

Introduced by

1 A BILL for an Act to amend and reenact sections 54-52.1-04, 54-52.1-04.2, and 54-52.1-05 of
2 the North Dakota Century Code, relating to uniform group insurance for health benefits
3 coverage.

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

5 **SECTION 1. AMENDMENT.** Section 54-52.1-04 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-52.1-04. Board to contract for insurance.**

8 1. The board shall receive bids for the providing of hospital benefits coverage, medical
9 benefits coverage, life insurance benefits coverage for a specified term, and employee
10 assistance program services; may receive bids separately for all or part of prescription
11 drug coverage; and shall accept one or more bids of and contract with the carriers ~~that~~
12 in the judgment of the board determines best servesserve the interests of the state
13 and ~~its~~ the state's eligible employees. Solicitations must be made not later than ninety
14 days before the expiration of an existing uniform group insurance contract. Bids must
15 be solicited by advertisement in a manner selected by the board ~~that~~ which will provide
16 reasonable notice to prospective bidders. In preparing bid proposals and evaluating
17 bids, the board may utilize the services of consultants on a contract basis in order that
18 the bids received may be uniformly compared and properly evaluated. In determining
19 which bid, if any, will best serve the interests of eligible employees and the state, the
20 board shall give adequate consideration to the following factors:

- 21 1. a. The economy to be effected.
22 2. b. The ease of administration.
23 3. c. The adequacy of the coverages.

1 state's eligible employees. In addition, individual stop-loss coverage insured by a
2 carrier authorized to do business in this state ~~must~~may be made part of any
3 self-insured plan. ~~All bids under this section are due no later than January first, and~~
4 ~~must be awarded no later than March first, preceding the end of each biennium. All~~
5 ~~bids under this section must be opened at a public meeting of the board.~~

NOTE: Replaces the requirement that self-insurance be less expensive than a fully insured plan with the requirement that self-insurance best serves the interests of the state and the eligible employees. Removes the bidding provisions so Public Employees Retirement System would rely on Sections 54-52.1-04 and 54-52.1-05 and be consistent with bidding and renewal requirements for all the other group insurance plans.

6 **SECTION 3. AMENDMENT.** Section 54-52.1-05 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **54-52.1-05. Provisions of contract - Term of contract.**

- 9 1. Each uniform group insurance contract entered by the board must be consistent with
10 the provisions of this chapter, must be signed for the state of North Dakota by the
11 chairman of the board, and must include the following:
- 12 a. As many optional coverages as deemed feasible and advantageous by the
13 board.
- 14 b. A detailed statement of benefits offered, including maximum limitations and
15 exclusions, and such other provisions as the board may deem necessary or
16 desirable.
- 17 2. The initial term or the renewal term of a fully insured uniform group insurance contract
18 through a contract for insurance, health maintenance organization, or self-insurance
19 plan for hospital benefits coverage, medical benefits coverage, or prescription drug
20 coverage may not exceed two years.
- 21 a. The board may renew a contract subject to this subsection without soliciting a bid
22 under section 54-52.1-04 if the board determines the carrier's performance under
23 the existing contract meets the board's expectations ~~and~~, the proposed premium
24 renewal amount does not exceed the board's expectations, and renewal best
25 serves the interests of the state and the state's eligible employees.
- 26 b. In making a determination under this subsection, the board shall:

- 1 (1) Use the services of a consultant to concurrently and independently prepare
2 a renewal estimate the board shall consider in determining the
3 reasonableness of the proposed premium renewal amount.
- 4 (2) Review the carrier's performance measures, including payment accuracy,
5 claim processing time, member service center metrics, wellness or other
6 special program participation levels, and any other measures the board
7 determines relevant to making the determination and shall consider these
8 measures in determining the board's satisfaction with the carrier's
9 performance.
- 10 (3) Consider any additional information the board determines relevant to
11 making the determination.
- 12 c. ~~If the~~The board determines~~may determine~~ the carrier's performance under the
13 existing contract does not meet the board's expectations ~~or~~ the proposed
14 premium renewal amount exceeds the board's expectations, or renewal does not
15 best serve the interests of the state or the state's eligible employees and the
16 board ~~determines~~may therefore decide to solicit a bid under section 54-52.1-04,
17 ~~the board shall specify its reasons for the determination to solicit a bid.~~

NOTE: The goal here is to make clear this section applies to self-insurance plans and to remove the perceived renewal preference.