdivision a, another  
25      coverage option may be provided for retired employees not eligible for Medicare,  
26      except for employees who first retire after July 1, 2015, and are not eligible for  
27      Medicare on their retirement, provided the option does not increase the implicit  
28      subsidy as determined by the governmental accounting standards board's other  
29      postemployment benefit reporting procedure. In offering this additional option, the  
30      board may have an open enrollment but thereafter enrollment for this option must  
31      be as specified in section 54-52.1-03.

- 1       3- c. Retired Medicare-eligible employee group ~~medical and hospital~~health insurance
- 2                   benefits coverage.
- 3       4- d. Active eligible employee life insurance benefits coverage.
- 4       5- e. Retired employee life insurance benefits coverage.
- 5       6- f. Terminated employee continuation group ~~medical and hospital~~health insurance
- 6                   benefits coverage.
- 7       7- g. Terminated employee conversion group ~~medical and hospital~~health insurance
- 8                   benefits coverage.
- 9       8- h. Dental benefits coverage.
- 10      9- i. Vision benefits coverage.
- 11      10- j. Long-term care benefits coverage.
- 12      11- k. Employee assistance benefits coverage.
- 13      12- l. Prescription drug coverage.

14       **SECTION 3. AMENDMENT.** Section 54-52.1-03.1 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16       **54-52.1-03.1. Certain political subdivisions authorized to join uniform group**  
17 **insurance program - Employer contribution.**

- 18       1. If eligible under federal law, a political subdivision may extend the benefits of the
- 19                   uniform group insurance program under this chapter to its permanent employees,
- 20                   subject to ~~minimum~~ requirements established by the board and as follows:
- 21           a. A minimum period of participation of sixty months. If the political subdivision
- 22                   withdraws from participation in the uniform group insurance program, before
- 23                   completing sixty months of participation, unless federal or state laws or rules are
- 24                   modified or interpreted in a way that makes participation by the political
- 25                   subdivision in the uniform group insurance program no longer allowable or
- 26                   appropriate, the political subdivision shall make payment to the board in an
- 27                   amount equal to any expenses incurred in the uniform group insurance program
- 28                   that exceed income received on behalf of the political subdivision's employees as
- 29                   determined under rules adopted by the board.
- 30           b. The Garrison Diversion Conservancy District, and district health units required to
- 31                   participate in the public employees retirement system under section 54-52-02,



1 shall participate in the uniform group insurance program under the same terms-  
2 and conditions premium structures as state agencies.

3 c. A retiree who has accepted a retirement allowance from a participating political  
4 subdivision's retirement plan may elect to participate in the uniform group under  
5 this chapter without meeting minimum requirements at age sixty-five, when the  
6 employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the  
7 political subdivision joins the uniform group insurance plan if the retiree was a  
8 member of the former plan, or when the spouse terminates employment. If a  
9 retiree or surviving spouse does not elect to participate at the times specified in  
10 this ~~section~~ subdivision, the retiree or surviving spouse must meet the minimum  
11 requirements established by the board.

12 d. Each retiree or surviving spouse shall pay directly to the board the premiums in  
13 effect for the coverage then being provided. The board may require  
14 documentation that the retiree has accepted a retirement allowance from an  
15 eligible retirement plan other than the public employees retirement system.

16 2. For purposes of this section, the uniform group insurance program must provide health  
17 insurance benefits coverage as defined in section 54-52.1-01.

18 **SECTION 4. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - HEALTH**  
19 **INSURANCE PREMIUM POOL.** There is appropriated out of any moneys in the general fund in  
20 the state treasury, not otherwise appropriated, the sum of \$1,900,000, or so much of the sum as  
21 may be necessary, and from other funds derived from federal funds and special funds, not  
22 otherwise appropriated, the sum of \$2,400,000, or so much of the sum as may be necessary, to  
23 the office of management and budget for the purpose of a health insurance premium pool,  
24 which the office of management and budget shall use to distribute appropriation authority to  
25 state agencies for paying a portion of health insurance premium cost increases related to this  
26 Act, for the biennium beginning July 1, 2025, and ending June 30, 2027.

27 **SECTION 5. LEGISLATIVE INTENT.** It is the intent of the sixty-ninth legislative assembly  
28 that the public employees retirement system use an estimated amount of \$4,300,000, or so  
29 much of the sum as may be necessary, from the health insurance reserve fund established in  
30 section 54-52.1-06 for a portion of the state employer share of any increase in premiums for

1 health benefits resulting from the provisions of this Act for the period beginning with the effective  
2 date of this Act and ending June 30, 2027.

3 **SECTION 6. EFFECTIVE DATE.** ~~This~~ Sections 1 through 3 of this Act become effective on  
4 January 1, ~~2026~~ 2027.



**2025 HOUSE INDUSTRY, BUSINESS AND LABOR**

**SB 2160**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Industry, Business and Labor Committee Room JW327C, State Capitol

SB 2160  
3/17/2025

A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of the North Dakota Century Code, relating to health insurance benefits coverage provided by the uniform group insurance program; to provide an appropriation; to provide for a statement of legislative intent; and to provide an effective date.

4:37 p. m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Bahl, C. Brown, T. Brown, Finley-DeVile, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

### **Discussion Topics:**

- NDPERS grandfathered to non-grandfathered plan
- Premium costs
- Flexible options when bidding
- Fighting inflation challenges
- Enhanced benefits

4:38 p.m. Senator Kyle Davison, District 41, Fargo, ND, introduced, testified and submitted testimony #42984.

4:53 p.m. Rebecca Fricke, Executive Director, NDPERS, testified as neutral and submitted testimony #43292 and #43293.

### **Additional written testimony:**

Lori Leingang, Chief Administrative Officer, Bank of North Dakota, submitted testimony in opposition #42438

5:11 p.m. Chairman Warrey recessed the hearing.

*Diane Lillis, Committee Clerk*

Testimony in Opposition of  
**Senate Bill No. 2160**  
House Industry Business and Labor  
March 17, 2025

**TESTIMONY OF**  
**Lori Leingang, Chief Administrative Officer, Bank of North Dakota**

Chairman Warrey and members of the Committee, I am Lori Leingang, Chief Administrative Officer at Bank of North Dakota. Thank you for the opportunity to share our opposition to SB2160.

Today, I want to start with the mission of BND, “to deliver financial services to promote agriculture, commerce and industry in North Dakota.” This mission has remained the same for 105 years and is entwined in everything we do. Our people are committed to the mission, they are committed to the Bank, and they are committed to serving the citizens of the state of North Dakota.

BND has identified talent management as one of our key strategic priorities and in doing so, our efforts toward a comprehensive talent management culture are significant. These efforts include recruitment, retention, onboarding, training, employee development, and succession planning. The state’s benefit package as part of a total rewards strategy is a key component of our ability to recruit and retain the high level of talent that is critical to the continued success of the Bank. Changing the current health plan to a non-grandfathered plan would remove a significant recruitment and retention tool by opening the door to a premium cost share for current and future employees. This change, in addition to the recent removal of the defined benefit plan option for new employees, affect the two most important benefits to our current and future employees.

In conclusion, Bank of North Dakota opposes SB2160 for the reasons stated above and we encourage a do not pass.

Thank you for your consideration, this concludes my testimony.

25.0142.03002  
Title.

Prepared by the Legislative Council  
staff for Senator Davison  
March 17, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## **PROPOSED AMENDMENTS TO FIRST ENGROSSMENT**

### **ENGROSSED SENATE BILL NO. 2160**

Introduced by

Senators Davison, Bekkedahl, Sorvaag

Representatives Bosch, Stemen

1 A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of  
2 the North Dakota Century Code, relating to health insurance benefits coverage provided by the  
3 uniform group insurance program; to provide an appropriation; to provide for a statement of  
4 legislative intent; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 54-52.1-01 of the North Dakota Century Code is  
7 amended and reenacted as follows:

##### **8 54-52.1-01. Definitions.**

9 As used in this chapter, ~~unless the context otherwise requires:~~

- 10 1. "Board" means the public employees retirement board.
- 11 2. "Carrier" means:
- 12 a. For ~~the hospital~~ health insurance benefits coverage, an insurance company
- 13 authorized to do business in the state, or a nonprofit hospital service association,
- 14 or a prepaid group practice hospital or medical care plan authorized to do
- 15 business in the state, or the state if a self-insurance health plan is used for
- 16 providing hospital or medical benefits coverage.
- 17 b. ~~For the medical benefits coverage, an insurance company authorized to do~~
- 18 ~~business in the state, or a nonprofit medical service association, or a prepaid~~
- 19 ~~group practice medical care plan authorized to do business in the state, or the~~



1                   state if a self-insurance health plan is used for providing medical benefits-  
2                   coverage.

3           e. For the life insurance benefits coverage, an insurance company authorized to do  
4           business in the state.

5           3. "Department, board, or agency" means ~~the departments~~a department, boardsboard,  
6           ~~agencies~~agency, or ~~associations~~association of this state. The term includes the state's  
7           charitable, penal, and higher educational institutions; the Bank of North Dakota; the  
8           state mill and elevator association; and counties, cities, district health units, and school  
9           districts.

10          4. "Eligible employee" means every permanent employee who is employed by a  
11          governmental unit, as that term is defined in section 54-52-01. "Eligible employee"  
12          includes members of the legislative assembly, judges of the supreme court, paid  
13          members of state or political subdivision boards, commissions, or associations,  
14          full-time employees of political subdivisions, elective state officers as defined by  
15          section 54-06-01, and disabled permanent employees who are receiving  
16          compensation from the North Dakota workforce safety and insurance fund. As used in  
17          this subsection, "permanent employee" means one whose services are not limited in  
18          duration, who is filling an approved and regularly funded position in a governmental  
19          unit, and who is employed at least seventeen and one-half hours per week and at  
20          least five months each year or for those first employed after August 1, 2003, is  
21          employed at least twenty hours per week and at least twenty weeks each year of  
22          employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and  
23          54-52.1-11, "eligible employee" includes retired and terminated employees who  
24          remain eligible to participate in the uniform group insurance program pursuant to  
25          applicable state or federal law.

26          5. "Health insurance benefits coverage" means ~~hospital~~;  
27          a. A nongrandfathered health plan sponsored by a large employer which meets the  
28          applicable requirements of 42 U.S.C. chapter 6A, subchapter XXV, without regard  
29          to 42 U.S.C. 18011, including benefits provided under the uniform group  
30          insurance program's grandfathered preferred provider organization plan;  
31          b. Hospital benefits coverage ~~or medical~~;

1           c. Medical benefits coverage; or both

2           d. Both hospital and medical benefits coverage.

3           6. "Health maintenance organization" means an organization certified to establish and  
4           operate a health maintenance organization in compliance with chapter 26.1-18.1.

5           7. "Hospital benefits coverage" means a plan that either provides coverage for, or pays,  
6           or reimburses expenses for hospital services incurred in accordance with the uniform  
7           contract.

8           8. "Life insurance benefits coverage" means a plan that provides both term life insurance  
9           and accidental death and dismemberment insurance in amounts determined by the  
10          board, with a minimum of one thousand dollars provided for the term life insurance  
11          portion of the coverage.

12          9. "Medical benefits coverage" means a plan that either provides coverage for, or pays,  
13          or reimburses expenses for medical services in accordance with the uniform contract.

14          10. "Member contribution" means the payment by the member into the retiree health  
15          benefits fund pursuant to sections 54-52-02.9 and 54-52-17.4.

16          11. "Member's account balance" means the member's contributions plus interest at the  
17          rate set by the board.

18          12. "Nongrandfathered health plan" means a plan that does not qualify as a grandfathered  
19          plan under the Patient Protection and Affordable Care Act [Pub. L. 111-148], as  
20          amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-  
21          152].

22          13. "Self-insurance health plan" means a plan of self-insurance providing health insurance  
23          benefits coverage under section 54-52.1-04.2.

24          ~~13.~~14. "Temporary employee" means a governmental unit employee who is not filling an  
25          approved and regularly funded position in an eligible governmental unit and whose  
26          services may or may not be limited in duration.

27          **SECTION 2. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is  
28          amended and reenacted as follows:

1       **54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

2       In order to promote the economy and efficiency of employment in the state's service, reduce  
3       personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the  
4       service of state employment, there is created a uniform group insurance program.

5       1. The uniform group insurance program must be:

6       a. Be composed of eligible and retired employees ~~and be formed to provide hospital~~  
7       ~~benefits coverage, medical benefits coverage;~~

8       b. Except as provided in subsection 2 of section 54-52.1-03.1, provide coverage as  
9       defined in subdivision a of subsection 5 of section 54-52.1-01; and

10      c. Provide life insurance benefits coverage ~~in the manner set forth in this chapter.~~

11      2. The board may divide the uniform group ~~may be divided~~ into the following subgroups  
12      ~~at the discretion of the board:~~

13      ~~1. Medical and hospital~~

14      a. Health insurance benefits coverage group consisting of active eligible employees  
15      and retired employees not eligible for Medicare, except for employees who first  
16      retire after July 1, 2015, and are not eligible for Medicare on their retirement. In  
17      determining premiums for coverage under this ~~subsection~~subdivision for retired  
18      employees not eligible for Medicare, the rate for a non-Medicare retiree single  
19      plan is one hundred fifty percent of the active member single plan rate, the rate  
20      for a non-Medicare retiree family plan of two people is twice the non-Medicare  
21      retiree single plan rate, and the rate for a non-Medicare retiree family plan of  
22      three or more persons is two and one-half times the non-Medicare retiree single  
23      plan rate.

24      ~~2.~~ b. In addition to the coverage provided in ~~subsection 1~~subdivision a, another  
25      coverage option may be provided for retired employees not eligible for Medicare,  
26      except for employees who first retire after July 1, 2015, and are not eligible for  
27      Medicare on their retirement, provided the option does not increase the implicit  
28      subsidy as determined by the governmental accounting standards board's other  
29      postemployment benefit reporting procedure. In offering this additional option, the  
30      board may have an open enrollment but thereafter enrollment for this option must  
31      be as specified in section 54-52.1-03.

- 1       3.   c.   Retired Medicare-eligible employee group ~~medical and hospital~~health insurance
- 2                   benefits coverage.
- 3       4.   d.   Active eligible employee life insurance benefits coverage.
- 4       5.   e.   Retired employee life insurance benefits coverage.
- 5       6.   f.   Terminated employee continuation group ~~medical and hospital~~health insurance
- 6                   benefits coverage.
- 7       7.   g.   Terminated employee conversion group ~~medical and hospital~~health insurance
- 8                   benefits coverage.
- 9       8.   h.   Dental benefits coverage.
- 10      9.   i.   Vision benefits coverage.
- 11      10.   j.   Long-term care benefits coverage.
- 12      11.   k.   Employee assistance benefits coverage.
- 13      12.   l.   Prescription drug coverage.

14       **SECTION 3. AMENDMENT.** Section 54-52.1-03.1 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16       **54-52.1-03.1. Certain political subdivisions authorized to join uniform group**  
17 **insurance program - Employer contribution.**

- 18       1.   If eligible under federal law, a political subdivision may extend the benefits of the
- 19                   uniform group insurance program under this chapter to its permanent employees,
- 20                   subject to ~~minimum~~ requirements established by the board and as follows:
- 21           a.   A minimum period of participation of sixty months. If the political subdivision
- 22                   withdraws from participation in the uniform group insurance program, before
- 23                   completing sixty months of participation, unless federal or state laws or rules are
- 24                   modified or interpreted in a way that makes participation by the political
- 25                   subdivision in the uniform group insurance program no longer allowable or
- 26                   appropriate, the political subdivision shall make payment to the board in an
- 27                   amount equal to any expenses incurred in the uniform group insurance program
- 28                   that exceed income received on behalf of the political subdivision's employees as
- 29                   determined under rules adopted by the board.
- 30           b.   The Garrison Diversion Conservancy District, and district health units required to
- 31                   participate in the public employees retirement system under section 54-52-02,



shall participate in the uniform group insurance program under the same terms-  
and conditions premium structures as state agencies.

c. A retiree who has accepted a retirement allowance from a participating political  
subdivision's retirement plan may elect to participate in the uniform group under  
this chapter without meeting minimum requirements at age sixty-five, when the  
employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the  
political subdivision joins the uniform group insurance plan if the retiree was a  
member of the former plan, or when the spouse terminates employment. If a  
retiree or surviving spouse does not elect to participate at the times specified in  
this section subdivision, the retiree or surviving spouse must meet the minimum  
requirements established by the board.

d. Each retiree or surviving spouse shall pay directly to the board the premiums in  
effect for the coverage then being provided. The board may require  
documentation that the retiree has accepted a retirement allowance from an  
eligible retirement plan other than the public employees retirement system.

2. For purposes of this section, the uniform group insurance program must provide health  
insurance benefits coverage as defined in section 54-52.1-01.

#### **SECTION 4. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - HEALTH**

**INSURANCE PREMIUM POOL.** There is appropriated out of any moneys in the general fund in  
the state treasury, not otherwise appropriated, the sum of ~~\$1,900,000~~ \$1,442,991, or so much of  
the sum as may be necessary, and from other funds derived from federal funds and special  
funds, not otherwise appropriated, the sum of ~~\$2,400,000~~ \$1,851,509, or so much of the sum as  
may be necessary, to the office of management and budget for the purpose of a health  
insurance premium pool, which the office of management and budget shall use to distribute  
appropriation authority to state agencies for paying a portion of health insurance premium cost  
increases related to this Act, for the biennium beginning July 1, 2025, and ending June 30,  
2027.

**SECTION 5. LEGISLATIVE INTENT.** It is the intent of the sixty-ninth legislative assembly  
that the public employees retirement system use an estimated amount of  
~~\$4,300,000~~ \$3,294,500, or so much of the sum as may be necessary, from the health insurance  
reserve fund established in section 54-52.1-06 for a portion of the state employer share of any

- 1 increase in premiums for health benefits resulting from the provisions of this Act for the period
- 2 beginning with the effective date of this Act and ending June 30, 2027.

- 3 **SECTION 6. EFFECTIVE DATE.** Sections 1 through 3 of this Act become effective on
- 4 January 1, 2027.

# Memo

**To:** Rebecca Fricke

**From:** Steve Webster

**Date:** March 24, 2023

**Re:** Grandfathered PPO plan compared to Non-Grandfathered PPO plan

The following grid illustrates the benefit differences between the Grandfathered PPO plan and the ACA-compliant Non-Grandfathered PPO plan. It excludes 2023 legislative bills #1141 - Prosthetic Limbs and #1146 - Infertility.

Benefit	Grandfathered PPO Plan	Non-Grandfathered PPO Plan
<b>Copayments</b>	Do not accumulate towards Out-of-Pocket Maximum	Do accumulate towards Out-of-Pocket Maximum  <a href="https://www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/faqs/aca-part-xxvii.pdf">https://www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/faqs/aca-part-xxvii.pdf</a>
<b>Colonoscopy</b>	Covered, subject to medical cost share. Eligible for \$200 Routine Screening Benefit Allowance	Covered at 100%
<b>Contraceptive Services</b>	Covered, subject to medical cost-shares	Covered at 100%
<b>Routine Diagnostic Screenings</b>	Mammogram covered at 100% for ages 40 and above. All other routine diagnostic screenings subject to medical cost-shares: <ul style="list-style-type: none"> <li>\$200 Benefit Allowance for Screenings recommended with a rating of "A" or "B" by the United States Preventative Services Task Force.</li> </ul>	Screenings covered at 100%. Include, but not limited to the following: <ul style="list-style-type: none"> <li>Abdominal Aortic Aneurysm Screening</li> <li>Anemia screening - Hemoglobin or Hematocrit (one or the other)</li> <li>Cholesterol Screening; coverage for frequency of Lipid Profile is dependent on Member age</li> </ul>

		<ul style="list-style-type: none"> <li>• Lung Cancer Screening</li> <li>• Basic Metabolic Panel; one (1) per Member per year</li> <li>• Hepatitis B virus infection screening</li> <li>• Hepatitis C virus infection screening</li> <li>• Diabetes Screening; benefit allowance of one (1) per Member per year</li> <li>• Osteoporosis Screening</li> <li>• Sexually Transmitted Disease (STD) Screening</li> <li>• Genetic counseling and evaluation for BRCA Testing and BRCA lab screening</li> </ul>
<b>Cervical Cancer Screening</b>	Routine pap smear covered at 100% per calendar year. Office visit subject to copay.	Covered at 100% per calendar year
<b>Prostate Cancer Screening</b>	Covered, subject to coinsurance. Office visit subject copay.	Covered at 100%
<b>Well Child Care</b>	Covered, subject to office visit copay. Visit coverage goes to age 6: <ul style="list-style-type: none"> <li>• 7 visits birth through 1 year</li> <li>• 3 visits 13-24 months</li> <li>• 1 visit a year 25-72 months</li> </ul>	Covered at 100%. Visit coverage goes to age 18:  Limits in accordance with American Academy of Bright Futures Pediatric schedule
<b>Vaccines Covered for Children</b>	Covered at 100% <ul style="list-style-type: none"> <li>• DPT (Diphtheria-Pertussis- Tetanus)</li> <li>• MMR (Measles-Mumps- Rubella)</li> <li>• Hemophilus</li> <li>• Influenza B</li> <li>• Hepatitis</li> <li>• Polio</li> <li>• Varicella (Chicken Pox)</li> <li>• Pneumococcal Disease</li> <li>• Influenza Virus</li> <li>• HPV</li> </ul>	Covered at 100%. Expanded list of coverage in accordance with: <ul style="list-style-type: none"> <li>• Centers for Disease Control (CDC)</li> <li>• Prevention Advisory Committee on Immunization Practices (ACIP)</li> </ul> Health Resources and Services Administration (HRSA)



<b>Preventative Screening for Adults</b>	Covered, subject to office visit copay.	Covered at 100%
<b>Tobacco Cessation Services</b>	Not Covered	Covered at 100% <ul style="list-style-type: none"> <li>• Two (2) tobacco cessation attempts per year</li> <li>• Four (4) tobacco cessation counseling session of at least 10 minutes each session</li> <li>• All FDA approved tobacco cessation medications (prescriptions and over the counter medications) for a 90-day treatment regimen when prescribed by a health care provider</li> </ul>
<b>Breast Pumps</b>	Not Covered  Rental covered upon Prior Authorization and due to separation of mother and child after birth.	Covered at 100% <ul style="list-style-type: none"> <li>• Replacement tubing, breast shields, and splash protectors are covered</li> <li>• Pumps and supplies are covered</li> <li>• Lactation consulting is covered</li> </ul>
<b>Routine Prenatal and Postnatal Care</b>	Covered, subject to coinsurance.	Covered at 100%
<b>Folic Acid Supplements</b>	Not Covered	Covered at 100% for women
<b>Pre-Natal Vitamins</b>	Pharmacy benefits apply if prescribed by Physician, otherwise, non-covered.	Covered at 100% for women
<b>Vitamin D Supplements</b>	Not Covered	Covered at 100% for 65 and older
<b>Formulary breast cancer preventive medication</b>	Not Covered	Covered at 100% for 65 and older
<b>Sterilization - Female</b>	Covered, subject to medical cost-sharing	Covered at 100% <ul style="list-style-type: none"> <li>• Occlusion of fallopian tubes by use of permanent implants</li> <li>• Tubal ligation at 100% when performed as the primary procedure.</li> </ul>

23.0688.01000

Sixty-eighth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2171**

Introduced by

Senators Dever, K. Roers

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 public employees retirement system health benefits; and to amend  
3 and reenact subdivision a of subsection 2 of section 54-52.1-18 of the North Dakota Century  
4 Code, relating to public employees retirement system health benefits.

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

6 **SECTION 1. AMENDMENT.** Subdivision a of subsection 2 of section 54-52.1-18 of the  
7 North Dakota Century Code is amended and reenacted as follows:

8 a. Except as provided in subdivision b, subject to the limits of section 223(b) of the  
9 Internal Revenue Code [26 U.S.C. 223(b)], the difference between the cost of the  
10 uniform group insurance program single and family premium for eligible state  
11 employees under section 54-52.1-06 and the premium for those employees  
12 electing to participate under the high-deductible health plan under this section  
13 must be deposited in a health savings account for the benefit of each  
14 participating employee.

15 **SECTION 2.** A new section to chapter 54-52.1 of the North Dakota Century Code is created  
16 and enacted as follows:

17 **Enhanced coverage option - State employees.**

18 The board shall develop and implement, for eligible state employee members of the uniform  
19 group insurance program, an enhanced coverage option for federal Affordable Care Act [Pub. L.  
20 111-148] services not covered by the the uniform group insurance program under section  
21 54-52.1-02. By January 1, 2024, the board shall make the enhanced coverage option available  
22 to eligible employees of the state. The board shall determine enhanced coverage option costs  
23 for each biennium. Enhanced coverage option costs must be paid by eligible employees of the

- 1 state and collected by state employers. A state employer shall pay enhanced coverage option
- 2 costs to the board each month pursuant to section 54-52.1-06.

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Industry, Business and Labor Committee Room JW327C, State Capitol

SB 2160  
3/18/2025

A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of the North Dakota Century Code, relating to health insurance benefits coverage provided by the uniform group insurance program; to provide an appropriation; to provide for a statement of legislative intent; and to provide an effective date.

11:02 a.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Bahl, C. Brown, T. Brown, Finley-DeVile, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

### Discussion Topics:

- High-deductible health plan
- Health savings account
- Grandfathered PPO
- Plan options annually
- 3<sup>rd</sup> plan option

11:03 a.m. Rebecca Fricke, Executive Director, NDPERS, testified as neutral and submitted testimony #42416.

11:22 a.m. Molly Herrington, Chief People Officer and Director of Human Resources Management Services Division, Office of Management and Budget, testified in opposition and submitted testimony #42267.

11:27 a.m. John R. Arnold, Deputy Commissioner, ND Insurance Department, testified as neutral and submitted testimony #42449.

11:33 p.m. Vice Chairman Ostlie closed the meeting.

*Diane Lillis, Committee Clerk*





Management  
and Budget

Testimony in Opposition of

**Senate Bill No. 2160**

House Industry, Business and Labor

March 17, 2025

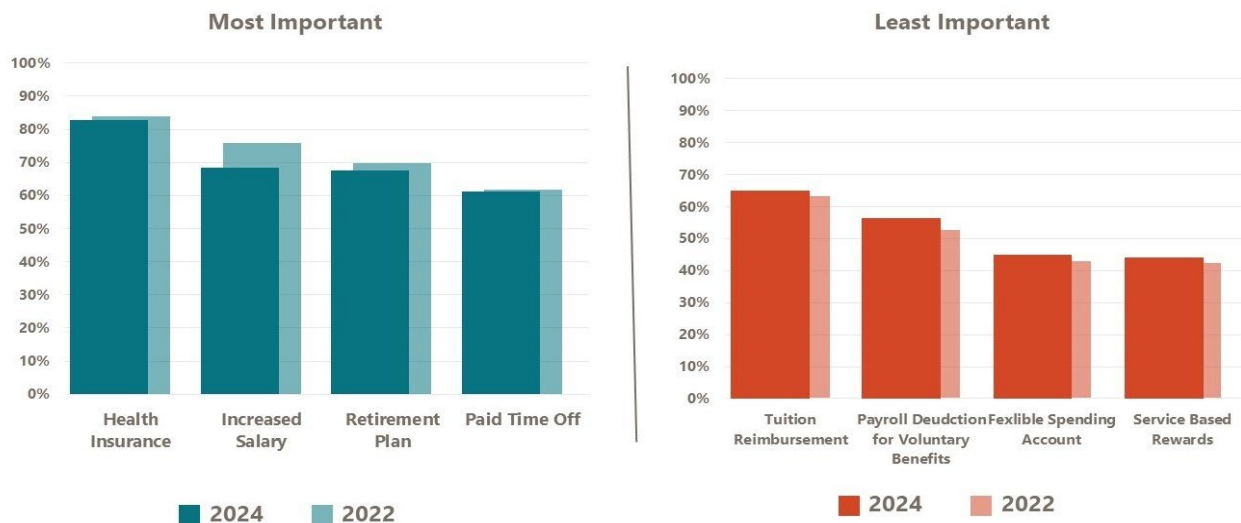
## TESTIMONY OF

**Molly Herrington, Chief People Officer, Human Resource Management Services**

Good afternoon, Chairman Warrey and committee members. My name is Molly Herrington, Chief People Officer and Director of Human Resource Management Services (HRMS) Division of the Office of Management and Budget (OMB). OMB opposes SB 2160.

Although we agree that the expanded coverages offered through an ACA compliant plan would be a benefit to consumers who need these services, we struggle with burdening future legislatures with ongoing costs. We do not have data on how many employees prefer an ACA compliant plan over the grandfathered plan. Funding increases for this current biennium are planned to be covered through PERS reserves, but we are concerned with how future costs will be covered long term and the risk that costs would be paid by employees. If increased costs are pushed to employees, this would significantly dilute the strength of our total rewards package.

Based on a total rewards survey conducted in both 2022 and 2024, we have solid data showing that fully-paid health insurance is the most important benefit to state employees.



We do see value in offering a third healthcare plan option that is ACA compliant to allow those who want ACA coverage to have access. This would also give us visibility into the actual desire for an ACA compliant plan over the current grandfathered plan. A third healthcare plan could be offered as an option where employees electing this coverage would be required to pay the premium differential. The coverage for other employees electing to stay with the existing state health plan would be unaffected.

In conclusion, I appreciate the legislature's desire to make the enhanced coverage through an ACA compliant plan, and I encourage the committee to consider offering it as a third plan, but not a replacement of our grandfathered plan. This is a critical element of the state's total rewards package that significantly impacts our ability to recruit and retain top talent to serve the citizens of North Dakota.

Thank you for your consideration. Chairman Warrey and committee members, this concludes my testimony.

## **TESTIMONY OF REBECCA FRICKE**

### **Senate Bill 2160 – Non-Grandfathered Plan Coverage for State Employees and Non-Medicare Retirees**

Good afternoon, Mr. Chairman and members of the Committee. My name is Rebecca Fricke and I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I appreciate the Committee taking the time to analyze Senate Bill 2160, which requires that effective January 1, 2027, the NDPERS health insurance plan provided to state employees and non-Medicare retirees to include Affordable Care Act (ACA) large employer group mandated coverage, thus requiring the plan to be a non-grandfathered plan under the ACA. I am here today on behalf of the NDPERS Board to provide information in a neutral capacity so the policy makers are able to make an informed decision regarding the bill.

Senate Bill 2160 does the following effective January 1, 2027:

- Requires ACA non-grandfathered large employer group coverage, in addition to existing grandfathered plan coverage, for eligible state employees and pre-Medicare retirees. This coverage would include (list is not all inclusive):
  - Copayments apply towards Out-of-Pocket Maximums
  - Preventive colonoscopies covered at 100%
  - Contraception covered at 100%
  - Additional well child-care coverage
  - Preventative screening for adults covered at 100%
  - Tobacco cessation services
  - Breast pumps
  - Routine prenatal and postnatal care
  - Lactation counseling
- Excludes political subdivisions currently participating in NDPERS grandfathered plan
  - NDPERS would maintain Grandfathered PPO/Basic Plan for this population
  - Majority of participating political subdivisions are small and therefore, if they lose grandfathered status, they lose eligibility to participate in NDPERS health insurance
  - The consultant also notes that it could result in higher, or lower, premiums in the future for the state and/or political subdivisions that participate in the NDPERS health plan. Currently these groups are

pooled together for pricing but with this change, the state and political subdivisions would be pooled separately. Therefore, each group would experience premium differentials based upon their overall claims experience, rather than as a larger pooled group.

- Removes language regarding district health units and Garrison Diversion participating in same manner as state agencies:
  - Requires same premium structure, thus could charge similar flat rate as currently done, rather than single/family rate

NDPERS already administers a large employer non-grandfathered PPO/Basic Plan with these mandated benefits for the large group political subdivisions population. Currently there is 1 political subdivision participating. This volume has varied since the Affordable Care Act was passed. This non-grandfathered plan also provides existing grandfathered PPO/Basic Plan coverage, such as infertility benefits, prosthetic repair & replacement with prior authorization.

Our consultant estimates that the bill would have a financial impact on the NDPERS health insurance plan and estimates an increase in premium of \$6,589,000, for the 2025-2027 biennium due to the delayed effective date of January 1, 2027 since this would only include 6 months of the biennium.

NDPERS also asked for guidance from our federal tax compliance consultant. They note that certain restrictions would be removed due to a loss of or move from grandfathered status. These include:

- Coverage or plan design can be modified to shift out-of-pocket costs to the employee (including Legislators on the plan) without regard to limits placed on a grandfathered plan
  - There are cost-sharing limitations applicable for non-grandfathered plans, but they are higher than our current grandfathered plan limitations
  - Coverage provided must also provide minimum value under the ACA to avoid tax penalties.
- Share of premium paid by employees (including Legislators on the plan) could be increased without regard to limits placed on a grandfathered plan
  - Non-grandfathered plans only need to ensure that the amount of premium charged to an employee towards single coverage (not family) be affordable under ACA regulations to avoid employer penalties

Therefore, by becoming non-grandfathered, there is more flexibility to shift plan expenses to the employee either through requiring employees (including Legislators on the plan) to pay towards premium or by changing plan design to shift out-of-pocket



expenses to be more employee (including Legislators on the plan) paid rather than plan paid.

There is additional reporting required by the federal government if the plan becomes non-grandfathered that NDPERS would be responsible for ensuring occurs.

The new coverages are enhancements to what is currently covered in our grandfathered plan. However, the coverage comes at a price, which is why the legislative body has historically wanted NDPERS to remain grandfathered since the passing of the ACA in March 2010.

Ultimately, the decision to move to a non-grandfathered plan is a one-time, irreversible decision. Once you move away from the grandfathered plan, you cannot go back. You will always be required to pay the additional cost of the enhanced benefits required by the ACA, which were priced as an additional 3.9% of premium for a biennium, or \$26,353,000 based upon our current plan experience, medical inflation and utilization. This amount will likely increase in the future due to claims experience and medical inflation. Of course, a plan may experience long-term savings to help offset this additional cost in the means of preventing more significant costs due to the additional preventative screenings which could catch certain diseases or conditions earlier. However, the amount of the long-term savings and comparison to additional costs cannot be determined.

In addition, the use of the health insurance reserve fund as a one-time funding source for the upcoming biennium means that in addition to the need to increase premium the following biennium due to plan experience and medical inflation, the amount used in reserves will also need to be made up, making the premium increase the following biennium greater.

Senate Bill 2160 was a bill introduced during the interim, with the analysis provided to the Employee Benefits Programs Committee, which gave the bill a favorable recommendation. The consultant and federal compliance analysis provided to the Committee is included as an attachment to the end of my testimony (please note this was bill draft 142 during the interim session).

Mr. Chairman, I appreciate the Committee taking the time to learn more about the impact this bill will have to our state. This concludes my testimony, and I'd be happy to answer any questions the Committee may have.

## Memo

**Date:** February 24, 2025

**To:** Rebecca Fricke - Executive Director, North Dakota Public Employees Retirement System  
Representative Austen Schauer - Chair, Legislative Employee Benefits Programs  
Committee, North Dakota State Government

**From:** Tim Egan, Dan Plante, Ford Edgerton, and Karno Sarkar - Deloitte Consulting LLP

**Subject:** **FINANCIAL REVIEW OF PROPOSED BILL 25.0142.02007**

Deloitte Consulting LLP (Deloitte 'I') was engaged to review the proposed legislation and the potential financial impact to the Uniform Group Insurance Program (Program) administered by the North Dakota Public Employees Retirement System (NDPERS), as well as other considerations that may contribute to the evaluation of the legislation.

The information included in the review relies on data provided by NDPERS, as well as publicly available data and industry studies. From the data provided by NDPERS, some of these data sources were developed by NDPERS, while others were prepared or created by third parties and delivered to NDPERS.

As part of the review, all data were reviewed for reasonableness, but an audit was not performed on the data. To the extent the data contain errors or anomalies that were unknown at the time the data were provided, the analysis may be affected by those issues.

### OVERVIEW OF PROPOSED BILL

The current Bill amends and reenacts sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of the North Dakota Century Code relating to health insurance benefits coverage provided by the Uniform Group Insurance Program. The Bill also provides an appropriation and a statement of legislative intent to fund the changes outlined in the Bill. The amendment changes the following:

- Consolidates the definition of "carrier" to an entity that is authorized to provide health insurance in the state:
  - The prior definition splits out coverage for medical benefits coverage and hospital coverage.
- Revises the definition for "health insurance benefits coverage" to be a non-grandfathered PPO health plan sponsored by a large employer that offers hospital coverage, medical coverage, or both coverages.
- Defines a non-grandfathered health plan to mean a plan that does not qualify as a grandfathered plan under the Patient Protection and Affordable Care Act (PPACA).
- Requires that State active employees and non-Medicare retirees will solely be offered the NDPERS non-grandfathered health plan. Political subgroups will still be offered the

grandfathered health plan alongside the non-grandfathered plan. Additionally, any political subdivisions that are currently offered the grandfathered plan can continue to participate in this plan.

- Specifies that Garrison Diversion Conservancy District and district health units that are required to participate in the retirement system may participate in the Uniform Group Insurance Program. The premium structure for these members will mirror what is offered to state employees.
- Requires that the Uniform Group Insurance program must provide health insurance benefits.
- Appropriates \$1,900,000 from the state treasury's general fund and \$2,400,000 from federal and other special funds to pay for the cost increases associated with the plan changes listed in this Bill

It is important to note that the specified changes outlined in this Bill would become effective on January 1, 2027. The NDPERS biennium runs from July 1, 2025 to June 30, 2027, so the impact of the Bill would only affect a portion of the biennium time period.

## **IMPLICATIONS OF BILL**

One of the impacts of Senate Bill 2160 will result in a shift of the State active employee and non-Medicare retiree populations to a non-grandfathered health plan as determined by the PPACA. By moving to a non-grandfathered plan, the following plan design enhancements will be mandated for covered individuals:

- 1) Large group employer non-grandfathered plans must offer a minimum value standard of coverage as determined by the PPACA. To meet the minimum value threshold, plans must adhere to the following:
  - a. Plans must cover at least 60% of total allowed costs of benefits that are expected to be incurred under the plan. The employee is responsible for the remaining costs through deductibles, copayments, and coinsurance. Plans must receive an actuarial certification that deems that the minimum actuarial value is at least 60% in order to meet this requirement.
  - b. Large group employers must offer significant coverage for core services in order to be compliant under non-grandfathered PPACA requirements. These services include:
    - i. Coverage for room and board, nursing care, and other hospital services when admitted as an inpatient.
    - ii. Coverage for both physician and specialist visits during an inpatient stay, including follow-up care.
    - iii. Coverage for surgical services, including pre- and post-operative care. This includes the cost of procedure and the cost of consultation with surgeons, anesthesiologists, and other physicians involved in inpatient surgical procedures.
    - iv. Coverage for intensive care units (ICUs), neonatal intensive care (NICU), and other specialized inpatient services.
    - v. Coverage for prescription drugs administered during a hospital stay.

- vi. Coverage for diagnostic tests, imaging, and lab work performed during an inpatient visit.
  - vii. Coverage for inpatient rehabilitation services such as physical therapy, occupational therapy, and speech therapy.
  - viii. Coverage for primary care physician (PCP) visits, routine check-ups, and outpatient treatment of illness.
  - ix. Coverage for specialist visits.
  - x. Coverage for diagnostic tests, imaging, and lab work performed in an outpatient setting.
  - xi. Coverage for outpatient mental health and substance abuse disorder services.
- 2) Plans are prohibited from imposing annual or lifetime limits on the dollar value of the services mentioned above.
- 3) Plans must cover preventative services without any cost-sharing requirements. Preventative services include (but are not limited to):
  - a. Vaccinations for adults and children;
  - b. Routine annual wellness visits;
  - c. Routine Diagnostic screenings;
  - d. Screenings for cervical, colorectal, and prostate cancer;
  - e. Tobacco Cessation programs and eligible supplies;
  - f. Preventative medications and supplements;
  - g. Childcare visits up to the age of 6;
  - h. Coverage for contraception; and
  - i. Women's wellness visits and breastfeeding support (including breast pump coverage).
- 4) Non-grandfathered health plans must comply with out-of-pocket maximum limits set by the PPACA. All member costs such as deductible or copay costs must accumulate towards their out-of-pocket maximum.
- 5) Out-of-Network emergency room services will be covered at the same level as in-network services.
- 6) A non-grandfathered plan, unlike a grandfathered plan, must comply with all PPACA reporting provisions. This includes Transparency in Coverage reporting, RxDC reporting, and the No Surprises Act attestations.



Political subgroups that are offered health insurance by NDPERS will still be eligible for a grandfathered plan. When developing the premium of both health plans, the non-grandfathered plan will utilize experience from the State employee and non-Medicare population, whereas the political subgroups will be underwritten separately. This is a deviation from how premium rates were developed in prior biennia.

State active employee premiums are currently established using a single rate per contract. The premium for a State employee with dependents is set at the same level as a State employee that only covers themselves. Political subgroups have two rates: one for employee only coverage and one for covering families. A political subgroup employee that covers their family will have a premium set at a higher level than an employee that only covers themselves. Senate Bill 2160 requires that the Garrison Diversion Conservancy District and district health units' premium structures to be treated in the same manner as State employees. The premium rates for these employees will be calculated based on grandfathered plan experience however, instead of charging two rates like other political subgroups, these employees will be offered a single flat rate like the premium structure for State employees.

## **ESTIMATED FINANCIAL IMPACT**

Based on the review of current offerings and the stipulations within the current legislation, it is anticipated that moving State active employees and non-Medicare retirees from grandfathered to non-grandfathered status will have a financial impact on the Uniform Group Insurance Program. As stated earlier, the plan design changes would only apply to the period of 1/1/2027 to 6/30/2027 of the biennium. It is estimated the financial impact of this move is approximately \$6,589,000 in the 2025 – 2027 biennium ending 6/30/2027.

Currently, the NDPERS plan does meet many of the non-grandfathered plan design requirements that were listed earlier. However, the following changes must be made to fully comply with the non-grandfathered plan design requirements:

- All copays will accumulate towards a member's plan out-of-pocket maximum.
- Preventative services will be covered with no cost-sharing responsibilities for members:
  - Currently, the NDPERS plan has an annual wellness allowance of \$200. Once this allowance is exhausted, preventative services are covered with a member cost share. This cost-sharing responsibility has been removed when analyzing the financial impact.
  - Additionally, preventative care will now include 100% coverage for breast pumps, an increase in coverage for childcare wellness visits, contraceptive medications regardless of formulary status, tobacco cessation, colonoscopies, and cancer screenings without any service limits. Previously, there services were not covered at 100% and included some service limits.

The development of the estimated claims impact utilized an internal Medical Rate Model, which includes medical and pharmacy benefit designs and is based on over 40 million active/non-Medicare retiree claims. The Medical Rate Model functions as a claims repayment model, applying detailed input plan provisions against the claims record database, effectively repricing the claims, and producing the expected plan claim payments versus allowed charges.

It is estimated the plan design changes required as a result of the proposed Bill would produce a 3.0% increase to the expected total claims paid for State employees and non-Medicare retirees covered under the Uniform Group Insurance Program (no change for other covered groups). This is the impact of increasing the richness of coverage under the plan. Additionally, an increase in the

richness of benefits may lead to an increase in service utilization. Members, once hearing about a richer benefit offering, may withhold utilization until the new plan provisions are active, which may lead to pent-up demand once the new benefits are in place. The estimated increase in cost due to this uptick in utilization is 1.0%. The combination of these two factors impacting claims would result in approximately a **3.9% increase to premiums for the State Active and non-Medicare Retiree plans**. However, this increase in premium would only affect the periods of 1/1/2027 to 6/30/2027 which would lower the overall impact of the design change to approximately **1.0% for the 2025 – 2027 biennium**.

The Political Subgroup plans and the Medicare population are not anticipated to see an impact to their plan offerings as a result of the Bill. Political Subgroups will still have access to the grandfathered plans and the Medicare population will have access to the same plans as they currently do. Therefore, these two groups are **not expected to experience any increase in premiums**.

When combining the estimated impact of the premium increase to State Active and Non-Medicare Retiree plans to the current costs of the Political Subgroup and Medicare plans, the result is approximately a **0.8% increase in total plan 2025-2027 biennium costs** for the Uniform Group Insurance Program. The anticipated change to expected claims cost was applied to the estimated biennium claims for the active and pre-Medicare groups enrolled in the PPO/Basic Grandfathered plan, which were derived from the 2025 – 2027 renewal rates. The design changes were only applied to the plan after the effective date of Senate Bill 2160.

The table below outlines the estimated impact of Senate Bill 2160 for each subgroup under NDPERS:

Group	State Actives	Political Subgroups	Non-Medicare Retirees	Medicare	Total Cost
Status Quo 2025 -2027 Cost	\$667,166,000	\$132,048,000	\$14,204,000	\$50,426,000	<b>\$863,844,000</b>
Plan Design Change Actuarial Value Adjustment for the period of 1/1/2027 – 6/30/2027	3.0%	No Impact	3.0%	No Impact	
Initial Utilization Change for the period of 1/1/2027 – 6/30/2027	1.0%		1.0%		
Adjusted Estimated Total Cost for 2025 – 2027 Biennium	\$673,617,000	\$132,048,000	\$14,342,000	\$50,426,000	<b>\$870,433,000</b>
<b>Estimated Total Cost % Impact</b>	<b>1.0%</b>	<b>0.0%</b>	<b>1.0%</b>	<b>0.0%</b>	<b>0.8%</b>

It is estimated that the financial impact of the proposed legislation on the Uniform Group Insurance Program is approximately \$6,589,000 in the 2025-2027 biennium ending 6/30/2027.

Senate Bill 2160 will also provide a pool of funds totaling \$4,300,000 to pay for the plan design changes specified within the Bill. After accounting for these funds, the remaining 2025-2027 biennium cost associated with the financial impact of this Bill would be approximately \$2,289,000.

Subject: FINANCIAL REVIEW OF PROPOSED BILL 25.0142.02007

Date: February 24, 2025

Page 6

---

<sup>i</sup> This document is intended strictly for the client's internal use and not for any other third party. As such, Deloitte is not, by means of any resulting disclosure or publication of this document, rendering professional advice or services to any third party. This document and its contents should not be used by any third party as a basis for any decision or action. Deloitte shall not be responsible for any loss sustained by any third party who relies on this document or its contents.

About Deloitte: Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Please see [www.deloitte.com/us/about](http://www.deloitte.com/us/about) for a detailed description of the legal structure of Deloitte LLP.

**MEMORANDUM**

**TO:** Rebecca Fricke, North Dakota PERS

**FROM:** Christopher S. Sears, ICE MILLER LLP

**DATE:** October 16, 2024

**RE:** Bill Draft # 142 - Mandating ACA Coverage for State of North Dakota

---

*This memorandum is given to you in confidence and with the attorney-client privilege. We have not delivered or mailed any copies of this memorandum to anyone else, other than those individuals noted in this memorandum. You should disclose the contents of this memorandum only to those officers or trustees who need to know the contents in order to make informed decisions on the matters discussed herein.*

We have reviewed the proposed changes (Bill Draft #142, attached as provided to us on September 23, 2024) to the current uniform group insurance program (“Program”) codified at NDCC Section 54.52.1-02. In short, the Bill Draft requires the Program to provide a new non-grandfathered health plan that would provide enhanced coverage that includes all of the benefits required under the Affordable Care Act (“ACA”) for non-grandfathered plans. We also understand that the Bill Draft is intended to require the new plan to include the benefits that are also covered under the currently existing grandfathered plan such as infertility benefits and prosthetics repair/replacement. We will refer to this new coverage as “Enhanced Coverage.” This memorandum addresses a number of issues under the ACA for your consideration related to the Bill Draft.

**Relevant Facts**

It is our understanding the Program is fully insured and has maintained its “grandfathered” status under the ACA since 2010. We also understand that it is the Bill Draft’s sponsor’s intent to require Enhanced Coverage for State employees/former employees and all non-Medicare age retirees who are currently eligible for the Program. The Enhanced Coverage would require the State to provide these individuals with ACA mandated coverage for non-grandfathered plans. The Enhanced Coverage would not apply to current employees who work for a political subdivision that participates in NDPERS, or retirees who are of Medicare age. Further, the intent is to have individuals who are not eligible for the Enhanced Coverage (e.g. political subdivisions) remain in the current grandfathered plan. The effective date for the Enhanced Coverage is January 1, 2026.

### **Coverage Required to be Added to a Non-Grandfathered Plan**

The creation of the Enhanced Coverage will result in a non-grandfathered plan under the ACA. Such plans must offer benefits that are not required to be offered under grandfathered plans. The benefits that must be added to the Enhanced Coverage include:

- Coverage of preventive care without employee cost-sharing (Public Health Service Act [“PHSA”] Section 2713);
- Limitations on out-of-pocket maximums (PHSA Section 2707);
- Expanded claims and appeal requirements (PHSA Section 2719);
- Additional patient protections (right to choose a primary care provider designation, OB/GYN access without a referral, and coverage for out-of-network emergency department services) (PHSA Section 2719A); and
- Coverage of routine costs associated with clinical trials (PHSA Section 2709).

If NDPERS uses an insured product to provide the Enhanced Coverage (as it does for the current Program), the policy will almost certainly contain those benefits. If NDPERS decides to self-insure the Enhanced Coverage, it will need to ensure that these additional benefits are included in the Coverage.

### **Restrictions Removed As a Result of Losing Grandfathered Status**

As you know, maintaining grandfathered status came with a loss of flexibility with respect to member premiums and costs associated with the Program. For example, to maintain grandfathered status, the Program was limited in raising cost-sharing requirements such as deductibles, copayments, and coinsurance, eliminating benefits, and increasing employees’ share of premiums. As a non-grandfathered plan, the Enhanced Coverage could be modified without regard to the limits placed on grandfathered plans. As a result, out-of-pocket cost sharing could be increased year-to-year (subject to the ACA’s statutory limits on out-of-pocket costs as described below), benefits could be added or eliminated (presumably provided the benefits that are also provided under the current grandfathered plan are not eliminated), and the share of the premium paid by employees may be increased without regard to the limits imposed by the grandfather rule. This obviously would provide NDPERS with additional tools to deal with the rising cost of health care.

### **Remaining Restrictions**

NDPERS’ ability to increase cost-sharing and premiums in a manner not allowed by the grandfather rule is subject to certain restrictions.



### Restrictions on Cost-Sharing

First, Section 2707(b) of the PHSA generally applies to non-grandfathered governmental plans. PHSA Section 2707(b) provides, “[a] group health plan shall ensure that any annual cost-sharing imposed under the plan does not exceed the limitations provided for under [42 USC §18022(c)].” Further, guidance issued by CMS provides, “[PHSA S]ection 2707(b), as added by the Affordable Care Act, provides that a non-grandfathered group health plan shall ensure that any annual cost-sharing imposed under the plan does not exceed the limitations provided for under sections 1302(c)(1) and (c)(2) of the Affordable Care Act. Section 1302(c)(1) limits out-of-pocket costs . . . .” (CMS.gov, Affordable Care Act Implementation FAQs – Set 18, last modified September 6, 2023; see also, CMS.gov, Affordable Care Act Implementation FAQs — Set 12 (“As stated in the preamble to the HHS final regulation on standards related to essential health benefits, the Departments read PHS Act section 2707(b) as requiring all non-grandfathered group health plans to comply with the annual limitation on out-of-pocket maximums described in section 1302(c)(1) of the Affordable Care Act”)).

PHSA §2707 provides that cost-sharing for self-only coverage may not exceed \$9,450 in 2024 (subject to annual changes). For other coverage (*e.g.*, family), cost-sharing may not exceed twice the amount in the preceding sentence (*i.e.*, \$18,900 in 2024). Cost-sharing is generally defined as: (i) amounts spent on deductibles, coinsurance, copayments, or similar charges; and (ii) other expenses paid by the insured individual which are considered qualified medical expenses with respect to essential health benefits covered under the plan. “Cost-sharing” for these purposes does not include premiums, balance billing amounts for non-network providers, or spending for non-covered services.

Accordingly, the NDPERS will want to carefully review the terms of the Enhanced Coverage to ensure cost-sharing is limited to what is allowed by PHSA §2707.

### Restrictions on Premium Increases

Even though the grandfather rule would not limit premium increases in the non-grandfathered Enhanced Coverage like it does in the current Program, another provision of the ACA has the practical effect of limiting the premium NDPERS may charge members for the Enhanced Coverage.

Under Code Section 4980H, an applicable large employer may be subject to tax penalties if it does not offer “affordable” coverage to at least 95% of its full-time employees and their dependents. The coverage must also offer “minimum value.” The State is an applicable large employer. The penalty can be triggered when one or more full-time employees receive a premium tax-credit or cost sharing reduction to purchase health coverage on a health insurance exchange because the coverage offered is deemed to be “unaffordable” or fails to provide “minimum value.” Subject to certain adjustments, the Code Section 4980H(b) penalty is \$4,460 per affected employee (or \$371.67 per month) in 2024.

The “affordability” standard is keyed to the employee’s required monthly contribution for single coverage under the employer’s lowest cost health plan. The coverage is considered “unaffordable” if it exceeds 8.39% (as of 2024, subject to adjustments for inflation) of the employee’s household income for the tax year. Because most employers will not know an employee’s annual household income, the Internal Revenue Service (“IRS”) has prescribed 3 optional affordability safe harbors to avoid the Code §4890H(b) penalty:

1. **Form W-2 Safe Harbor.** In general, this safe harbor is met if a full-time employee's required contribution for the calendar year for the employer's lowest cost self-only coverage that provides minimum value during the entire calendar year does not exceed 8.39% in 2024 (subject to annual adjustments) of the employee's Form W-2 wages (*i.e.*, Box 1 wages). (Treas. Reg. §54.4980H-5(e)(2)(ii)(A); Proposed Reliance Treas. Reg. §54.4980H-5(e)(2)(ii)(A); Rev. Proc. 2023-29)). In situations where an employee is not offered coverage for the entire calendar year, the employee’s Form W-2 wages (*i.e.*, Box 1 wages) are adjusted to reflect the period when coverage was offered based on the months coverage as offered. (Treas. Reg. §54.4980H-5(e)(2)(ii)(B); Proposed Reliance Treas. Reg. §54.4980H-5(e)(2)(ii)(A); Rev. Proc. 2023-29)).

2. **Rate of Pay Safe Harbor.** In general, an applicable large employer satisfies this safe harbor for an hourly employee in any month where the employee’s required contribution for the employer’s lowest cost self-only coverage that provides minimum value does not exceed 8.39% in 2024 (subject to adjustments) of an amount equal to 130 hours multiplied by the lower of: (i) the employees hourly rate as of the first day of the coverage period (*e.g.*, first day of the plan year); or (ii) the employee’s lowest hourly rate of pay during the calendar month. With respect to a non-hourly employee, this safe harbor is generally satisfied in any month where the employee’s required contribution for the employer’s lowest cost self-only coverage that provides minimum value does not exceed 8.39% in 2024 (subject to adjustments) of the employee’s monthly salary as of the 1st day of the coverage period. (Treas. Reg. §54.4980H-5(e)(2)(ii)(B); Proposed Reliance Treas. Reg. §54.4980H-5(e)(2)(iii); Rev. Proc. 2023-29)).

3. **Federal Poverty Line Safe Harbor.** This safe harbor is generally satisfied during a month when the employee’s required contribution for the applicable large employer’s lowest cost self-only coverage that provides minimum value does not exceed \$101.93 per month in 2024 (subject to annual adjustments). (Treas. Reg. §24.4980H-5(e)(2)(iv); Proposed Reliance Treas. Reg. §24.4980H-5(e)(2)(ii)(A); Rev. Proc. 2023-29)).

Thus, NDPERS will need to be mindful of this limitation when setting employee premiums for the Enhanced Coverage. We note that this limitation only applies to active full-time employees. It does not apply to terminated employees who may participate in the Enhanced Coverage such as retirees not yet eligible for Medicare.

In addition, the Enhanced Coverage should provide “minimum value” to avoid potential ACA tax penalties for the employer. In general, a plan provides “minimum value” for an



employee or related individual where it provides: (i) a minimum value percentage of at least 60% based on the plan's share of total allowed costs of benefits provided to the employee or related individual; and (ii) the plan provides substantial coverage of inpatient hospital services and physician services. (Treas. Reg. §1.36B-6(a)(1)-(2)(i)). The State's insurance carrier should be able to easily let you know whether the Enhanced Coverage provides minimum value.

### **Employer Shared Responsibility Payment Reporting Requirements**

We assume that under the current Program, the insurer furnishes each member with a Form 1095-B and files Forms 1094-B and 1095-B with the IRS. We further assume that NDPERS (or some other State agency) provides active full-time employees participating in the Program with Parts I and II of the Form 1095-C and files Forms 1094-C and 1095-C to the IRS. If this is not the case, please let us know. These filing obligations would not change under the Enhanced Coverage. These filing obligations apply regardless of whether an employer sponsors a grandfathered or non-grandfathered plan.

### **Transparency in Coverage**

Section 1311 of the ACA, along with its implementing regulations (The Transparency in Coverage Final Rules or "TiC" Final Rules) requires non-grandfathered employer plans and health insurance issuers offering non-grandfathered coverage to disclose, on a public website, information regarding in-network rates for covered items and services, out-of-network allowed amounts and billed charges for covered items and services, and negotiated rates and historical net prices for covered prescription drugs in separate machine-readable files. The machine-readable file requirements of the TiC Final Rules were applicable for plan years beginning on or after January 1, 2022, although enforcement of various parts of the TiC Final Rules were delayed in certain respects. Additionally, the TiC Final Rules require plans and issuers to make price comparison information available to participants through an internet-based self-service tool and in paper form, upon request. This information must be available for plan years beginning on or after January 1, 2023, with respect to the 500 items and services identified by the Departments in Table 1 in the preamble to the TiC Final Rules, and with respect to all covered items and services, for plan or policy years beginning on or after January 1, 2024.

These obligations apply to both the group health plan and any insurer of a group health plan. Thus, the requirements would apply to NDPERS (as sponsor of the Enhanced Coverage) and any insurer of the Enhanced Coverage. However, the TiC Final Rules contain a nonduplication provision. It provides that, "to the extent coverage under a group health plan consists of group health insurance coverage, the plan satisfies the requirements . . . if the plan requires the health insurance issuer offering the coverage to provide the information required by [the TiC Final Rules] in compliance with [the TiC Final Rules] pursuant to a written agreement. Accordingly, if a health insurance issuer and a plan sponsor enter into a written agreement under which the issuer agrees to provide the information required under [the TiC Final Rules] . . . and the issuer fails to do so, then the issuer, but not the plan, violates the transparency disclosure requirements of [the TiC Final Rules]. (45 CFR 147.211(b)(3)). Thus, if NDPERS is required

to implement the Enhanced Coverage and it is insured, NDPERS should enter into a contract with the insurer that imposes the TiC Final Rules' responsibilities on the insurer.

### **Prescription Drug Reporting (RxDC)**

We assume that you are already aware of the No Surprises Act's requirements for plans and issuers to report information about prescription drug spending because it is applicable to group health plans like the Program and the Enhanced Coverage regardless of grandfathered status. However, we at least wanted to note it here to ensure you are aware of the obligation. NDPERS and/or the Rx benefit provider for the Program should already be complying with this obligation. It will apply equally to any Enhanced Coverage that is implemented.

### **Bill Draft Text**

We understand the Bill Draft to have three primary goals:

1. To require the creation of a new health plan that contains the benefits required under the ACA for non-grandfathered plans;
2. To require the new plan to also cover the benefits that are currently covered by the current grandfathered plan, such as infertility benefits and prosthetic repair/replacement; and
3. To maintain the grandfathered plan for entities that are not eligible to participate in the new non-grandfathered plan such as political subdivisions.

We are attaching a mark-up of the Bill Draft with our specific comments and proposed edits related to whether the Bill Draft's language achieves these goals.

We believe the Bill Draft's language achieves the first goal.

With respect to the second goal, it is not clear to us what the scope of the new language at NDCC Section 54-52.1-01.5.1 is trying to achieve. It states that the new plan must include "benefits provided under the uniform group insurance program's grandfathered preferred provider organization plan." This language is vague. Are the benefits to be preserved as of the date of the amendment's enactment? What if the grandfathered plan is amended in the future to add a new benefit? Will the new non-grandfathered plan have to be amended to adopt the new benefit, too? This language could also limit flexibility in the new plan. For example, it could not be converted into a high-deductible health plan, particularly if the equivalency requirement also applies to deductibles, copayments, coinsurance, and out-of-pocket limits. We believe that this section could benefit from additional clarity.

With respect to the third goal, it is not clear to us that the new Section 54-52.1-03.1.2 transparently states that the current grandfathered plan must remain available to political



subdivisions. The new language states, “For purposes of this Section, the uniform group insurance program must provide health insurance benefit coverage as defined in Section 54-52.1-01.” “Health insurance coverage” (as amended by the Bill Draft) means the non-grandfathered plan, hospital benefits coverage, and medical benefits coverage. That definition does not include the grandfathered health plan, yet it is our understanding that the intent is for political subdivisions covered by Section 54-52.1-03.01 to remain eligible to participate in the grandfathered plan. Assuming that is true, it should be more clearly stated. Perhaps a new definition for the grandfathered plan could be added to Section 54-52.1-01 (e.g., “the plan sponsored by the State that is a grandfathered plan as that term is defined by 42 U.S.C. 18011(e)”). Then, the new language at 54-52.1-03.1.2 could state, “For purposes of this Section, the uniform group insurance program offered under the section must include, to the extent still offered by the State, the grandfathered plan.”

### **Final Thoughts**

As you know, there are a myriad of disclosure and other obligations applicable to group health plans. In keeping with our understanding of your original e-mail, we have focused on those that will be new or otherwise change if the Enhanced Coverage is implemented. We are very happy to provide more detail on the obligations discussed in this e-mail.



25.0142.02000

Sixty-ninth  
Legislative Assembly  
of North Dakota

**BILL NO.**

Introduced by

Senator Davison

A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of the North Dakota Century Code, relating to health insurance benefits coverage provided by the uniform group insurance program; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Section 54-52.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-01. Definitions.**

As used in this chapter, ~~unless the context otherwise requires:~~

1. "Board" means the public employees retirement board.
2. "Carrier" means:
  - a. ~~For the hospital~~ health insurance benefits coverage, an insurance company authorized to do business in the state, or a nonprofit hospital service association, or a prepaid group practice hospital or medical care plan authorized to do business in the state, or the state if a self-insurance health plan is used for providing hospital or medical benefits coverage.
  - b. ~~For the medical benefits coverage, an insurance company authorized to do business in the state, or a nonprofit medical service association, or a prepaid group practice medical care plan authorized to do business in the state, or the state if a self-insurance health plan is used for providing medical benefits coverage.~~
  - c. For the life insurance benefits coverage, an insurance company authorized to do business in the state.
3. "Department, board, or agency" means ~~the departments~~ a department, ~~boards~~ board, ~~agencies~~ agency, or ~~associations~~ association of this state. The term includes the state's

Sixty-ninth  
Legislative Assembly

charitable, penal, and higher educational institutions; the Bank of North Dakota; the state mill and elevator association; and counties, cities, district health units, and school districts.

4. "Eligible employee" means every permanent employee who is employed by a governmental unit, as that term is defined in section 54-52-01. "Eligible employee" includes members of the legislative assembly, judges of the supreme court, paid members of state or political subdivision boards, commissions, or associations, full-time employees of political subdivisions, elective state officers as defined by section 54-06-01, and disabled permanent employees who are receiving compensation from the North Dakota workforce safety and insurance fund. As used in this subsection, "permanent employee" means one whose services are not limited in duration, who is filling an approved and regularly funded position in a governmental unit, and who is employed at least seventeen and one-half hours per week and at least five months each year or for those first employed after August 1, 2003, is employed at least twenty hours per week and at least twenty weeks each year of employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and 54-52.1-11, "eligible employee" includes retired and terminated employees who remain eligible to participate in the uniform group insurance program pursuant to applicable state or federal law.

5. "Health insurance benefits coverage" means ~~hospital~~.

a. A nongrandfathered group health plan sponsored by a large employer which meets the applicable requirements of 42 U.S.C. chapter 6A, subchapter XXV, without regard to 42 U.S.C. 18011, including benefits provided under the uniform group insurance program's grandfathered preferred provider organization plan;

b. Hospital benefits coverage or medical;

c. Medical benefits coverage; or both

d. Both hospital and medical benefits coverage.

6. "Health maintenance organization" means an organization certified to establish and operate a health maintenance organization in compliance with chapter 26.1-18.1.

**Commented [CSS1]:** This still feels very vague. Is this as those benefits existed under the grandfathered plan as of the date of this amendment's enactment? What if the GF plan is amended? Does that require an automatic amendment of the NGF plan? What if the NGF plans gets turned into a high deductible health plan. If that's the case, then the benefits will necessarily be different. What if there are other policy or legal reasons for them to differ? Does this also mean that their deductible/copayment/coinsurance/out-of-pocket max structures have to be the same? This section should have more clarity.

- 1 7. "Hospital benefits coverage" means a plan that either provides coverage for, or pays,  
2 or reimburses expenses for hospital services incurred in accordance with the uniform  
3 contract.
- 4 8. "Life insurance benefits coverage" means a plan that provides both term life insurance  
5 and accidental death and dismemberment insurance in amounts determined by the  
6 board, with a minimum of one thousand dollars provided for the term life insurance  
7 portion of the coverage.
- 8 9. "Medical benefits coverage" means a plan that either provides coverage for, or pays,  
9 or reimburses expenses for medical services in accordance with the uniform contract.
- 10 10. "Member contribution" means the payment by the member into the retiree health  
11 benefits fund pursuant to sections 54-52-02.9 and 54-52-17.4.
- 12 11. "Member's account balance" means the member's contributions plus interest at the  
13 rate set by the board.
- 14 12. "Nongrandfathered health plan" means a plan that is not a "grandfathered health plan" as  
that term is defined by 42 U.S.C. 18011(e) does not qualify as a grandfathered  
plan under the Patient Protection and Affordable Care Act [Pub. L. 111-148], as  
amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-  
152].
- 15 13. "Self-insurance health plan" means a plan of self-insurance providing health insurance  
16 benefits coverage under section 54-52.1-04.2.
- 17 14. "Temporary employee" means a governmental unit employee who is not filling an  
18 approved and regularly funded position in an eligible governmental unit and whose  
19 services may or may not be limited in duration.
- 20 **SECTION 2. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is  
21 amended and reenacted as follows:
- 22 **54-52.1-02. Uniform group insurance program created - Formation into subgroups.**
- 23 In order to promote the economy and efficiency of employment in the state's service, reduce  
24 personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the  
25 service of state employment, there is created a uniform group insurance program.
- 26 1. The uniform group insurance program must be:
- 27 a. Be composed of eligible and retired employees and be formed to provide hospital-  
28 benefits coverage, medical benefits coverage,

**Commented [C552]:** What is hospital benefits coverage and medical benefits coverage? Are these concepts really relevant? How are these different from the GF and NGF plans?

**Commented [C553]:** See prior comment.

Sixty-ninth  
Legislative Assembly

- 1        b. Except as provided in subsection 2 of section 54-52.1-03.1, provide coverage as  
2        defined in subdivision a of subsection 5 of section 54-52.1-01; and  
3        c. Provide life insurance benefits coverage in the manner set forth in this chapter.  
4        2. The ~~board may divide the~~ uniform group ~~may be divided~~ into the following subgroups  
5        ~~at the discretion of the board:~~  
6        1. ~~Medical and hospital~~  
7        a. Health insurance benefits coverage group consisting of active eligible employees  
8        and retired employees not eligible for Medicare, except for employees who first  
9        retire after July 1, 2015, and are not eligible for Medicare on their retirement. In  
10       determining premiums for coverage under this ~~subsection~~subdivision for retired  
11       employees not eligible for Medicare, the rate for a non-Medicare retiree single  
12       plan is one hundred fifty percent of the active member single plan rate, the rate  
13       for a non-Medicare retiree family plan of two people is twice the non-Medicare  
14       retiree single plan rate, and the rate for a non-Medicare retiree family plan of  
15       three or more persons is two and one-half times the non-Medicare retiree single  
16       plan rate.  
17       2. b. In addition to the coverage provided in ~~subsection 1~~subdivision a, another  
18       coverage option may be provided for retired employees not eligible for Medicare,  
19       except for employees who first retire after July 1, 2015, and are not eligible for  
20       Medicare on their retirement, provided the option does not increase the implicit  
21       subsidy as determined by the governmental accounting standards board's other  
22       postemployment benefit reporting procedure. In offering this additional option, the  
23       board may have an open enrollment but thereafter enrollment for this option must  
24       be as specified in section 54-52.1-03.  
25       3. c. Retired Medicare-eligible employee group ~~medical and hospital~~health insurance  
26       benefits coverage.  
27       4. d. Active eligible employee life insurance benefits coverage.  
28       5. e. Retired employee life insurance benefits coverage.  
29       6. f. Terminated employee continuation group ~~medical and hospital~~health insurance  
30       benefits coverage.



Sixty-ninth  
Legislative Assembly

- 1       7. g. Terminated employee conversion group ~~medical and hospital~~ health insurance  
2           benefits coverage.  
3       8. h. Dental benefits coverage.  
4       9. i. Vision benefits coverage.  
5       10. j. Long-term care benefits coverage.  
6       11. k. Employee assistance benefits coverage.  
7       12. l. Prescription drug coverage.

8       **SECTION 3. AMENDMENT.** Section 54-52.1-03.1 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10       **54-52.1-03.1. Certain political subdivisions authorized to join uniform group**  
11 **insurance program - Employer contribution.**

- 12       1. If eligible under federal law, a political subdivision may extend the benefits of the  
13 uniform group insurance program under this chapter to its permanent employees,  
14 subject to ~~minimum~~ requirements established by the board and as follows:  
15       a. A minimum period of participation of sixty months. If the political subdivision  
16 withdraws from participation in the uniform group insurance program, before  
17 completing sixty months of participation, unless federal or state laws or rules are  
18 modified or interpreted in a way that makes participation by the political  
19 subdivision in the uniform group insurance program no longer allowable or  
20 appropriate, the political subdivision shall make payment to the board in an  
21 amount equal to any expenses incurred in the uniform group insurance program  
22 that exceed income received on behalf of the political subdivision's employees as  
23 determined under rules adopted by the board.  
24       b. The Garrison Diversion Conservancy District, and district health units required to  
25 participate in the public employees retirement system under section 54-52-02,  
26 shall participate in the uniform group insurance program under the same ~~terms-~~  
27 ~~and conditions~~ premium structures as state agencies.  
28       c. A retiree who has accepted a retirement allowance from a participating political  
29 subdivision's retirement plan may elect to participate in the uniform group under  
30 this chapter without meeting minimum requirements at age sixty-five, when the  
31 employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the

1 political subdivision joins the uniform group insurance plan if the retiree was a  
2 member of the former plan, or when the spouse terminates employment. If a  
3 retiree or surviving spouse does not elect to participate at the times specified in  
4 this ~~section~~subdivision, the retiree or surviving spouse must meet the minimum  
5 requirements established by the board.

6 d. Each retiree or surviving spouse shall pay directly to the board the premiums in  
7 effect for the coverage then being provided. The board may require  
8 documentation that the retiree has accepted a retirement allowance from an  
9 eligible retirement plan other than the public employees retirement system.

10 2. For purposes of this section, the uniform group insurance program must provide health  
11 insurance benefits coverage as defined in section 54-52.1-01.

12 **SECTION 4. EFFECTIVE DATE.** This Act becomes effective on January 1, 2026.

**Commented [CSS4]:** We believe it is still not clear what has to be offered to the polisubs. "Health insurance benefits coverage" (as amended by this bill) means the NGF plan, hospital benefits coverage, and medical benefits coverage. The definition does not include the GF plan, but our understanding that the polisubs are supposed to still have the GF plan available to them. Assuming that's true, then that should just be clearly stated. Perhaps add a definition of GF plan at 54-52.1-01 (e.g., the plan sponsored by the State that is a GF plan as defined by 42 U.S.C. 18011(e)), and then say here that, "For purposes of this section, the uniform group insurance program offered under this section must include the NGF plan and, to the extent still offered by the State, the GF plan." It is just better to state clearly what must be offered.



**NORTH DAKOTA**  
Insurance Department

## TESTIMONY SB 2160

*John Arnold, Deputy Insurance Commissioner*

House Industry, Business and Labor

March 17, 2025

Good afternoon, Chairman Warrey and members of the Committee. Thank you for the opportunity to speak today regarding the proposed changes to state employee health coverage under SB 2160. As it stands, this bill would transition the state health plan from grandfathered status to non-grandfathered status, effective January 1, 2027. While there are some benefits to this transition—such as increased coverages and the application of co-payments toward out-of-pocket maximums—I am here to express concerns about the long-term implications for state employees and the need for a third, non-grandfathered health plan option.

It is our opinion, from a recruitment standpoint, is that a non-grandfathered plan should be offered as a third option as an alternative to the grandfathered plan.

With a non-grandfathered plan, the premium charged to an employee for single coverage must meet the affordability standards set by the Affordable Care Act (ACA) to avoid employer penalties. However, this does not apply to family coverage. Once the single premium is considered affordable, anything beyond that can be charged to the employee at the employer's discretion. This is where we face uncertainty. Future legislators may choose to shift costs to employees more easily under a non-grandfathered plan. This possibility is a major concern for both employees and employers, particularly with regard to recruitment and retention.

On the other hand, our current grandfathered plan does have limitations in terms of coverage and cost-sharing. The visual document that I have attached to this testimony outlines these limitations in more detail. We acknowledge that our grandfathered plan is not without its drawbacks. However, it does provide more predictability and stability regarding costs to employees.

Employers may struggle to recruit and retain staff if costs to employees increase significantly, particularly for family coverage. A shift in costs could create an additional financial burden on state employees, ultimately affecting the workforce's morale, retention, and the state's ability to attract top talent. This uncertainty creates a challenging situation for both the state and its employees. Additionally, a shift in coverage may impact an applicant's willingness to consider employment with the state.

In conclusion, while we recognize the desire to provide enhanced benefits through the non-grandfathered plan, we strongly urge the committee to consider offering it as a third plan option. This would allow employees to choose between the grandfathered plan, the non-grandfathered plan, or other options that better suit their needs, while minimizing the risk of future cost shifts that could strain both employees and employers. The balance between offering competitive benefits and maintaining affordable healthcare options for employees is critical in ensuring the state remains a desirable place to work.

Thank you for your time and consideration.



# NORTH DAKOTA Insurance Department



## Grandfathered Health Insurance Plans for state employees

The State of North Dakota offers a grandfathered health plan to state employees. This is a health insurance policy that was in effect prior to the passage of the 2010 Affordable Care Act and has not had significant changes made to it. The North Dakota Insurance Department often hears of the scenarios below that our employees deal with due to this plan. Because of the complexity of insurance, these scenarios have been simplified. They also vary based on the grandfathered PPO Plan versus the Basic Plan.

### Scenario 1

PPO (Current PERS Plan)

*A \$30 copay is paid for all visits, and 25% of allowed charges until the out-of-pocket maximum of \$3500 is met. After the out-of-pocket max has been met, the copay is still required.*



#### Child 1

Speech Therapy (2x/week)  
\$60 Copay



#### Child 2

Occupational Therapy (2x/week)  
\$60 Copay



#### Parent

Physical Therapy (2x/week)  
\$90 Copay

**\$210/week // \$840/month // \$10,080 annually in copays only**

NOTE: this ONLY copays as 25% of charges in addition to the required copay. Once out of pocket max of \$3,500 is met, the 25% charge is no longer needed, but co-pay is required all year.

### Scenario 2

PPO (Current PERS Plan)

*Two family members require **non-formulary** prescription of \$130 dollars per month each. Each prescription requires a \$30.00 copay and 50% coinsurance for the remaining.*



#### Child 1

Medication  
\$30 + 50% coinsurance



#### Child 2

Medication  
\$30 + 50% coinsurance

**\$720 Total Annual Copay (\$360/ea.)**  
**\$2,400 Total Annual Coinsurance (\$1,200/ea.)**  
**\$3,120 total annual prescriptions for 2 children**

NOTE: Non-formulary drugs do not contribute the the plan \$1200 prescrtiopn coinsurnace maximum.

### Scenario 3

PPO (Current PERS Plan)

*Family member undergoes a surgery where a deductible is required. The family from scenario 1 & 2, with kids in speech and OT and adult in PT and need prescriptions.*

Family meets the \$3500 out of pocket max (25% in scenario 1), but still pays copays.....	\$10,080
Another surgery is needed on a different parent or a separate injury occurs (needs to meet family deductible, not including 80/20 coinsurance).....	\$1,500
Prescription Costs for year.....	\$3,120
Out-of-pocket maximum met.....	\$3,500
<b>Total for employee family plan out-of-pocket.....</b>	<b>\$18,200</b>



# 2025 HOUSE STANDING COMMITTEE MINUTES

## Industry, Business and Labor Committee Room JW327C, State Capitol

SB 2160  
4/1/2025

A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of the North Dakota Century Code, relating to health insurance benefits coverage provided by the uniform group insurance program; to provide an appropriation; to provide for a statement of legislative intent; and to provide an effective date.

2:17 p.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives T. Brown, Finley-DeVille, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

Members Absent: Representatives Bahl, C. Brown

### Discussion Topics:

- Enhance benefits
- Co pays
- 60% state/40% political subdivisions
- ACA large employers
- Blended rate

2:17 p.m. Rebecca Fricke, Executive Director, NDPERS, available for questions.

3:04 p.m. Representative Johnson moved Do Pass.

3:04 p.m. Representative Kasper seconded the motion.

Representatives	Vote
Representative Jonathan Warrey	Y
Representative Mitch Ostlie	N
Representative Jorin Johnson	Y
Representative Landon Bahl	AB
Representative Collette Brown	AB
Representative Timothy Brown	N
Representative Lisa Finley-DeVille	Y
Representative Karen Grindberg	N
Representative Jim Kasper	Y
Representative Ben Koppelman	AB
Representative Dan Ruby	N
Representative Mike Schatz	N
Representative Austin Schauer	N
Representative Daniel R. Vollmer	N

Motion failed 4-7-3

3:46 p.m. Representative D. Ruby moved Do Not Pass.

3:46 p.m. Representative Schatz seconded the motion.

<b>Representatives</b>	<b>Vote</b>
Representative Jonathan Warrey	N
Representative Mitch Ostlie	Y
Representative Jorin Johnson	N
Representative Landon Bahl	AB
Representative Collette Brown	AB
Representative Timothy Brown	Y
Representative Lisa Finley-DeVille	Y
Representative Karen Grindberg	N
Representative Jim Kasper	N
Representative Ben Koppelman	AB
Representative Dan Ruby	Y
Representative Mike Schatz	Y
Representative Austin Schauer	Y
Representative Daniel R. Vollmer	Y

Motion passed 7-4-3.

3:50 p.m. Representative Schauer will carry the bill.

3:50 p.m. Chairman Warrey closed the meeting.

*Diane Lillis, Committee Clerk*

**REPORT OF STANDING COMMITTEE  
ENGROSSED SB 2160 ([25.0142.03000](#))**

**Industry, Business and Labor Committee (Rep. Warrey, Chairman)** recommends **DO NOT PASS** (7 YEAS, 4 NAYS, 3 ABSENT OR EXCUSED AND NOT VOTING). Engrossed SB 2160 was placed on the Fourteenth order on the calendar.

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Industry, Business and Labor Committee Room JW327C, State Capitol

SB 2160  
4/8/2025

A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of the North Dakota Century Code, relating to health insurance benefits coverage provided by the uniform group insurance program; to provide an appropriation; to provide for a statement of legislative intent; and to provide an effective date.

9:33 a.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Bahl, C. Brown, T. Brown, Finley-DeVile, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

### Discussion Topics:

- Plan design changes
- Cost differential
- Benefit expansion
- Preventative care

9:33 a.m. Representative Koppelman moved to reconsider the bill.

9:33 a.m. Representative Kasper seconded the motion.

Voice vote.

Motion passed.

9:34 a.m. Representative Koppelman submitted plan design information #44775.

9:41 a.m. Senator Kyle Davidson, District 41, Fargo, ND, bill sponsor available for questions #44781.

10:06 a.m. Rebecca Fricke, Executive Director, North Dakota Public Employees Retirement System (NDPERS), available for committee questions.

10:50 a.m. Chairman Warrey closed the meeting.

*Diane Lillis, Committee Clerk*



# SANFORD<sup>®</sup>

## HEALTH PLAN

### Summary of NDPERS Renewal Options for 2025-2027

NDPERS currently offers a Grandfathered (GF) PPO plan that includes portions of the Affordable Care Act (ACA) mandated benefits. To prepare for the biennium renewal discussion, Sanford Health Plan has calculated the impact of multiple changes to this plan. The impacts provided are built from the rates of the current biennium and do not reflect the July 2025 renewal.

#### Rate Impact of enhancements to Grandfathered Plan

Increasing Coverage of Birth Control to 100% (eliminating cost share)	<b>0.21%</b>
Adding Smoking Cessation benefits	<b>0.01%</b>
Increasing coverage for Preventive Colonoscopies to 100% (eliminating cost share)	<b>0.24%</b>

#### Plan design options to lower costs while maintaining Grandfathered status

	Plan Year			
	2009-2011 **	2017-2025	2025-2027 Option 1	2025-2027 Option 2
PPO Office Visit	\$ 25	\$ 30	\$ 35	\$ 40
PPO ER	\$ 50	\$ 60	\$ 70	\$ 80
PPO IND DED	\$ 400	\$ 500	\$ 550	\$ 600
PPO FAM DED	\$ 1,200	\$ 1,500	\$ 1,700	\$ 1,800
PPO COIN	80-20%	80-20%	80-20%	80-20%
PPO IND MOOP*	\$ 1,150	\$ 1,500	\$ 1,700	\$ 1,800
PPO FAM MOOP*	\$ 2,300	\$ 3,500	\$ 3,600	\$ 3,700
Basic Office Visit	\$ 30	\$ 35	\$ 40	\$ 45
Basic ER	\$ 50	\$ 60	\$ 70	\$ 80
Basic IND DED	\$ 400	\$ 500	\$ 550	\$ 600
Basic FAM DED	\$ 1,200	\$ 1,500	\$ 1,700	\$ 1,800
Basic COIN	75-25%	75-25%	75-25%	75-25%
Basic IND MOOP*	\$ 1,650	\$ 2,000	\$ 2,400	\$ 2,600
Basic FAM MOOP*	\$ 3,700	\$ 4,500	\$ 5,000	\$ 5,600
% Change			<b>-0.5%</b>	<b>-0.9%</b>

\*Maximum Out-Of-Pocket (MOOP) values calculated on Deductible & Coinsurance. Does not include Copays.

\*\*To maintain GF status benefit changes must be based on 2010 Benefits

Any plan design change(s) would need to be evaluated by legal counsel to validate it does not impact NDPERS PPO Grandfathered status.

## Senate Bill 2160 Health Insurance coverage NDPERS

**Purpose:** To provide state active employees and non-Medicare retirement populations with enhanced health care benefits by moving NDPERS to a plan in alignment with the Patient Protection and Affordable Care Act (PPACA).

### Overview of SB 2160

- Revises the definition of "health insurance benefits coverage" to be a non-grandfathered plan.
- Defines "non-grandfathered health plan" to mean a plan that aligns with PPACA
- Requires that State Active employees and non-Medicare employees will solely be offered the NDPERS non-grandfathered plan.

### Benefits of SB 2160

Switching from a **grandfathered health insurance plan** to a **non-grandfathered health insurance plan** can provide several benefits. Grandfathered plans are older policies that were in place before March 23, 2010 (the date the Affordable Care Act, or ACA, was enacted) and have not been significantly changed since. While they are exempt from some ACA requirements, non-grandfathered plans must comply fully with ACA standards. Here are the benefits of making the switch:

#### 1. Essential Health Benefits (EHBs)

Non-grandfathered plans must cover a comprehensive set of 10 essential health benefits, including:

- Preventive services (e.g., vaccinations, screenings) without cost-sharing.
- Maternity and newborn care.
- Mental health and substance use disorder services.
- Prescription drugs.
- Pediatric services, including dental and vision care.

Grandfathered plans may not include these benefits or might require significant out-of-pocket costs for them.

#### 2. No Pre-existing Condition Exclusions

- Non-grandfathered plans cannot deny coverage or charge higher premiums based on pre-existing conditions.
- Grandfathered plans may still have limitations or exclusions for pre-existing conditions.

### **3. Coverage for Preventive Services**

- Non-grandfathered plans must provide certain preventive services (e.g., cancer screenings, immunizations) at no additional cost, even before meeting the deductible.
- Grandfathered plans may not include these benefits or may require cost-sharing.

### **4. Cap on Out-of-pocket Costs**

- Non-grandfathered plans have an annual limit on out-of-pocket costs for covered services.
- Grandfathered plans might not cap out-of-pocket expenses, potentially exposing you

The **10 Essential Health Benefits (EHBs)** that must be covered by all non-grandfathered health insurance plans under the Affordable Care Act (ACA) include a wide range of services designed to meet the basic health care needs of individuals. Here's a detailed list:

#### **1. Ambulatory Patient Services**

- Outpatient care that you receive without being admitted to a hospital, such as:
  - Doctor visits.
  - Specialist consultations.
  - Outpatient surgeries.
  - Diagnostic tests like X-rays and blood work.

#### **2. Emergency Services**

- Emergency room visits and treatment for acute conditions, such as injuries or heart attacks.
- Plans must provide coverage without requiring prior authorization, even if the provider is out of network.

#### **3. Hospitalization**

- Inpatient care, including:
  - Surgery.
  - Overnight hospital stays.
  - Care for severe illnesses or injuries.
  - Room and board in the hospital.

#### **4. Maternity and Newborn Care**

- Prenatal care (e.g., check-ups, screenings, and tests during pregnancy).
- Labor and delivery services.

- Postnatal care for both mother and baby.

## **5. Mental Health and Substance Use Disorder Services**

- Behavioral health treatment, including:
  - Counseling and psychotherapy.
  - Inpatient mental health and substance use treatment.
- Substance use disorder treatment programs, such as detoxification and rehabilitation.

## **6. Prescription Drugs**

- Coverage for a wide range of prescription medications, including:
  - Generic drugs.
  - Brand-name drugs.
  - Specialty medications.

## **7. Rehabilitative and Habilitative Services and Devices**

- Rehabilitative care to help recover skills or functions lost due to injury or illness (e.g., physical therapy, occupational therapy).
- Habilitative care to help develop skills or functions that a person never had (e.g., therapy for children with developmental delays).
- Durable medical equipment, such as wheelchairs, crutches, or prosthetics.

## **8. Laboratory Services**

- Diagnostic tests, such as blood tests and imaging (e.g., MRI or CT scans).
- Preventive screenings, such as cholesterol checks or cancer screenings.

## **9. Preventive and Wellness Services and Chronic Disease Management**

- Preventive services, including vaccinations, cancer screenings, and annual check-ups, covered without cost-sharing (no copays or deductibles).
- Wellness programs to promote healthy living (e.g., smoking cessation or weight loss programs).
- Chronic disease management for conditions like diabetes, asthma, or hypertension.

## **10. Pediatric Services, Including Oral and Vision Care**

- Coverage for children's healthcare needs, such as:
  - Pediatric check-ups.
  - Immunizations.



- Dental care (e.g., cleanings, X-rays, and fillings).
- Vision care (e.g., eye exams and glasses).

**Additional Notes:**

- Some specific services within these categories may vary depending on the state, as states can define their own "benchmark" plans to determine the exact scope of benefits within these categories.
- Preventive services are covered without cost-sharing only when provided by in-network providers.

**Switching to a non-grandfathered plan ensures access to these comprehensive benefits, which can significantly enhance the value and scope of your health coverage.**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Industry, Business and Labor Committee Room JW327C, State Capitol

SB 2160  
4/8/2025

A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of the North Dakota Century Code, relating to health insurance benefits coverage provided by the uniform group insurance program; to provide an appropriation; to provide for a statement of legislative intent; and to provide an effective date.

3:26 p.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Bahl, C. Brown, T. Brown, Finley-DeVille, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

### Discussion Topics:

- Essential group benefits
- Enhanced, preventative services
- Recruit, retain and reward

3:27 p.m. Rebecca Fricke, Executive Director, North Dakota Public Employees Retirement System (NDPERS), available for committee questions and submitted additional information. #44826 and #44827.

4:13 p.m. Derrick Hohbein, Chief Operating/Financial Officer, NDPERS, available to answer questions.

4:24 p.m. Nick Archuleta, President, North Dakota United (NDU), representing their membership.

4:34 p.m. Representative Johnson moved Do Pass and Rerefer to Appropriations.

4:34 p.m. Representative Koppelman seconded the motion.

Representatives	Vote
Representative Jonathan Warrey	Y
Representative Mitch Ostlie	N
Representative Jorin Johnson	Y
Representative Landon Bahl	AB
Representative Collette Brown	Y
Representative Timothy Brown	Y
Representative Lisa Finley-DeVille	Y
Representative Karen Grindberg	Y
Representative Jim Kasper	Y
Representative Ben Koppelman	Y

Representative Dan Ruby	Y
Representative Mike Schatz	N
Representative Austin Schauer	N
Representative Daniel R. Vollmer	Y

Motion passed 10-3-1.

4:36 p.m. Representative Warrey will carry the bill.

4:36 p.m. Chairman Warrey closed the meeting.

*Diane Lillis, Committee Clerk*

**REPORT OF STANDING COMMITTEE  
ENGROSSED SB 2160 ([25.0142.03000](#))**

**Industry, Business and Labor Committee (Rep. Warrey, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 3 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). Engrossed SB 2160 was rereferred to the **Appropriations Committee**.

**This Appendix is Marked as Confidential Information**

## **North Dakota Public Employees Retirement System**

### **Request for Proposals - Health Plan Administrator**

#### **PLAN DESIGN ALTERNATIVES**

Bidders are asked to complete the questions and cost proposal exhibits provided in this section. As described in Section IV., Proposal Submission, of this RFP, cost proposal exhibits must be submitted to Deloitte Consulting only. The exhibits must be submitted in the prescribed format. Bidders may provide supplemental information but may not deviate from utilizing the provided Excel worksheets. Refer to Section IV. Proposal Submission for details. Instructions are outlined in the RFP and with each of the required exhibits (tabs).

Cost proposals should follow the Confidential/Proprietary Information instructions in Appendix J. Any provisions of the Bidder's proposal that are desired to be confidential must be identified specifically on each page of the proposal and included in the table provided in Appendix J.

#### **The cost proposal consists of the following components and related exhibits:**

- D5.1 Plan Design Change Actuarial Impacts
- D5.2 Additional Plan Change Price Impacts



**This Appendix is Marked as Confidential Information**

## North Dakota Public Employees Retirement System

### Request for Proposals - Health Plan Administrator

#### D5.1 PLAN DESIGN CHANGE ACTUARIAL IMPACTS

**YOUR COMPANY NAME:**

**Blue Cross Blue Shield of North D**

• IN THE YELLOW BOXES, PROVIDE THE RATE IMPACT FOR THE PROPOSED PLAN DESIGN CHANGES ILLUSTRATED BELOW ON A PERCENT REDUCTION BASIS

Plan Design Change Value	N/A - Current		-5.9%		-7.9%		-8.3%	
Plan Design Provisions	Existing PPO/Basic/ Grandfathered		Option 1 Non-Grandfathered		Option 2 Non-Grandfathered		Option 3 Non-Grandfathered	
	PPO	Basic	PPO	Basic	PPO	Basic	PPO	Basic
Single Deductible	\$500	\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Family Deductible	\$1,500	\$1,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Single Coinsurance/Max	80%/\$1,000	75%/\$1,500	80% \$1,750	75% \$2,250	80% \$2,750	75% \$3,250	80% \$4,000	75% \$4,500
Family Coinsurance/Max	80%/\$2,000	75%/\$3,000	80% \$3,500	75% \$4,500	80% \$5,500	75% \$6,500	80% \$8,000	75% \$9,000
Single Maximum Out of Pocket	\$1,500	\$2,000	\$2,750	\$3,250	\$3,750	\$4,250	\$5,000	\$5,500
Family Maximum Out of Pocket	\$3,500	\$4,500	\$6,500	\$7,500	\$8,500	\$9,500	\$11,000	\$12,000
Office Visit Copayment	\$30	\$35	\$30	\$35	\$30	\$35	\$30	\$35
Emergency Room Copayment	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60
Preventive Care	\$30 Copay	\$35 Copay	100%	100%	100%	100%	100%	100%
Formulary Generic	\$7.50/88%	\$7.50/88%	\$10	\$10	\$10	\$10	\$10	\$10
Formulary Brand	\$25/75%	\$25/75%	\$25/75%	\$25/75%	\$25/75%	\$25/75%	\$25/75%	\$25/75%
Non-Formulary Drugs	\$30/50%	\$30/50%	\$30/50%	\$30/50%	\$30/50%	\$30/50%	\$30/50%	\$30/50%
Coinsurance Max	\$1,200	\$1,200	Part of Medical	Part of Medical	Part of Medical	Part of Medical	Part of Medical	Part of Medical

*\*High-deductible plan not shown since no design changes are contemplated*

This Appendix is Marked as Confidential Information

## North Dakota Public Employees Retirement System

### Request for Proposals - Health Plan Administrator

#### D5.2 ADDITIONAL PLAN CHANGE PRICE IMPACTS

YOUR COMPANY NAME:

Blue Cross Blue Shield of North Dakota

- IN THE YELLOW BOXES, PROVIDE THE RATE IMPACT FOR THE PROPOSED PLAN CHANGES
- PLEASE LIST PRICING ASSUMPTIONS CORRESPONDING TO THE CALCULATED PRICING IMPACT

#	Change	Plan Cost Impact (e.g. +1.0%)	Assumptions
1	Routine colonoscopy covered without member cost share	0.2%	
2	Tobacco cessation drugs covered without member cost share	less than 0.1%	
3	New specialty drug tier implemented at \$100 copay	-0.1%	
4	New specialty drug tier implemented at \$200 copay	-0.2%	
5	Exhibit E10 includes a historical summary of plan design changes implemented since the ACA was implemented. Based on the design changes already made, what additional change can NDPERS implement and still maintain Grandfathered status?		Upon award, BCBSND would be able to work with NDPERS on additional plan design changes that could be made and still maintain Grandfathered status.
6	<u>Assuming the State plan loses Grandfathered status</u> , what is the estimated impact of covering preventive and essential health benefits without member cost share	1.5%	
7	<u>Assuming the State plan loses Grandfathered status</u> , what is the estimated impact of covering contraceptive & counseling benefits without member cost share	0.5%	
8	Dakota Retiree Plan members must elect medical and the PDP. If NDPERS were to "unbundle" the medical and PDP and allow members to choose one or the other, or both, would you assume a premium rate impact to your proposed Dakota Retiree Plan rates?	Approximately 4%	We are assuming an approximate 4% rate impact due to adverse selection.
9	NDPERS disease management programs (About the Patient Diabetes Management Program, Tobacco Cessation Program, Healthy Pregnancy Program) are "opt in" programs. If NDPERS were to make these programs "opt out" programs, would there be an impact to your proposed premium rates or ASO rates?	Minimal cost impact July 15, 2020	BCBSND would be open to discussion with NDPERS to see if an "opt out" approach would work as a viable option  Page – 1742

**North Dakota Public Employees Retirement System**  
**Request for Proposals - Health Plan Administrator**  
**D5.2 ADDITIONAL PLAN CHANGE PRICE IMPACTS**

**YOUR COMPANY NAME:**

**Sanford Health Plan**

- IN THE YELLOW BOXES, PROVIDE THE RATE IMPACT FOR THE PROPOSED PLAN CHANGES
- PLEASE LIST PRICING ASSUMPTIONS CORRESPONDING TO THE CALCULATED PRICING IMPACT

#	Change	Plan Cost Impact (e.g. +1.0%)	Assumptions
1	Routine colonoscopy covered without member cost share	0.30%	-Measured from the current NDPERS plan -Based on data underlying the Milliman Health Cost Guidelines -Includes the procedure and all related costs
2	Tobacco cessation drugs covered without member cost share	0.01%	-Measured from the current NDPERS plan -Based on data underlying the Milliman Health Cost Guidelines
3	New specialty drug tier implemented at \$100 copay	0.00%	-Measured from the current NDPERS plan -Mail is 2x's retail -The 50% coinsurance applies to mail and is subject to the pharmacy MOOP
4	New specialty drug tier implemented at \$200 copay	-0.10%	-Measured from the current NDPERS plan -Mail is 2x's retail -The 50% coinsurance applies to mail and is subject to the pharmacy MOOP
5	Exhibit E10 includes a historical summary of plan design changes implemented since the ACA was implemented. Based on the design changes already made, what additional change can NDPERS implement and still maintain Grandfathered status?	-2.50%	Based on anticipated medical trend inflation of 2.7%, the following plan design changes are anticipated to be compliant with grandfathered status on 7/1/21. A deductible change from \$500 to \$600. MedicaP MOOP change from \$1,500/\$2,000 to \$1,750/\$2,500. ER copay from \$60 to \$75; Urgent care copay from \$30 to \$45; Office visit copay from \$30 to \$35; PT/OT/ST visit from \$30 to \$35. Rx copays from \$7.50/\$20/\$25 to \$10/\$30/\$35. Rx mail copays from \$15/\$50/\$60 to \$20/\$60/\$70. It is assumed that benefits in place for July 2011 were also in place in March of 2010 when grandfathering status is measured from.
6	<u>Assuming the State plan loses Grandfathered status,</u> what is the estimated impact of covering preventive and essential health benefits without member cost share	2.50%	-Measured from the current NDPERS plan
7	<u>Assuming the State plan loses Grandfathered status,</u> what is the estimated impact of covering contraceptive & counseling benefits without member cost share	0.50%	Measured from the current NDPERS plan
8	Dakota Retiree Plan members must elect medical and the PDP. If NDPERS were to "unbundle" the medical and PDP and allow members to choose one or the other, or both, would you assume a premium rate impact to your proposed Dakota Retiree Plan rates?	No impact	It would not have an impact on the offered Medicare Supplement portion of the Dakota Retiree Plan. There could be an impact to the Part D portion of the premium to be dealt with in a separate RFP response.
9	NDPERS disease management programs (About the Patient Diabetes Management Program, Tobacco Cessation Program, Healthy Pregnancy Program) are "opt in" programs. If NDPERS were to make these programs "opt out", would there be an impact to your proposed premium rates or ASO fees?	No impact	It is assumed that any additional cost in disease management would offset by future costs

**2025 HOUSE APPROPRIATIONS**

**SB 2160**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## **Appropriations Committee** Roughrider Room, State Capitol

SB 2160  
4/14/2025

A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of the North Dakota Century Code, relating to health insurance benefits coverage provided by the uniform group insurance program; to provide an appropriation; to provide for a statement of legislative intent; and to provide an effective date.

8:35 a.m. Chairman Vigesaa called the meeting to order.

Members present: Chairman Vigesaa, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Member absent: Vice Chairman Kempenich

### **Discussion Topics:**

- Healthcare Costs
- Healthcare Premiums
- Healthcare Inflation
- Health Insurance Deductibles

8:37 a.m. Representative Warrey introduced the bill and submitted testimony #44961.

8:44 a.m. Senator Davison answered questions.

9:04 a.m. Derrick Hohbein, Chief Operating and Financial Officer, ND Public Employees Retirement System (PERS) answered questions.

9:17 a.m. Jon Godfread, ND Insurance Commissioner answered questions.

9:34 a.m. Chairman Vigesaa closed the meeting.

*Krystal Eberle, Committee Clerk*



# SANFORD HEALTH PLAN

## Summary of NDPERS Renewal Options for 2025-2027

NDPERS currently offers a Grandfathered (GF) PPO plan that includes portions of the Affordable Care Act (ACA) mandated benefits. To prepare for the biennium renewal discussion, Sanford Health Plan has calculated the impact of multiple changes to this plan. The impacts provided are built from the rates of the current biennium and do not reflect the July 2025 renewal.

### Rate Impact of enhancements to Grandfathered Plan

Increasing Coverage of Birth Control to 100% (eliminating cost share)	0.21%
Adding Smoking Cessation benefits	0.01%
Increasing coverage for Preventive Colonoscopies to 100% (eliminating cost share)	0.24%

### Plan design options to lower costs while maintaining Grandfathered status

	Plan Year			
	2009-2011 **	2017-2025	2025-2027 Option 1	2025-2027 Option 2
PPO Office Visit	\$ 25	\$ 30	\$ 35	\$ 40
PPO ER	\$ 50	\$ 60	\$ 70	\$ 80
PPO IND DED	\$ 400	\$ 500	\$ 550	\$ 600
PPO FAM DED	\$ 1,200	\$ 1,500	\$ 1,700	\$ 1,800
PPO COIN	80-20%	80-20%	80-20%	80-20%
PPO IND MOOP*	\$ 1,150	\$ 1,500	\$ 1,700	\$ 1,800
PPO FAM MOOP*	\$ 2,300	\$ 3,500	\$ 3,600	\$ 3,700
Basic Office Visit	\$ 30	\$ 35	\$ 40	\$ 45
Basic ER	\$ 50	\$ 60	\$ 70	\$ 80
Basic IND DED	\$ 400	\$ 500	\$ 550	\$ 600
Basic FAM DED	\$ 1,200	\$ 1,500	\$ 1,700	\$ 1,800
Basic COIN	75-25%	75-25%	75-25%	75-25%
Basic IND MOOP*	\$ 1,650	\$ 2,000	\$ 2,400	\$ 2,600
Basic FAM MOOP*	\$ 3,700	\$ 4,500	\$ 5,000	\$ 5,600
% Change			-0.5%	-0.9%

\*Maximum Out-Of-Pocket (MOOP) values calculated on Deductible & Coinsurance. Does not include Copays.

\*\*To maintain GF status benefit changes must be based on 2010 Benefits

Any plan design change(s) would need to be evaluated by legal counsel to validate it does not impact NDPERS PPO Grandfathered status.

**North Dakota Public Employees Retirement System**  
**Request for Proposals - Health Plan Administrator**  
**D5.1 PLAN DESIGN CHANGE ACTUARIAL IMPACTS**

**YOUR COMPANY NAME:**

• IN THE YELLOW BOXES, PROVIDE THE RATE IMPACT FOR THE PROPOSED PLAN DESIGN CHANGES ILLUSTRATED BELOW ON A PERCENT REDUCTION BASIS

Plan Design Change Value	N/A - Current		-5.9%		-7.9%		-8.3%	
Plan Design Provisions	Existing PPO/Basic/ Grandfathered		Option 1 Non-Grandfathered		Option 2 Non-Grandfathered		Option 3 Non-Grandfathered	
	PPO	Basic	PPO	Basic	PPO	Basic	PPO	Basic
Single Deductible	\$500	\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Family Deductible	\$1,500	\$1,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Single Coinsurance/Max	80%/\$1,000	75%/\$1,500	80% \$1,750	75% \$2,250	80% \$2,750	75% \$3,250	80% \$4,000	75% \$4,500
Family Coinsurance/Max	80%/\$2,000	75%/\$3,000	80% \$3,500	75% \$4,500	80% \$5,500	75% \$6,500	80% \$8,000	75% \$9,000
Single Maximum Out of Pocket	\$1,500	\$2,000	\$2,750	\$3,250	\$3,750	\$4,250	\$5,000	\$5,500
Family Maximum Out of Pocket	\$3,500	\$4,500	\$6,500	\$7,500	\$8,500	\$9,500	\$11,000	\$12,000
Office Visit Copayment	\$30	\$35	\$30	\$35	\$30	\$35	\$30	\$35
Emergency Room Copayment	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60
Preventive Care	\$30 Copay	\$35 Copay	100%	100%	100%	100%	100%	100%
Formulary Generic	\$7.50/88%	\$7.50/88%	\$10	\$10	\$10	\$10	\$10	\$10
Formulary Brand	\$25/75%	\$25/75%	\$25/75%	\$25/75%	\$25/75%	\$25/75%	\$25/75%	\$25/75%
Non-Formulary Drugs	\$30/50%	\$30/50%	\$30/50%	\$30/50%	\$30/50%	\$30/50%	\$30/50%	\$30/50%
Coinsurance Max	\$1,200	\$1,200	Part of Medical	Part of Medical	Part of Medical	Part of Medical	Part of Medical	Part of Medical

*\*High-deductible plan not shown since no design changes are contemplated*



**NDPERS Employees & Retirees that met their Contract Out of Pocket Maximums**

Year	State Employee or Early Retiree	Type of Coverage	Total # of Employees/Retirees with coverage**	Did not meet Out of Pocket Maximum	Met Out of Pocket maximum	% of Total Employees/Retirees that met Out of Pocket maximum
2022	State Employee	Grandfathered PPO	16,065	15,004	*1,061	7%
2022	State Employee	HDHP	909	819	90	10%
2022	Early Retiree	Grandfathered PPO	533	435	*98	18%
2023	State Employee	Grandfathered PPO	15,789	14,67	*1,112	7%
2023	State Employee	HDHP	1,119	998	121	11%
2023	Early Retiree	Grandfathered PPO	460	368	*92	20%

**\*Grandfathered PPO plan does not include copays in the out of pocket maximum. Value only includes deductibles and coinsurance values paid by employee/retiree.**

**\*\*Employees & Retirees that had individual or family coverage for a minimum of 1 month during the year.**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

SB 2160  
4/15/2025

A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of the North Dakota Century Code, relating to health insurance benefits coverage provided by the uniform group insurance program; to provide an appropriation; to provide for a statement of legislative intent; and to provide an effective date.

9:07 a.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Members absent: Representative: Berg

### Discussion Topics:

- Committee Action

9:44 a.m. Representative Bosch moved to correct fiscal note impacting section 4 line 20 and section 5 line 30.

9:44 a.m. Representative Monson seconded the motion.

9:45 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	AB
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y

Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

9:45 a.m. Motion passed 22-0-1.

9:46 a.m. Representative Bosch moved Do Pass as Amended.

9:46 a.m. Representative Monson seconded the motion.

9:47 a.m. Roll Call Vote

<b>Representatives</b>	<b>Vote</b>
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	AB
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	N
Representative Scott Louser	Y
Representative Bob Martinson	N
Representative Lisa Meier	N
Representative Alisa Mitskog	N
Representative David Monson	Y
Representative Eric J. Murphy	N
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	N
Representative Scott Wagner	N

9:47 a.m. Motion passed 15-7-1.

9:47 a.m. Representative Warrey will carry the bill.

9:49 a.m. Chairman Vigesaa adjourned the meeting.

*Krystal Eberle, Committee Clerk*



April 15, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

CO  
4/15/25  
1048

**ENGROSSED SENATE BILL NO. 2160**

Introduced by

Senators Davison, Bekkedahl, Sorvaag

Representatives Bosch, Stemen

1 A BILL for an Act to amend and reenact sections 54-52.1-01, 54-52.1-02, and 54-52.1-03.1 of  
2 the North Dakota Century Code, relating to health insurance benefits coverage provided by the  
3 uniform group insurance program; to provide an appropriation; to provide for a statement of  
4 legislative intent; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 54-52.1-01 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **54-52.1-01. Definitions.**

9 As used in this chapter, ~~unless the context otherwise requires:~~

10 1. "Board" means the public employees retirement board.

11 2. "Carrier" means:

12 a. ~~For the hospital~~ health insurance benefits coverage, an insurance company  
13 authorized to do business in the state, or a nonprofit hospital service association,  
14 or a prepaid group practice hospital or medical care plan authorized to do  
15 business in the state, or the state if a self-insurance health plan is used for  
16 providing hospital or medical benefits coverage.

17 b. ~~For the medical benefits coverage, an insurance company authorized to do~~  
18 ~~business in the state, or a nonprofit medical service association, or a prepaid~~  
19 ~~group practice medical care plan authorized to do business in the state, or the~~

1 state if a self-insurance health plan is used for providing medical benefits  
2 coverage.

3 e. For the life insurance benefits coverage, an insurance company authorized to do  
4 business in the state.

5 3. "Department, board, or agency" means ~~the departments~~ a department, board,  
6 agency, or association of this state. The term includes the state's  
7 charitable, penal, and higher educational institutions; the Bank of North Dakota; the  
8 state mill and elevator association; and counties, cities, district health units, and school  
9 districts.

10 4. "Eligible employee" means every permanent employee who is employed by a  
11 governmental unit, as that term is defined in section 54-52-01. "Eligible employee"  
12 includes members of the legislative assembly, judges of the supreme court, paid  
13 members of state or political subdivision boards, commissions, or associations,  
14 full-time employees of political subdivisions, elective state officers as defined by  
15 section 54-06-01, and disabled permanent employees who are receiving  
16 compensation from the North Dakota workforce safety and insurance fund. As used in  
17 this subsection, "permanent employee" means one whose services are not limited in  
18 duration, who is filling an approved and regularly funded position in a governmental  
19 unit, and who is employed at least seventeen and one-half hours per week and at  
20 least five months each year or for those first employed after August 1, 2003, is  
21 employed at least twenty hours per week and at least twenty weeks each year of  
22 employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and  
23 54-52.1-11, "eligible employee" includes retired and terminated employees who  
24 remain eligible to participate in the uniform group insurance program pursuant to  
25 applicable state or federal law.

26 5. "Health insurance benefits coverage" means ~~hospital:~~

27 a. A nongrandfathered health plan sponsored by a large employer which meets the  
28 applicable requirements of 42 U.S.C. chapter 6A, subchapter XXV, without regard  
29 to 42 U.S.C. 18011, including benefits provided under the uniform group  
30 insurance program's grandfathered preferred provider organization plan;

31 b. Hospital benefits coverage ~~or medical;~~

1           c. Medical benefits coverage; or both

2           d. Both hospital and medical benefits coverage.

3           6. "Health maintenance organization" means an organization certified to establish and  
4           operate a health maintenance organization in compliance with chapter 26.1-18.1.

5           7. "Hospital benefits coverage" means a plan that either provides coverage for, or pays,  
6           or reimburses expenses for hospital services incurred in accordance with the uniform  
7           contract.

8           8. "Life insurance benefits coverage" means a plan that provides both term life insurance  
9           and accidental death and dismemberment insurance in amounts determined by the  
10          board, with a minimum of one thousand dollars provided for the term life insurance  
11          portion of the coverage.

12          9. "Medical benefits coverage" means a plan that either provides coverage for, or pays,  
13          or reimburses expenses for medical services in accordance with the uniform contract.

14          10. "Member contribution" means the payment by the member into the retiree health  
15          benefits fund pursuant to sections 54-52-02.9 and 54-52-17.4.

16          11. "Member's account balance" means the member's contributions plus interest at the  
17          rate set by the board.

18          12. "Nongrandfathered health plan" means a plan that does not qualify as a grandfathered  
19          plan under the Patient Protection and Affordable Care Act [Pub. L. 111-148], as  
20          amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L.  
21          111-152].

22          13. "Self-insurance health plan" means a plan of self-insurance providing health insurance  
23          benefits coverage under section 54-52.1-04.2.

24          ~~13.14.~~ "Temporary employee" means a governmental unit employee who is not filling an  
25          approved and regularly funded position in an eligible governmental unit and whose  
26          services may or may not be limited in duration.

27          **SECTION 2. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is  
28          amended and reenacted as follows:



1       **54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

2       In order to promote the economy and efficiency of employment in the state's service, reduce  
3       personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the  
4       service of state employment, there is created a uniform group insurance program.

5       1. The uniform group insurance program must be:

6       a. Be composed of eligible and retired employees ~~and be formed to provide hospital~~  
7       ~~benefits coverage, medical benefits coverage;~~

8       b. Except as provided in subsection 2 of section 54-52.1-03.1, provide coverage as  
9       defined in subdivision a of subsection 5 of section 54-52.1-01; and

10      c. Provide life insurance benefits coverage ~~in the manner set forth in this chapter.~~

11      2. The board may divide the uniform group ~~may be divided~~ into the following subgroups  
12      at the discretion of the board:

13      ~~1. Medical and hospital~~

14      a. Health insurance benefits coverage group consisting of active eligible employees  
15      and retired employees not eligible for Medicare, except for employees who first  
16      retire after July 1, 2015, and are not eligible for Medicare on their retirement. In  
17      determining premiums for coverage under this ~~subsection~~subdivision for retired  
18      employees not eligible for Medicare, the rate for a non-Medicare retiree single  
19      plan is one hundred fifty percent of the active member single plan rate, the rate  
20      for a non-Medicare retiree family plan of two people is twice the non-Medicare  
21      retiree single plan rate, and the rate for a non-Medicare retiree family plan of  
22      three or more persons is two and one-half times the non-Medicare retiree single  
23      plan rate.

24      ~~2.~~ b. In addition to the coverage provided in ~~subsection 1~~subdivision a, another  
25      coverage option may be provided for retired employees not eligible for Medicare,  
26      except for employees who first retire after July 1, 2015, and are not eligible for  
27      Medicare on their retirement, provided the option does not increase the implicit  
28      subsidy as determined by the governmental accounting standards board's other  
29      postemployment benefit reporting procedure. In offering this additional option, the  
30      board may have an open enrollment but thereafter enrollment for this option must  
31      be as specified in section 54-52.1-03.

- 1       3. c. Retired Medicare-eligible employee group ~~medical and hospital~~ health insurance
- 2               benefits coverage.
- 3       4. d. Active eligible employee life insurance benefits coverage.
- 4       5. e. Retired employee life insurance benefits coverage.
- 5       6. f. Terminated employee continuation group ~~medical and hospital~~ health insurance
- 6               benefits coverage.
- 7       7. g. Terminated employee conversion group ~~medical and hospital~~ health insurance
- 8               benefits coverage.
- 9       8. h. Dental benefits coverage.
- 10      9. i. Vision benefits coverage.
- 11      10. j. Long-term care benefits coverage.
- 12      11. k. Employee assistance benefits coverage.
- 13      12. l. Prescription drug coverage.

14       **SECTION 3. AMENDMENT.** Section 54-52.1-03.1 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16       **54-52.1-03.1. Certain political subdivisions authorized to join uniform group**  
17 **insurance program - Employer contribution.**

- 18       1. If eligible under federal law, a political subdivision may extend the benefits of the
- 19               uniform group insurance program under this chapter to its permanent employees,
- 20               subject to ~~minimum~~ requirements established by the board and as follows:
- 21           a. A minimum period of participation of sixty months. If the political subdivision
- 22               withdraws from participation in the uniform group insurance program, before
- 23               completing sixty months of participation, unless federal or state laws or rules are
- 24               modified or interpreted in a way that makes participation by the political
- 25               subdivision in the uniform group insurance program no longer allowable or
- 26               appropriate, the political subdivision shall make payment to the board in an
- 27               amount equal to any expenses incurred in the uniform group insurance program
- 28               that exceed income received on behalf of the political subdivision's employees as
- 29               determined under rules adopted by the board.
- 30           b. The Garrison Diversion Conservancy District, and district health units required to
- 31               participate in the public employees retirement system under section 54-52-02,



1 shall participate in the uniform group insurance program under the same terms  
2 and conditions premium structures as state agencies.

3 c. A retiree who has accepted a retirement allowance from a participating political  
4 subdivision's retirement plan may elect to participate in the uniform group under  
5 this chapter without meeting minimum requirements at age sixty-five, when the  
6 employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the  
7 political subdivision joins the uniform group insurance plan if the retiree was a  
8 member of the former plan, or when the spouse terminates employment. If a  
9 retiree or surviving spouse does not elect to participate at the times specified in  
10 this ~~section~~ subdivision, the retiree or surviving spouse must meet the minimum  
11 requirements established by the board.

12 d. Each retiree or surviving spouse shall pay directly to the board the premiums in  
13 effect for the coverage then being provided. The board may require  
14 documentation that the retiree has accepted a retirement allowance from an  
15 eligible retirement plan other than the public employees retirement system.

16 2. For purposes of this section, the uniform group insurance program must provide health  
17 insurance benefits coverage as defined in section 54-52.1-01.

#### 18 **SECTION 4. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - HEALTH**

19 **INSURANCE PREMIUM POOL.** There is appropriated out of any moneys in the general fund in  
20 the state treasury, not otherwise appropriated, the sum of ~~\$1,900,000~~ \$1,442,991, or so much of  
21 the sum as may be necessary, and from other funds derived from federal funds and special  
22 funds, not otherwise appropriated, the sum of ~~\$2,400,000~~ \$1,851,509, or so much of the sum as  
23 may be necessary, to the office of management and budget for the purpose of a health  
24 insurance premium pool, which the office of management and budget shall use to distribute  
25 appropriation authority to state agencies for paying a portion of health insurance premium cost  
26 increases related to this Act, for the biennium beginning July 1, 2025, and ending June 30,  
27 2027.

28 **SECTION 5. LEGISLATIVE INTENT.** It is the intent of the sixty-ninth legislative assembly  
29 that the public employees retirement system use an estimated amount of  
30 ~~\$4,300,000~~ \$3,294,500, or so much of the sum as may be necessary, from the health insurance  
31 reserve fund established in section 54-52.1-06 for a portion of the state employer share of any

Sixty-ninth  
Legislative Assembly

- 1 increase in premiums for health benefits resulting from the provisions of this Act for the period
- 2 beginning with the effective date of this Act and ending June 30, 2027.

- 3 **SECTION 6. EFFECTIVE DATE.** Sections 1 through 3 of this Act become effective on
- 4 January 1, 2027.

8048

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2160 - Office of Management and Budget - House Action**

	Base Budget	Senate Version	House Changes	House Version
Health insurance premium pool		\$4,300,000	(\$1,005,500)	\$3,294,500
Total all funds	\$0	\$4,300,000	(\$1,005,500)	\$3,294,500
Less estimated income	0	2,400,000	(548,491)	1,851,509
General fund	\$0	\$1,900,000	(\$457,009)	\$1,442,991
FTE	0.00	0.00	0.00	0.00

**Department 110 - Office of Management and Budget - Detail of House Changes**

	Reduces Funding for Health Insurance Premium Pool <sup>1</sup>	Total House Changes
Health insurance premium pool	(\$1,005,500)	(\$1,005,500)
Total all funds	(\$1,005,500)	(\$1,005,500)
Less estimated income	(548,491)	(548,491)
General fund	(\$457,009)	(\$457,009)
FTE	0.00	0.00

<sup>1</sup> Funding is reduced for the health insurance premium pool to provide a total appropriation of \$3,294,500, of which \$1,442,991 is from the general fund and \$1,851,509 is from other funds. Legislative intent is included in the bill to provide \$3,294,500 is paid from the health insurance reserve fund to provide a total cost of \$6,589,000. The Senate provided a total of \$8,600,000, of which \$1,900,000 was appropriated from the general fund, \$2,400,000 was appropriated from other funds, and \$4,300,000 was provided as legislative intent from the health insurance reserve fund.

**REPORT OF STANDING COMMITTEE  
ENGROSSED SB 2160**

**Appropriations Committee (Rep. Vigesaa, Chairman)** recommends **AMENDMENTS** ([25.0142.03004](#)) and when so amended, recommends **DO PASS** (15 YEAS, 7 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). Engrossed SB 2160 was placed on the Sixth order on the calendar.