

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1099

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1099

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1099

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 01-19-01

Tape Number	Side A	Side B	Meter #
#1	X		1936-4106
			5431-5933
Committee Clerk Signature <i>Roberto J. Small</i>			

Minutes:

REP. M. KLEIN called the meeting to order. REP. KLEMIN and REP. WIKENHEISER were absent.

In favor:

SPARB COLLINS, EXECUTIVE DIRECTOR of NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEMS, PERS

Please see attached testimony.

REP. M. KLEIN asks about the transfer of moneys from the life insurance portion to the health insurance portion.

COLLINS replies yes that is correct.

REP. M. KLEIN asks if it basically reduces a members payment by \$7.00 per year?

COLLINS replies no by the month.

REP. M. KLEIN asks where did the carry over funds come from?

COLLINS replies that they came out of the operations of the health insurance plan.

REP. METCALE asks where does the carry over come from, and how do you designate the carry over?

COLLINS replies that the carry over funds, full insured contract with Blue Cross Blue Shield. Part of that contract they have an arrangement with BCBS, that gives the total amount of premium that they pay. Those funds are available to carry over.

REP. METCALE asks if they switch to this, would that eliminate carry over? Or is there still a possibility of carry over?

COLLINS replies that it retains the carry over provision. All it does is set up the account.

REP. GRANDE asks if there was an issue that public employees shared the group?

COLLINS replies that is actually in another bill.

REP. M. KLEIN asks how did this come about, when we always thought it was confidential, was there a case?

COLLINS replies, yes there was a case, and a payment history was asked for.

REP. GRANDE asks if they are still maintaining some confidentiality?

COLLINS replies that it is strictly a federal issue not for state employees.

REP. GRANDE has a point of clarification on the carry over, this is actually public employees coming forward to help out. To help keep the health insurance payments down.

COLLINS states that this \$475,000.00 combined with the other shifts a little more risk to BCBS, to the extent that they will in fact be there. The premium reduction reduces their risk a little bit.

REP. KASPER asks what are the equal savings over the biennium period?

COLLINS replies that it is less than \$3,000,000.00.

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House Government and Veterans Affairs Committee

Bill/Resolution Number HB 1099

Hearing Date 01-19-01

REP. KASPER asks what would've happened to this 2.6 million in carry over that is going into this reserve account, if it had not gone into the reserve account?

COLLINS replies it would have probably retained into the insurance plan for another two years.

ROD ST. AUBYN, BLUE CROSS BLUE SHIELD

ST. AUBYN states that they are very much in favor of this bill. States that they assume all of the risk.

No questions.

REP. BRUSEGAARD motions for a DO PASS AND BE REREFERRED TO

APPROPRIATIONS, seconded by REP. HUNSKOR. The motion carries. 13-0, 2 absent and not voting. The carrier of the bill is REP. KROEBER.

HB 1099 DO PASS AND BE REREFERRED TO APPROPRIATIONS 13-0

CARRIER: REP. KROEBER

## FISCAL NOTE

Requested by Legislative Council  
12/14/2000

Bill/Resolution No.: HB 1099

Amendment to:

**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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 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.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2. Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

No fiscal impact is anticipated as a result of this bill. Certain funds are being transferred from the life insurance to the health insurance fund. If health claim levels are incurred at a level expected by the PERS health consultant these funds will not be drawn upon in the 2001-2003 biennium.

**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, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name: Sparb Collins

Agency: North Dakota Public Employees  
Retirement System

Phone Number: 328-3901

Date Prepared: 12/20/2000

Date: Jan. 19<sup>th</sup>, 2001

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1099

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on \_\_\_\_\_

or

Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass and be referred to approp.

Motion Made By Brusegaard Seconded By Hunskor

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP KROEBER	✓	
VICE CHAIR GRANDE	✓				
REP BELLEW	✓				
REP BRUSEGAARD	✓				
REP CLARK	✓				
REP DEVLIN	✓				
REP HAAS	✓				
REP KASPER	✓				
REP KLEMIN					
REP MEIER	✓				
REP WIKENHEISER					
REP CLEARY	✓				
REP HUNSKOR	✓				
REP METCALF	✓				

Total (Yes) 13 No 0

Absent 2

Floor Assignment Rep. Kroeber

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

REPORT OF STANDING COMMITTEE (410)  
January 19, 2001 9:47 a.m.

Module No: HR-09-1273  
Carrier: Kroeber  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1099: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman)**  
recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee**  
(13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1099 was rereferred to the  
**Appropriations Committee.**

2001 HOUSE APPROPRIATIONS

HB 1099

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1099

House Appropriations Committee  
Government Operations Division

Conference Committee

Hearing Date January 29, 2001

Tape Number	Side A	Side B	Meter #
01-29-01 tape #1	0 - 3380		
Committee Clerk Signature <i>Kathleen Hall</i>			

Minutes:

The committee was called to order, and opened the hearing on HB 1099, a bill for an act relating to state retirement board authority over excess uniform group insurance program funds, to the definition of eligible employee, retiree eligibility for the group health insurance program and retiree health benefits, and excess funds and confidentiality of records under the uniform group insurance program, and to provide a transfer. The title was not read.

Sparb Collins, Executive Director of the North Dakota Public Employees Retirement System (PERS): Provided written testimony. This bill does several things, as noted on his written testimony on page 1. Pages 1 through 3 explain how each section will be changed and the reasons for the needed change. Sections 1 through 5 seem fairly straightforward. Section 6 deals to the confidentiality of records. It clarifies that premium payment amounts and the history of payment is confidential. PERS received several requests for this information this biennium and their attorney determined such information is not confidential. Previously it was believed

and treated with the department that these records were confidential. This change is to clarify the legislation. This section also provides that PERS can share this information with a person or entity to which the board is required to disclose pursuant to federal statute or regulation. Section 7 of the bill relates to the renewal with Blue Cross Blue Shield of the group insurance plan for the next biennium. Pursuant to the renewal PERS agreed to establish with BCBS a reserve account and in return BCBS agreed to reduce the health insurance premium charge for all active employees by \$7.47 per contract per month. The reserve account would include estimated carry over funds at the end of this biennium plus the request is for a transfer up to \$475,000 in carryover funds from the employee group life insurance program to the group health insurance program. This fund, as well as the group health insurance carryover, would be retained by BCBS. If the claim levels were less than the premiums paid these funds would be available to the State in 3002. If the claims exceed the premiums paid, BCBS could draw down from this reserve up to the amount of the reserve plus interest. The actuary consulted expects that the premiums should be sufficient to cover the claims during the 2001-2003 biennium and the reserve account should not be needed.

Rep. Koppelman: In section 6 of the bill on the confidentiality matter, I am wondering if this would give special treatment to the public employees over the general public. It is my understanding that payment histories are very commonly shared within the insurance industry for underwriting practices. The general public doesn't share this confidentiality do they?

Response: In the private sector these issues would be addressed by the employer. The employer could not give this information out. Some large employers do just that. By contract in the public sector the open records act requires all information available. We need a specific

policy or direction as to whether or not these premium payment histories of individuals are confidential or not.

Rep. Glassheim: Could you explain on page 2, section 2, are you expanding the number of persons eligible?

Response: This does not expand the eligibility, it really just clarifies who participates.

Rep. Skarphol: In regard to the confidentiality, he doesn't understand the need for this and the potential ramifications to those who need information.

Response: Each individuals records are not closed to themselves. They are really just seeking direction. Historically they have kept these records confidential and were not providing this information. Only recently have they been informed that these records are not closed. The only information to be kept confidential is the individual information on premium payments. The only thing this would limit is the ability of the general public to call in and ask how much the State has paid in premiums since such and such a date, and how long has that person participated in the program for an individual. Any information in the aggregate is not closed off.

Rep. Skarphol: Still unsure as to why this release of information would make any difference; who cares.

Response: We really just want some clarification as to how they should act.

Chairman Byerly: As a private citizen, do I have the right to know what the state pays an individual, are the salaries public record? (Answer is yes). If we pass this as is, then it closes the premium information for an individual, the amount paid as a benefit package, available to the public.

