

**BILL NO.**

Introduced by

Senator O. Larsen

1 A BILL for an Act to amend and reenact sections 54-52.1-06, 54-52.1-07, and 54-52.1-18 of the  
2 North Dakota Century Code, relating to state contribution for the uniform group insurance  
3 program; to provide for application; to provide an effective date; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Section 54-52.1-06 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **54-52.1-06. State contribution.**

8 1. Each department, board, or agency shall pay to the board each month from its funds  
9 appropriated for payroll and salary amounts a state contribution in the amount as  
10 determined by the primary carrier of the group contract for the full single rate monthly  
11 premium for each of its eligible employees enrolled in the uniform group insurance  
12 program and the full rate monthly premium, in an amount equal to that contributed  
13 under the alternate family contract, including major medical coverage, for hospital and  
14 medical benefits coverage for spouses and dependent children of its eligible  
15 employees enrolled in the uniform group insurance program pursuant to section  
16 54-52.1-07. If an eligible employee elects optional family coverage under section  
17 54-52.1-07, that employee shall pay to the board the amount equal to the difference  
18 between the full single monthly premium under the uniform group insurance program  
19 and the family contract premium. The board shall then pay the necessary and proper  
20 premium amount for the uniform group insurance program to the proper carrier or  
21 carriers on a monthly basis.

22 2. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction  
23 of premium amount must be credited at least annually to a separate fund of the  
24 uniform group insurance program to be used by the board to reimburse the

1 administrative expense and benefit fund of the public employees retirement program  
2 for the costs of administration of the uniform group insurance program. ~~In the event~~  
3 3. If an enrolled eligible employee is not entitled to receive salary, wages, or other  
4 compensation for a particular calendar month, that employee may make direct  
5 payment of the required premium to the board to continue the employee's ~~and the~~  
6 employee's family coverage, and the employing department, board, or agency shall  
7 provide for the giving of a timely notice to the employee of that ~~person's~~employee's  
8 right to make such payment at the time the right arises.

9 **SECTION 2. AMENDMENT.** Section 54-52.1-07 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11 **54-52.1-07. Optional coverage for employee's family.**

12 Each eligible employee enrolled in the uniform group insurance program may elect to  
13 include that ~~person's~~employee's spouse and all qualified dependents, as provided for in the  
14 plan, within the hospital benefits coverage and medical benefits coverage, ~~the state to.~~ The  
15 employee shall pay directly to the board the cost of such coverage as provided in section  
16 54-52.1-06.

17 **SECTION 3. AMENDMENT.** Section 54-52.1-18 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19 **54-52.1-18. High-deductible health plan alternative with health savings account**  
20 **option.**

- 21 1. The board shall develop and implement a high-deductible health plan as an alternative  
22 to the plan under section 54-52.1-02. ~~The high-deductible health plan alternative with~~  
23 ~~a health savings account must be made available to state employees by January 1,~~  
24 ~~2012. After June 30, 2015, at~~At the board's discretion, the high-deductible health plan  
25 alternative may be offered to political subdivisions for coverage of political subdivision  
26 employees. If a political subdivision elects this high-deductible option the political  
27 subdivision may not offer the plan under section 54-52.1-02.
- 28 2. Health savings account fees for participating state employees must be paid by the  
29 employer.
- 30 a. Except as provided in subdivision b, subject to the limits of section 223(b) of the  
31 Internal Revenue Code [26 U.S.C. 233(b)], the difference between the cost of the

1           single and family premium for eligible state employees under section 54-52.1-06  
2           and the premium for those employees electing to participate under the  
3           high-deductible health plan under this section must be deposited in a health  
4           savings account for the benefit of each participating employee.

5           b. If the public employees retirement system is unable to establish a health savings  
6           account due to the employee's ineligibility under federal or state law or due to  
7           failure of the employee to provide necessary information in order to establish the  
8           account, the system is not responsible for depositing the health savings account  
9           contribution. The member will remain a participant in the high-deductible health  
10          plan regardless of whether a health savings account is established.

11          c. If a member closes the health savings account established for that member  
12          under this section, the system is not responsible for depositing the health savings  
13          account contribution after that closure.

14          3. Each new state employee must be provided the opportunity to elect the  
15          high-deductible health plan alternative. At least once each biennium, the board shall  
16          provide an open enrollment period allowing existing state employees or a political  
17          subdivision to change their coverage.

18          **SECTION 4. APPLICATION.** This Act applies to uniform group insurance policies or  
19          alternative policies in effect after June 30, 2019.

20          **SECTION 5. EFFECTIVE DATE.** This Act becomes effective July 1, 2019.

21          **SECTION 6. EMERGENCY.** This Act is declared to be an emergency measure.