

SENATE BILL NO. 2296

Introduced by

Senators Mathern, DeMers, Tallackson

Representatives Callahan, Glassheim, Oban

1 A BILL for an Act to create and enact a new subsection to section 54-52-04, a new subsection
2 to section 54-52.1-01, and five new sections to chapter 54-52.1 of the North Dakota Century
3 Code, relating to the expansion of the uniform group insurance program to allow participation by
4 permanent and temporary employees of private sector employers and by any other person who
5 is otherwise without health insurance coverage; to amend and reenact section 54-52.1-02 of the
6 North Dakota Century Code, relating to subgroups under the uniform group insurance program;
7 and to provide an appropriation.

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

9 **SECTION 1.** A new subsection to section 54-52-04 of the 1995 Supplement to the
10 North Dakota Century Code is created and enacted as follows:

11 The board shall operate the uniform group insurance program as a governmental
12 benefit plan. If it is determined that federal approval is required to operate as a
13 governmental benefit plan, the board shall apply to the federal government to
14 receive exempt status under the Employee Retirement Income Security Act to
15 allow for the expansion of the uniform group insurance program under sections 3,
16 4, 5, 6, 7, and 8 of this Act.

17 **SECTION 2.** A new subsection to section 54-52.1-01 of the 1995 Supplement to the
18 North Dakota Century Code is created and enacted as follows:

19 "Private sector employer" means a person or entity other than a state or local
20 governmental agency, department, or board who regularly pays to one or more
21 employees wages or salary that is reportable to the internal revenue service for
22 income tax purposes.

23 **SECTION 3. AMENDMENT.** Section 54-52.1-02 of the 1995 Supplement to the North
24 Dakota Century Code is amended and reenacted as follows:

1 **54-52.1-02. Uniform group insurance program created - Formation into**
2 **subgroups.** In order to promote the economy and efficiency of employment in the state's
3 service, to reduce personnel turnover, and to offer an incentive to high-grade men and women
4 to enter and remain in the service of state employment, to provide access to health care for
5 every citizen of the state, to attract a highly qualified work force to the state, and to promote the
6 general health and well-being of the people of North Dakota, there is hereby created a uniform
7 group insurance program. The uniform group must be composed of eligible and retired public
8 employees, permanent employees of private sector employers, temporary employees of private
9 sector employers, and private citizens, and be formed to provide hospital benefits coverage,
10 medical benefits coverage, and life insurance benefits coverage in the manner set forth in this
11 chapter. The uniform group may be divided into the following subgroups at the discretion of the
12 board:

- 13 1. Medical and hospital benefits coverage group consisting of active eligible
14 employees and retired employees not eligible for medicare. In determining
15 premiums for coverage under this subsection for active eligible employees, the
16 total projected premium requirements of the entire subgroup must be reduced by
17 the projected aggregate monthly credit toward hospital and medical benefits
18 coverage allowed retired employees not eligible for medicare under sections
19 54-52.1-03.2 and 54-52.1-03.3. The reduced premium requirements must then be
20 divided by the number of subgroup members to determine the premiums for active
21 eligible employees. Premiums for coverage under this subsection for retired
22 employees not eligible for medicare must be calculated based on the projected
23 premium requirements of the entire subgroup less the total projected premium
24 income as determined under this subsection for active eligible employees.
- 25 2. Retired medicare-eligible employee group medical and hospital benefits coverage.
- 26 3. Active eligible employee life insurance benefits coverage.
- 27 4. Retired employee life insurance benefits coverage.
- 28 5. Terminated employee continuation group medical and hospital benefits coverage.
- 29 6. Terminated employee conversion group medical and hospital benefits coverage.
- 30 7. Dental benefits coverage.
- 31 8. Vision benefits coverage.

- 1 9. Long-term care benefits coverage.
2 10. Employee assistance benefits coverage.
3 11. Private sector employee and private citizen group medical and hospital benefits
4 coverage.

5 **SECTION 4.** A new section to chapter 54-52.1 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Permanent employees of private sector employers authorized to join uniform**
8 **group insurance program - Employer contribution.** A private sector employer in this state
9 may extend the benefits of the uniform group insurance program under this chapter to its
10 permanent employees, subject to minimum requirements established by the board and a
11 minimum period of participation of sixty months. If a participating employer withdraws from
12 participation in the uniform group insurance program, before completing sixty months of
13 participation, that employer shall make payment to the board in an amount equal to any
14 expenses incurred in the uniform group insurance program which exceed income received on
15 behalf of the employees as determined under rules adopted by the board. A participating
16 employer may determine the amount of the employer's monthly contribution toward the total
17 monthly premium amount for each employee required to be paid by each eligible participating
18 employee. Section 54-52.1-10 does not apply to the provisions of this section. For purposes of
19 this section, the board may define the term "permanent employee" by rule.

20 **SECTION 5.** A new section to chapter 54-52.1 of the North Dakota Century Code is
21 created and enacted as follows:

22 **Participation by temporary employees of private sector employers.** A temporary
23 employee of a private sector employer participating in the uniform group insurance program
24 pursuant to section 4 of this Act may elect to participate in the uniform group insurance
25 program by completing the necessary enrollment forms and qualifying under the medical
26 underwriting requirements established by the board. The board may use risk adjusted
27 premiums for individual insurance contracts to implement this section. A temporary employee
28 participating in the uniform group insurance program under this section shall pay monthly to the
29 board the premiums in effect for the coverage being provided. Section 54-52.1-10 does not
30 apply to the provisions of this section.

1 **SECTION 6.** A new section to chapter 54-52.1 of the North Dakota Century Code is
2 created and enacted as follows:

3 **Participation by private citizens.** A person who is a resident of this state and who
4 does not have health insurance coverage through a private insurer or through a public benefits
5 plan provided by a governmental entity may elect to participate in the uniform group insurance
6 program by completing the necessary enrollment forms and qualifying under the medical
7 underwriting requirements established by the board. The board may use risk adjusted
8 premiums for individual insurance contracts to implement this section. For purposes of this
9 section, "resident" means a person who has actually lived within this state or maintained a
10 home in this state for at least six months immediately preceding the date on which the person
11 applies to participate in the uniform group insurance plan. A person may only be a resident of
12 one state at a time. A person participating in the uniform group insurance program under this
13 section shall pay monthly to the board the premiums in effect for the coverage being provided.
14 Section 54-52.1-10 does not apply to the provisions of this section.

15 **SECTION 7.** A new section to chapter 54-52.1 of the North Dakota Century Code is
16 created and enacted as follows:

17 **Use of agents authorized.** The board may use, and pay commissions to, insurance
18 agents licensed under chapter 26.1-26 to sell health insurance for coverage under sections 3,
19 4, 5, and 6 of this Act. The board may adopt rules to implement the provisions of this section.

20 **SECTION 8.** A new section to chapter 54-52.1 of the North Dakota Century Code is
21 created and enacted as follows:

22 **Acceptance of moneys - Continuing appropriation.** The board may accept grants,
23 donations, legacies, and devises for the purpose of implementing this chapter. All of these
24 moneys, not otherwise appropriated, are hereby appropriated to the board for the purpose of
25 implementing this chapter.

26 **SECTION 9. APPROPRIATION.** There is hereby appropriated out of any moneys
27 received by the North Dakota public employees retirement system board in the form of
28 insurance premiums, grants, donations, legacies, and devises, not otherwise appropriated, the
29 sum of \$300,000, or so much of the sum as may be necessary, to the public employees
30 retirement system for the purpose of expanding the uniform group insurance program for the

Fifty-fifth
Legislative Assembly

- 1 biennium beginning July 1, 1997, and ending June 30, 1999. The board is authorized three
- 2 additional full-time equivalent positions to implement this Act.