

Introduced by

Senator Dever

1 A BILL for an Act to amend and reenact sections 54-52.1-06 and 54-52.1-18 of the North
2 Dakota Century Code, relating to state employee health insurance plans; to provide for a
3 transfer; and to provide an appropriation.

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 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 determined by
10 the primary carrier of the group contract for the full blended single and alternate family contract
11 rate monthly premium for each of its eligible employees enrolled in the nongrandfathered
12 uniform group insurance program and the full rate monthly premium, in an amount equal to that
13 contributed under the alternate family contract, including major medical coverage, for hospital
14 and medical benefits coverage for spouses and dependent children of its eligible employees
15 enrolled in the uniform group insurance program pursuant to section 54-52.1-07. Employees
16 who elect to remain in the grandfathered uniform group insurance program, if offered to
17 employees, shall pay the blended single and family rate difference in monthly premium between
18 the grandfathered and nongrandfathered uniform group insurance programs. The board shall
19 then pay the necessary and proper premium amount for the uniform group insurance program
20 to the proper carrier or carriers on a monthly basis. Any refund, rebate, dividend, experience
21 rating allowance, discount, or other reduction of premium amount must be credited at least
22 annually to a separate fund of the uniform group insurance program to be used by the board to
23 reimburse the administrative expense and benefit fund of the public employees retirement
24 program for the costs of administration of the uniform group insurance program. In the event an

1 enrolled eligible employee is not entitled to receive salary, wages, or other compensation for a
2 particular calendar month, that employee may make direct payment of the required premium to
3 the board to continue the employee's coverage, and the employing department, board, or
4 agency shall provide for the giving of a timely notice to the employee of that person's right to
5 make such payment at the time the right arises.

6 **SECTION 2. AMENDMENT.** Section 54-52.1-18 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **54-52.1-18. High-deductible health plan alternative with health savings account**
9 **option.**

- 10 1. The board shall develop and implement a high-deductible health plan as an alternative
11 to the plan under section 54-52.1-02. The high-deductible health plan alternative with
12 a health savings account must be made available to state employees by January 1,
13 2012. After June 30, 2015, at the board's discretion, the high-deductible health plan
14 alternative may be offered to political subdivisions for coverage of political subdivision
15 employees. If a political subdivision elects this high-deductible option the political
16 subdivision may not offer the plan under section 54-52.1-02.
- 17 2. Health savings account fees for participating state employees must be paid by the
18 employer.
- 19 a. Except as provided in subdivision b, subject to the limits of section 223(b) of the
20 Internal Revenue Code [26 U.S.C. 223(b)], the difference between the cost of the
21 respective nongrandfathered single and family premium for eligible state
22 employees under section 54-52.1-06 and the premium for those employees
23 electing to participate under the high-deductible health plan under this section
24 must be deposited in a health savings account for the benefit of each
25 participating employee.
- 26 b. If the public employees retirement system is unable to establish a health savings
27 account due to the employee's ineligibility under federal or state law or due to
28 failure of the employee to provide necessary information in order to establish the
29 account, the system is not responsible for depositing the health savings account
30 contribution. The member will remain a participant in the high-deductible health
31 plan regardless of whether a health savings account is established.

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

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

8 **SECTION 3. APPROPRIATION - TRANSFER AUTHORITY - ONE-TIME FUNDING -**
9 **HEALTH SAVINGS ACCOUNT INCENTIVE FUNDING POOL.** There is appropriated out of any
10 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of
11 \$800,000, or so much of the sum as may be necessary, and from special funds derived from
12 federal funds and other income, the sum of \$700,000, or so much of the sum as may be
13 necessary, to the office of management and budget for a health savings account incentive
14 funding pool, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funds
15 provided under this section are considered a one-time funding item. The office of management
16 and budget may transfer appropriation authority from the health savings account incentive
17 funding pool to state agencies with eligible employees. Eligible employees are new participants
18 in the high-deductible health plan alternative with a health savings account. The office of
19 management and budget shall develop guidelines for contributions to eligible employees' health
20 savings accounts.