GROUP HEALTH INSURANCE ENROLLMENT INFORMATION

Participation in the NDPERS Group Health Insurance Plan – Dakota Plan

The Dakota Plan is a fully insured health plan underwritten by Sanford Health Plan (SHP). According to North Dakota Century Code (NDCC) 54-52.1-03.1, political subdivisions may offer the benefits of the NDPERS group health plan to its permanent employees subject to the criteria provided in the Employer Participation Agreement. However, according to the Affordable Care Act (ACA), small employers, defined as 50 employees or less will not be eligible to participate in the NDPERS group health plan as of July 1, 2014 because the plan does not meet the ACA requirements. For employers eligible to join NDPERS, it requires 60-90 days to enroll a new group. So please plan accordingly.

The health plan schedule of benefits is designed by NDPERS and is available on our website at www.nd.gov/ndpers under Group Health Plan, Plan Handbook (active members). Because this benefit represents an important source of security to employees and their families, please review the eligibility and coverage information carefully to ensure complete understanding of the rights and responsibilities of both the employer and employee.

This publication is intended to provide general information and may not be considered to be a legal interpretation. Statements contained in this handbook do not supersede the North Dakota Century Code, Administrative Code, Plan Document or master contract, or restrict the authority granted to the Retirement Board. This information is subject to changes made by the North Dakota legislature, by the Board of the North Dakota Public Employees Retirement System or its agents at anytime.

If you have any other questions or concerns regarding the NDPERS Group Health Insurance Plan please contact our office at 1-800-803-7377. Thank you.

Eligibility Assessment Questionnaire

In order for NDPERS to verify a group's eligibility to join a benefit plan, an Eligibility Assessment Questionnaire SFN 58781 must be completed and submitted to NDPERS.

Board Resolution

In the event an agency wishes to enroll in the group health insurance plan, a board resolution indicating as such must be submitted to NDPERS:

> **Required Language for Board Resolution:**
> **A motion was made by {Insert Board Member Name} for «Agency» to affirm to North Dakota Public Employees Retirement System that «Agency» is formed pursuant to N.D.C.C. § (Insert citation) and is neither a non-profit nor a for-profit corporation, to join the NDPERS Health Insurance Plan and offer the plan to all eligible employees of the «Agency». The motion was seconded by {Insert Board Member Name}. The Board approved joining the NDPERS Health Insurance Plan effective «EffectiveDate».**

Grandfathered or Non-Grandfathered

NDPERS will determine if your group is eligible to join the "Grandfathered" or "Non-Grandfathered" NDPERS health plan. NDPERS will notify you of its decision. In most instances, a new group joining the NDPERS health insurance will be enrolled in the "Non-Grandfathered" NDPERS health plan. According to the Affordable Care Act (ACA), small employers as defined by the ACA as 50 employees or less will not be eligible to participate in the NDPERS Non-Grandfathered group health plan and therefore, will not be eligible to join NDPERS.

If you are merging with a participating NDPERS employer group, then you will participate in the plan the participating employer group has at the time of the merger. If you are splitting away from a participating NDPERS employer group, you will typically continue with the same plan that the original employer had as long as the employee contribution is not increased by 5% or more over what the employee was contributing as of March 23, 2010. The decision by NDPERS is final.

GROUP HEALTH INSURANCE ELIGIBILITY & ENROLLMENT INFORMATION

Eligibility

"Full-time" is defined as an employee who works at least 20 hours per week, 20 or more weeks per year in a fully-funded position, not of limited duration. All employees who meet this definition must be offered the opportunity to join the Dakota Plan.

Paid members of political subdivision boards, commissions or associations must be paid to be eligible to participate in the group health plan. Paid includes a per diem for each meeting. The employer is not required to pay the same contribution for these members. They may contribute nothing, less than or equal to, but may not exceed the contribution that is paid for eligible full-time employees.

Part-time/Temporary employees, who work are expected to work 30 hours per week or 130 hours per month are eligible to participate. Premiums may be paid by either the employee or the employer.

Enrollment

All employees must have a 31-day open enrollment period to apply for health insurance coverage. Employees must complete either a NDPERS Group Health Application to enroll in the Dakota Plan and/or a Waiver of Health Coverage form if waiving coverage on themselves or any of their eligible dependents.

The employer is required to complete and submit an Employee Eligibility Report SFN 54119 to the NDPERS office.

All applications and forms must be sent to the NDPERS office no later than the 15th day of the month 45 days prior to the requested effective date. See "Timetable for Insurance Enrollment".

NDPERS will bill the employer for the monthly health insurance premiums.

Special Enrollment Periods

The special enrollment periods allow an individual to enroll in the plan without any restrictions. An employee may enroll:

- ✓ Within 31 days of hire
- ✓ Within 31 days of loss of coverage under any other health insurance plan.
- ✓ Add a spouse within 31 days of marriage. An employee who previously waived coverage is also eligible to enroll in the plan at the same time that the employee's spouse is enrolled.
- ✓ Add a dependent within 31 days of birth or adoption, or placement for adoption. An employee and other dependents who previously waived coverage are also eligible to enroll in the plan at the same time that the employee's dependent is enrolled.

Annual Enrollment Period

Individuals who enroll outside the Group or Individual Participation Requirements or Special Enrollment Periods (late enrollees) may enroll during the designated Annual Enrollment Season with coverage effective the following January 1. Annual Enrollment Season begins around the 3rd week of October.

Existing COBRA Contracts

New employer groups with existing COBRA contracts are allowed to complete the COBRA period in the Dakota Plan. The authorized agent must complete the Employer Verification of Insurance Coverage SFN 53621. In addition, the member must complete a Health Insurance Application or Change SFN 60036. The application must indicate COBRA continuation and the member information must be reported on the Employee Eligibility Report SFN 54119. Employer groups are responsible for proper administration of their existing COBRA contracts. The member will be billed direct for their monthly premium at the COBRA premium rate.

Plan Features

To view information related to the PPO/Basic – Grandfathered Plan, please view Dakota Plan Features and Certificate of Insurance - Grandfathered Plan Summary.

To view information related to the PPO/Basic – Non-grandfathered Plan features, please view the Certificate of Insurance – Non-Grandfathered Plan Summary.

Premium Rates

The premium rate structure for the Dakota Plan is established for each biennium. Rates are established during the legislative session are set for the biennium. Please contact the Insurance Benefit Programs Administrator for specific rate information.

Minimum Participation Requirements

Federal requirements: According to the Affordable Care Act (ACA), small employers, defined as 50 employees or less will not be eligible to participate in the NDPERS group health plan as of July 1, 2014 because the plan does not meet the ACA requirements. Note the number of full-time employees required will increase from 50 to 100 in 2016.

State requirements: Minimum participation requirements for the Dakota Plan are based on the size of an employer group. This is done by comparing the eligible number of full-time employees to the number of actual employees signing up for the health plan. Part-time/Temporary employees or members of the Board are not considered when determining the minimum participation requirement.

Employer groups must meet the minimum participation requirements listed below:

Minimum Participation Requirements:

Total Eligible	Minimum Required	Total Eligible	Minimum Required
2	2	19	14
3	3	20	15
4	4	21	15
5	5	22	16
6	5	23	17
7	6	24	17
8	7	25	18
9	8	26	19
10	9	27	19
11	9	28	20
12	10	29	21
13	10	30	21
14	11	31	22
15	11	32	23
16	12	33	24
17	13	34	24
18	14	35	25
		36 and over	70%

For all employers, deduct from the number of eligible employees those who have Sanford Health Plan in other employee groups only, or who have reputable group commercial insurance carried by their spouse or those eligible for Medicare.

If the eligible employee and/or dependent wishes to waive the coverage, a waiver **must** be submitted.

Responsibility to comply with minimum participation guidelines belongs to the employer. The carrier will notify all employers through a letter that a participation % is needed. If the employer group does not meet the minimum requirements participation, the group will need to take steps to bring enrollment to within guidelines. The group will have a specified amount of time to ensure adherence. If the underwriting guidelines cannot be met, the group will no longer be eligible for the Dakota Plan and must find alternative coverage within a specified time period for non-compliance of the minimum

participation guidelines.

Please use the formula below to calculate whether your employer group is within minimum participation guidelines.

Total Number of Employees Eligible for Health Insurance	_____
Minus the Number of Employees Covered under Spouse Coverage, Other Employer Group Coverage or Medicare	-_____
Equals Total Number of Eligible	=_____
Number from the Underwriting Requirement for Your Group	_____
Number of Employees Actually Enrolled in the NDPERS Dakota Plan	_____

Review of Minimum Participation Requirements will be done on an annual basis in September.

Minimum Contribution Requirements

NDPERS requires that all *new groups* enrolled in the NDPERS health plan beginning May 1, 2004 and thereafter pay a minimum employer contribution, which is defined as a least 50% of the single premium. Review of Minimum Contribution Requirements will be done on an annual basis in October.

An Employer Payment Plan for Health Insurance SFN 54422 must be completed by the Authorized Agent and submitted to the NDPERS office along with the Employer Participation Agreement at the time the group enrolls in the health plan. If at any time the employer elects to change the employer health premium contribution a revised Employer Payment Plan for Health Insurance must be completed and filed with NDPERS prior to the effective date of change.

If the employer group does not meet the minimum contribution requirements, the group will need to take steps to become compliant with the guidelines. The group will have a specified amount of time to ensure adherence. If the guidelines cannot be met, the group will no longer be eligible for the Dakota Plan and must find alternative coverage within a specified time period for non-compliance of the minimum contribution guidelines.

Timetable for Insurance Enrollment

Contracts Received by NDPERS*	Applications, Notice of Appointment of Authorized Agent (SFN 17029) & Employee Eligibility Report (SFN 54119) Must Be Completed and Returned to NDPERS*	Earliest Coverage Effective Date **
January 13	February 15	April 1
February 13	March 15	May 1
March 13	April 15	June 1
April 13	May 15	July 1
May 13	June 15	August 1
June 13	July 15	September 1
July 13	August 15	October 1
August 13	September 15	November 1
September 13	October 15	December 1
October 13	November 15	January 1
November 13	December 15	February 1
December 13	January 15	March 1

*** If the date listed falls on a Saturday, Sunday, or a holiday, the date listed is changed to the following business day.**

**** The coverage effective date of an agency is dependent on if all criteria and guidelines are met in a timely manner. NDPERS has the right to change the effective employer participation date. Do not cancel other group coverage that you may have until NDPERS confirms your effective date of coverage.**

EMPLOYER BASED WORKSITE WELLNESS PLAN

Pursuant to North Dakota State Century Code 54-52.1-14, "*The board shall develop an employer based wellness program. The program must encourage employers to adopt a board-developed wellness program by either charging extra health insurance premium to nonparticipating employers or reducing premium for participating employers.*"

For an employer to adopt a board-approved wellness program, they need to complete a Wellness Commitment Agreement SFN 58643 and appoint a Wellness Coordinator **within 30 days of entering the NDPERS Dakota Health Insurance Plan.** This will need to be a person who is willing to develop a wellness program, coordinate wellness activities, work towards establishing a healthy worksite culture and assist NDPERS in the measurement of ongoing program participation. This will not necessarily be the most physically fit person, but rather someone who is well accepted by other employees and who is capable of motivating these employees.

All employer groups participating in the wellness program will be awarded a 1% reduction in their health premiums. In the event an employer group decides not to participate in the employer based wellness program offered through NDPERS, the premium will remain at the full amount for the biennium. The following materials are included in this packet:

- ✓ Sample Wellness Commitment Agreement
- ✓ Frequently Asked Questions (FAQs Document)

The purpose of the employer based wellness program is to encourage the formation of a healthy worksite culture. The existence of a healthy worksite culture will facilitate lower utilization costs in our health plan, as well as improve the overall health, productivity, morale, etc. of those who participate in the program. When using worksite wellness best practices, the return on investment can be as high as $7 - $10 for every dollar spent. For this program to be successful, it is essential for top management to initiate the change and support the effort.

If you have any questions regarding the NDPERS Employer Based Wellness Program, please contact the Insurance Benefit Programs Administrator at NDPERS.

FREQUENTLY ASKED QUESTIONS ON THE EMPLOYER BASED WORKSITE WELLNESS PLAN

1. **In what timeframe do I need to complete my worksite wellness activities?**

   Your worksite wellness activities need to be completed during the Plan Year. The plan year is from July through June 30 of each year.

2. **Where can I find the Employer Based Worksite Wellness Program Application SFN 58436 and other materials related to the program?**

   All materials can be found on the NDPERS website, under Program Administration, and then select the NDPERS Wellness icon.

3. **Where and when do I need to send my completed NDPERS Employer Based Worksite Wellness Program Application SFN 58436 to?**

   Please send your completed Employer Based Wellness Program Application SFN 58436 to NDPERS on or before February 28th of each year for the upcoming plan year:

4. **Can small agencies combine efforts and create one wellness activity for both agencies?**

   Yes, you can combine efforts with other participating agencies in performing wellness activities. There are several smaller agencies that are doing just that because it is more cost effective to bring in a speaker or to reach a minimum person rule for the carrier's member education programs.

5. **How long does it take to get a response from NDPERS regarding the Wellness Benefit Fund Application that you use to request funding to help pay for wellness activities?**

   It can take up to 60 days to get a response from the committee assigned to approve the funding for wellness activities for requests made for the current plan year. Please keep that in mind when you file your funding request. If you are filing the funding request with your discount application for the upcoming plan year, then notification regarding the funding request will be provided in June.

6. **When will NDPERS start sending out the monthly wellness messages that we will need to communicate to the members in our agency?**

   Wellness messages are provided by NDPERS monthly. These wellness messages need to be distributed to all employees at your agency. This, along with viewing the wellness forum, is to fulfill the 1 point requirement on the NDPERS Employer Based Wellness Program Discount Application form.

   Once an employer is enrolled as a "With Wellness" participating employer, the wellness coordinator will begin receiving these messages for distribution to staff.

SAMPLE EMPLOYER PARTICIPATION AGREEMENT IN THE NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM GROUP HEALTH INSURANCE PLAN

This Agreement is between the North Dakota Public Employees Retirement System (NDPERS) and _____ (Employer).

I. PURPOSE

The purpose of this Agreement is to establish the terms and conditions for the participation of the Employer in the NDPERS Group Health Insurance Plan (the Plan).

II. EFFECTIVE DATES

The parties agree that this contract shall commence on _____ and shall terminate as provided in paragraph VI.

III. EMPLOYER ELIGIBILITY

The Employer is eligible to participate in the Plan on the first day of the month following the 30 day Open Enrollment period for all employees. The employer is subject to minimum participation requirements as set forth by the NDPERS Board.

IV. EMPLOYER'S RESPONSIBILITIES

A. The Employer agrees to be bound by the terms, provisions and rules of the Plan as adopted by NDPERS, and amended from time to time, with regard to the administration of the Plan. NDPERS will provide the Employer with such terms, provisions and rules.

B. The Employer agrees to participate in the Plan for a minimum period of participation of sixty months. If the Employer withdraws before completing sixty months of participation, the Employer must pay the Plan the difference between any plan expenses incurred and employer income received. No payment is required if the Employer ceases to exist.

C. The Employer shall offer the Plan as the primary indemnity health and medical insurance plan available to its employees. The Employer may not offer any other group health insurance plan as an alternative to the Plan, with the exception of any HMO's available through NDPERS.

D. The Employer shall allow all "eligible" employees as that term is defined in the North Dakota Century Code (NDCC 54-52.1-01(4)) to participate in the Plan. The term "eligible employee" includes a governmental unit employee whose services are not limited in duration and who is filling an approved and regularly funded position in an eligible governmental unit and is employed at least 20 hours or more per week and at least 20 or more weeks each year of employment.

E. The Employer shall allow all eligible employees a 31-day open enrollment period from the date this Agreement is signed in which to enroll in the plan. Employees participating in the NDPERS health plan at the time of a consolidation between employers will be treated as "transfers" if they did not have a termination of employment, which means they had a severance of employment by not being on the payroll of a covered employer for a minimum of one month. Eligible employees may cover their dependents in accordance with the terms and provisions of the Plan. Employees who wish to waive their coverage must complete a waiver form.

F. The Employer shall pay to NDPERS all premiums due under the Plan on a monthly basis. NDPERS will not accept individual payments from participating employees in cases where the employees are responsible for part or all of the premium due. Rather, the Employer is responsible for collecting any premium contributions from participating employees (by payroll deduction or otherwise) and making a single lump sum monthly payment to NDPERS. Premium contribution by the Employer on behalf of eligible participating employees must be administered consistently for all members. The Employer may not provide any monetary compensation to any employee in lieu of participation in the Plan.

The premium payment due NDPERS is based on the applicable uniform group rates established by the NDPERS Board. The Employer will be given adequate advance notice of any premium changes in the Plan.

G. Part-Time and Temporary Employees are eligible to participate at their own expense. They must enroll within 31 days from hire date. Coverage will be effective the first of the month following date of hire. The employer may not make a contribution for coverage for temporary employees.

H. The Employer shall notify NDPERS of the following events within thirty (31) days of their occurrence:

1. Date of death of an employee;
2. Termination of an employee's employment;
3. Reduction of an employee's working hours or other change in employment status so that "eligibility" as defined in paragraph IV(D) is lost;
4. Divorce; or
5. Loss of coverage of a dependent due to age/school.

I. The Employer agrees to hold NDPERS harmless for any loss, damage, or expense resulting from any actions taken or omitted by the Employer.

V. NDPERS' RESPONSIBILITY

A. NDPERS shall provide the insurance benefits described in the Plan, as modified from time to time, to participating employees of the Employer.

B. NDPERS shall provide a written summary description of the plan to all participating employees of the Employer.

C. NDPERS shall provide written notice to employees of their rights under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986 regarding continuation of medical insurance coverage. Further, PERS will conduct all appropriate administrative activities upon being notified of a qualifying event.

D. NFPERS shall provide all necessary information regarding the Plan and its administration to the Employer and/or the participating employees.

E. Advance notice of all modification to the Plan will be given to all participating employees.

VI. TERMINATION

A. This contract may be terminated by mutual consent of both parties, or by either party upon sixty (60) days' notice, in writing.

B. NDPERS, by written notice, may terminate this agreement if Employer fails to comply with any of the conditions of this agreement. Upon determination by NDPERS that the Employer has failed to comply with the conditions of the Agreement, NDPERS shall promptly provide written notification to the Employer of the determination, and its intent to terminate the agreement. Any such termination, however, must not take place

until a period of not less than thirty (31) days for Employer to take corrective measures in response to NDPERS written notice of default and intent to terminate.

The termination of this Agreement related to defaults (including breach of contract) by the Employer is not an exclusive remedy and is in addition to any other rights and remedies provided by law or under this contract.

C. This Agreement is automatically terminated if the group health insurance plan is discontinued for any reason whatsoever.

D. This Participation Agreement is automatically terminated if the Employer ceases to exist.

E. A new Participation Agreement is required of Employers who consolidate to form a new Employer group wishing to enroll or maintain NDPERS benefits.

VII. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota.

VIII. WAIVER

The failure of NDPERS to enforce the provisions of this contract shall not constitute a waiver by PERS of that or any other provision.

IX. AMENDMENTS

This Agreement may be amended by NDPERS upon sixty (60) days' written notice to the Employer and at any time upon mutual written agreement between NDPERS and the Employer.

X. MERGER CLAUSE

This Agreement constitutes the entire agreement between the parties. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements or representations, oral or written, not specified herein regarding the Agreement. Employer, by the signature of the authorized governing body or public official, hereby acknowledges that the Employer has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

XII. NOTICES

Notice required under this Agreement shall be made as follows:

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM:

NDPERS Group Health Insurance Plan

400 E Bdwy, Suite 505
PO Box 1657
Bismarck, ND 58502-1657

_____
(Signature)

Sparb Collins

EMPLOYER:

_____
(Business Name)

_____
(Address)

_____
(City, State, Zip)

(Print Name)

Executive Director, NDPERS
(Title)

Dated this ___ Day of_____, 2014

_____
(Signature)

_____
(Print Name)

_____
(Title)

Dated this ___ Day of_____, 2014

SAMPLE AMENDMENT TO EMPLOYER PARTICIPATION AGREEMENT IN THE NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM GROUP HEALTH INSURANCE PLAN

This Amendment applies to the Employer Participation Agreement in the North Dakota Public Employees Retirement System Group Health Plan (AGREEMENT) between the North Dakota Public Employees Retirement System (NDPERS) and each political subdivision employer (EMPLOYER) participating within Group Health Insurance Plan. This amendment is being adopted in accordance with section IX of the AGREEMENT, which provides that the AGREEMENT may be amended by NDPERS upon sixty days written notice to the EMPLOYER. Each EMPLOYER is hereby served with written notice of the amendment to the AGREEMENT, and the terms of this amendment shall be in full force and effect upon sixty days from this service. If any of the following terms and conditions are found to be in conflict with any other terms and conditions between the parties, the following terms and conditions will control the rights and obligations of the parties. All other terms and conditions between the parties that will be directly affected by the following terms and conditions shall be interpreted and modified in such a way that is consistent with the following terms and conditions.

Subsection F of section IV of the AGREEMENT (or any other numbered sub-section as may be appropriate) shall be amended to include the following language:

> Employers shall provide notice to NDPERS at least 90 days prior to any employer election which would have the effect of reducing the amount of their current employer contribution. If such an employer election is to take effect before April 1, 2011, and NDPERS determines that the amount of the reduction would cause the entire plan to lose its grandfathered status under the federal law, NDPERS shall have the authority to move the political subdivision, as of July 1, 2011, into a non-grandfathered plan with premiums adjusted at the discretion of the board. If such an employer election is to take effect on or after April 1, 2011, and NDPERS determines that the amount of the reduction would cause the entire plan to lose its grandfathered status under the federal law, NDPERS shall have the authority, upon 60 days notice, to move the political subdivision into a non-grandfathered plan with premiums adjusted at the discretion of the NDPERS board.

The remaining provisions of the AGREEMENT remain in full force and effect.

North Dakota Public Employees Retirement System (NDPERS):

_____

By: _____

Title: _____

Date: _____