

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1179

2007 HOUSE HUMAN SERVICES

HB 1179

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1179

House Human Services Committee

Check here for Conference Committee

Hearing Date: January 29, 2007

Recorder Job Number: 2215

Committee Clerk Signature

Judy Schock

Minutes:

Vice Chairman Pietsch: calls the committee to order and opens HB 1179.

Keith Johnson, ND Public Health Association and Local Health Administrators: See attached testimony.

Lisa Clute, First District Health Unit: I too wanted to say the importance of this bill. The impact of this transition to First District Health Unit would be about 82,000 dollars. If this bill is not put in place I am sure we would continue to work with PERS. PERS has been wonderful to work with. This is a bill that serves every ones needs.

Vice Chair Pietsch: Any one else in favor of HB 1179? Any one opposing HB 1179? If not we will close HB 1179.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1179

House Human Services Committee

Check here for Conference Committee

Hearing Date: January 29, 2007

Recorder Job Number: 2216

Committee Clerk Signature

Judy Schock

Minutes:

Chairman Price: Let's take out HB 1179, How does the committee feel about the bill?

Representative Porter: I move a do pass, **Representative Hatlestad** seconded the motion.

The vote is 9 yeas, 0 yeas, and 3 absent. **Representative Porter** will carry to the floor.

FISCAL NOTE

Requested by Legislative Council

02/23/2007

Amendment to: HB 1179

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

As proposed, this bill would clarify that distinct health units and the Garrison Conservancy District participate in the uniform group insurance program under the same terms and conditions as State agencies.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Presently these units are treated as state agencies in the PERS health plan and they pay medical premiums on a flat (composite) basis. Upon review by PERS in the 2005-2007 biennium it was noted it may be more appropriate to classify them as political subdivisions. If the bill was not passed their status would change to political subdivisions and they would pay the single and family rate which would be a higher cost to them due to their mix of single/family contracts. Therefore if this bill was passed it would maintain their present status and consequently would have no fiscal impact to PERS

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Sparb Collins	Agency:	NDPERS
Phone Number:	328-3901	Date Prepared:	02/23/2007

FISCAL NOTE
 Requested by Legislative Council
 01/05/2007

Bill/Resolution No.: HB 1179

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	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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Name:	Sparb Collins	Agency:	NDPERS
Phone Number:	328-3901	Date Prepared:	01/14/2007

REPORT OF STANDING COMMITTEE

HB 1179: Human Services Committee (Rep. Price, Chairman) recommends DO PASS
(9 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1179 was placed on the
Eleventh order on the calendar.

2007 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1179

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1179**

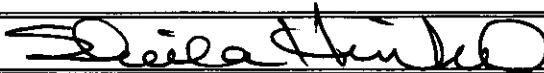
Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **February 13, 2007**

Recorder Job Number: **3437**

Committee Clerk Signature



Uniform Group Insurance:

Representative Clara Sue Price District 40 – Minot In Favor

Introduced the bill. This was put in the law what has been done for many year with the ND PERS plan benefits for employees and also for health and for retirement. The board took a look at changing the way business is being done and saying, "No, people with health issues could not buy health insurance through the PERS plan in the same manner that they have been for many, many years." Want to have business as usual for the district health units to have health insurance.

Mr. Keith Johnson – ND Public Health Association - In Favor

TESTIMONY # 1 Goes over testimony

S Klein: Let's take a moment to see if there are questions on the bill that came from the House.

S Heitkamp: You're allowing for the ability to have health insurance for cheaper form of insurance, but it doesn't affect PERS. Does it affect them in an adverse way?

K Johnson: Sparb better to address that issue. No sure that the health districts are demographically different than the state employees. The older districts, not older employees formed in the 40s and 50s have always been under the traditions that we' re relating here.

S Klein: So what's happened, the district folks have been covered under private county policy?

K Johnson: We have always been in PERS under state agency rates.

S Klein: You've always been in PERS, we're just making sure that this is lawful for you to be a PERS.

K Johnson: That's correct, we're defining our status.

S Wanzek: I'm making an assumption on the Garrison conservancy district in the district health, we're talking about employees of those entities, right?

K Johnson: Yes, for the health districts, yet, I can't speak of Garrison directly. We don't have board members on our health insurance. Spark will know.

S Klein: Any other questions on the bill?

Do you want to explain what you're trying to do to us here on this one?

K Johnson: If you do amend this, I will do whatever legwork necessary for the House committee as well. You have a map with the health districts throughout the state. This map shows the formation of what they are. The yellow are multi-county health districts, and the green are single county health districts. There are only the 2 districts that are affected by the PERS legislation. To be a district you have to have a separate board, separate budget and a separate levying authority. [covers the rest of the districts] Amendment speaks to chapter 23;35 which was created in 1999. At that time they left out the authority to form single county health districts. All the green are single county health districts and most of them were formed before 1999. Towner and Walsh county have since formed and did not have the authority to do so, so we would like to fix that by this amendment.

S Heitkamp: Are these people driving the speed limit, Keith?

S Klein: So what we're asking, this is the vehicle to add this amendment on as it relates best to health districts, making it able to form single county?

K Johnson: That's correct. The bill passed unanimously on the House side, I hate to amend it. I hate to "gum up" the works.

Sparb Collins - In Favor

As far as the rest of the plan, they have been in the group insurance plan since 1989, and this doesn't relate to if they can participate or not, it just relates to what RATE they'll be charged. In terms, "does the bill change anything?" No, the same group of people are here today, they'll be here tomorrow. If you pass this bill, the same group of people will be charged the same rate as they are today, tomorrow. If you DON'T pass the bill the will be charged a different rate that will be higher. Reason why, they have been charged the state composite rate, that works for their advantage.

S Potter: So this is not anything on paying premiums.

Sparb: This maintains the premiums, and will be treated the same as a state agency and follow and pay the same costs.

S Potter: who's paying the premiums now? Why is there no fiscal?

Sparb:

The health districts pay the premium, 100% mandate payment that will affect 3 districts in the state. It is in the best interest to pursue this bill and to stand the extra expense and that money is paid out of a mix of money depending on what employee is working: Grants, local health, about 50% of revenue is Federal grants, 20% from local health, 90% from state and the rest is fees and donations. That mix of payments is what pays that health insurance premium.

Q?

CLOSE

Motion to move the Amendments by S Heitkamp

2nd – Hacker

Vote to PASS AMENDMENT – 5-0-2 Passed

Motion to DO PASS AS AMENDED by S Heitkamp

2nd – Hacker

Vote to DO PASS AS AMENDED SB 1179 – 5-0-2 – Passed

Carrier: Heitkamp

PROPOSED AMENDMENTS TO HOUSE BILL 1179

p. 2, line 5, insert:

"SECTION _ . AMENDMENT. Subsection 1 of section 23-35-04 of the North Dakota Century Code is amended and reenacted as follows:

1. Upon the adoption of a resolution, the governing body may form a single-county, multicounty or a city-county health district.

Renumber accordingly

#1
1179

Date: 2-13-07

Roll Call Vote: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1179

Senate INDUSTRY BUSINESS & LABOR Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Pass Amendment

Motion Made By Heitkamp Seconded By Hacker

Senators	Yes	No	Senators	Yes	No
Chairman Klein, Jerry	✓		Senator Behm, Arthur	NP	
Senator Hacker, Nick VC	✓		Senator Heitkamp, Joel	✓	
Senator Andrist, John	NP		Senator Potter, Tracy	✓	
Senator Wanzek, Terry	✓				

Total Yes 5 No 0

Absent 2

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1179: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (5 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1179 was placed on the Sixth order on the calendar.

Page 1, line 1, after "reenact" insert "subsection 1 of section 23-35-04 and"

Page 1, line 2, after "to" insert "the formation of health districts and to"

Page 1, after line 3, insert:

"SECTION 1. AMENDMENT. Subsection 1 of section 23-35-04 of the North Dakota Century Code is amended and reenacted as follows:

1. Upon the adoption of a resolution, the governing body may form a single county, multicounty, or a city-county health district."

Renumber accordingly

2007 TESTIMONY

HB 1179

Testimony in Support of HB1179
Keith Johnson
For the ND Public Health Assn. and Local Health Administrators

Same given to Senate

This bill would standardize district health units and the Garrison Conservancy District as State Agency participants in the Uniform Group Insurance Plan of the state. District health units and the Conservancy are mandated in Century Code to participate in the state retirement system. Because of this requirement, they have also been allowed to participate at the State agency rate in the health insurance. Most of the older districts have participated in the retirement plan since the 60's, and in the insurance since 1970. Since then, districts have come into the system in a variety of ways, resulting in some confusion as to what their status was. You have a table that shows the varying levels of participation on the next page of this testimony.

In November of 2005, PERS staff brought this issue to their board for review. Subsequently, the Board announced their intention to move us all to political sub status as of this year. We became involved in the process to address their concerns and to make our intentions known. This bill is the result of that collaboration. It addresses PERS's concerns by making our participation uniform and easier to manage. It meets our needs by allowing us to offer our employees PERS retirement and insurance, an excellent benefit that enables us to recruit high quality people, in spite of our pay scale being lower than the rest of the health industry. Recruitment and retention of a trained public health workforce has been identified as one of the main goals in building emergency public health response capabilities in the state.

As you know, a State agency health plan offers one premium that is good for either a single or family policy. We currently pay \$554 a month for that premium. The plan that is offered to political subdivisions offers a single plan for \$279 and a family plan for \$688. The premiums for all plans are going up on July 1. On first blush, you would think that it would be revenue neutral or cheaper to go with the political sub plan because of the single policy option. A survey of the ten largest health districts found this not to be the case. Health unit employees tend to be long term and older, and so need family plans when they take insurance. The survey showed that it would cost an extra \$214,780 to purchase the same coverage under the political subdivision plan.

Health districts are formed by groups of counties. One obstacle to formation was a decision as to whose benefits would be provided to the employees of the district. To encourage their formation, the state offered the new districts the state retirement plan. This removed that barrier, and was one of the factors resulting in the formation of districts after WW II. In 1983, the districts were removed from State Central Personnel, but the retirement and health insurance were specifically left as benefits to the districts. In 1989, the Legislature passed HB1321 to allow health districts to participate in both retirement and health plans after an Attorney General's finding in February of that year that districts could not participate in the health insurance. PERS and the health districts have been collaborative partners through all these changes.

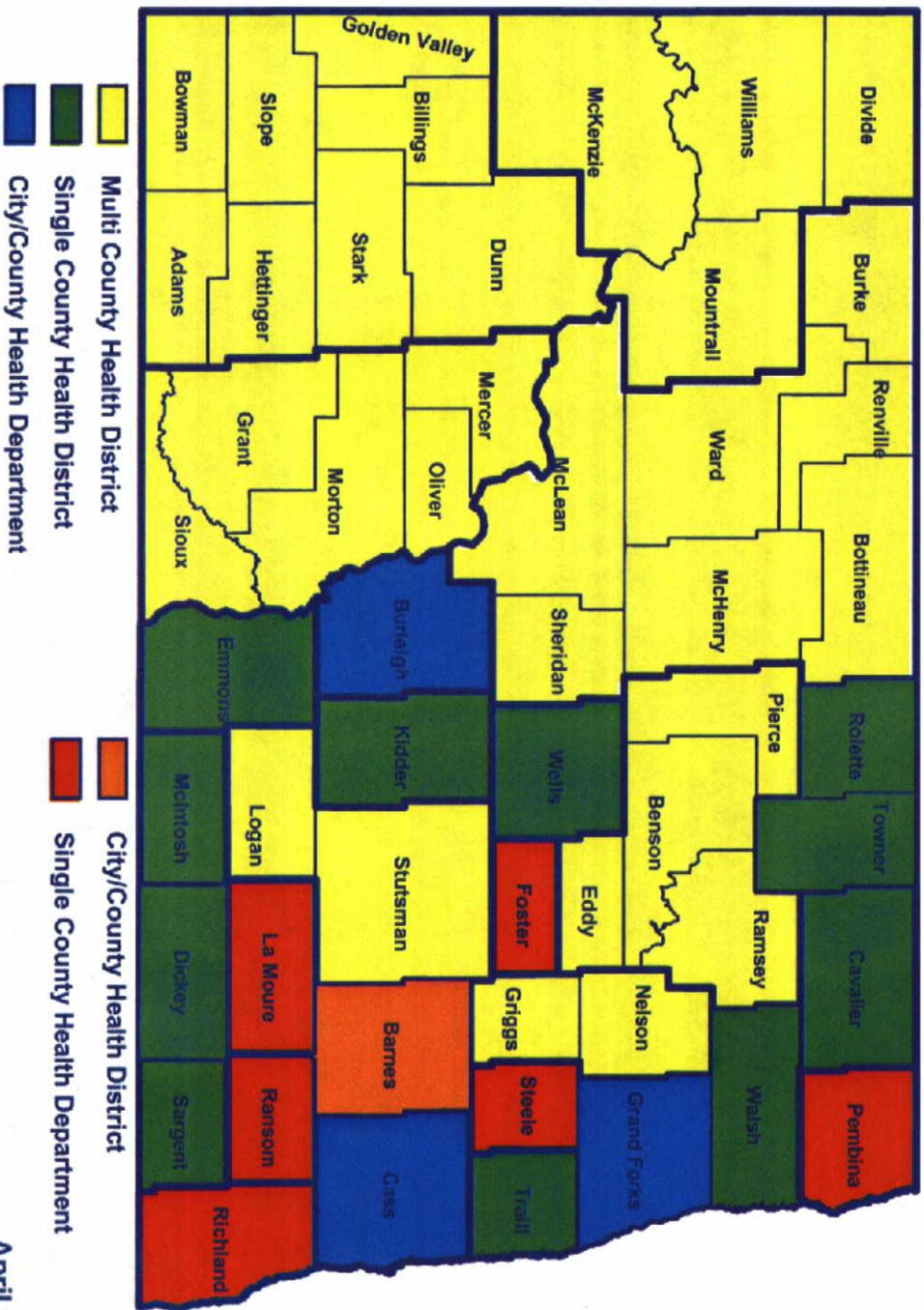
This change will continue that long tradition of partnership between PERS and the health districts. It will benefit both PERS and the employees of health districts. I ask you for a "Do Pass" on HB1179.

#1
1179

Dept #	Employer Name	Enrolled in Retirement Plan	Retirement Contribution Paid By . . .	Enrolled in Health Plan	Health Rate & premium contribution	Enrolled in Life Plan
903	Custer District Health Unit*	7/1/1966	Employer	7/1/1970	State rate	7/1/1970
905	First District Health Unit *	7/1/1973	Employer	3/1/1992	State rate	7/1/1973
907	South West District Health Unit	7/1/1971	Employer	Not enrolled		Not enrolled
908	Upper Missouri Health Unit	7/1/1966	Employer	7/1/1970	State rate – 85% Employer Paid	7/1/1970
910	Lake Region District Health Unit	7/1/1966	Employee & Employer	7/1/1970	State rate	7/1/1970
911	Nelson-Griggs District Health Unit	3/1/1983	Employer	5/1/1985	State rate – prorated based on hours worked	5/1/1985
990	Cavalier County Health District	1/1/1993	Employer	8/1/1999	State rate	Not enrolled
991	Wells County District Health Unit	2/1/1992	Employer	Not enrolled		Not enrolled
992	City-County Health Unit	1/1/1990	Employer	9/1/2001	State rate – 75% Employer Paid	Not enrolled
993	Emmons County Public Health	1/1/1990	Employee & Employer	Enrolled as individuals –not as a group (54-52.1-03.4)	Political sub w/o wellness program	Not enrolled
994	Kidder County District Health Unit	1/1/1990	Employee & Employer	11/1/1998	State rate	Not enrolled
996	Sargent County District Health Unit	1/1/1990	Employee & Employer	Not enrolled		Not enrolled
997	Central Valley Health Unit	1/1/1990	Employer & Employer	1/1/2002	State rate	9/1/1997
998	Traill County Health District	1/1/1991	Employer	Enrolled through Dept A49	Political sub with wellness program	Enrolled through Dept A49
999	McIntosh County District Health Unit	1/1/1992	Employer	7/1/1997	State rate	Not enrolled
D65	Walsh County Health Department	1/1/2003	Employee & Employer	Enrolled through Dept 913	State rate	3/1/2003 w/ Dept D65, transferred to Dept 913

* NOTE: Only Custer District Health and First District Health Units are participating in the FlexComp program. This is a result of enabling legislation passed during the 1997 legislative session.

Local Public Health Units



April 2006



#6211