10036.0200

Sixty-second
Legislative Assembly
of North Dakota

SENATE BILL NO.

Introduced by

Senator Mathern

A BILL for an Act to create and enact a new subsection to section 54-52-04, five new sections to chapter 54-52.1, and a new subsection to section 54-52.1-01 of the North Dakota Century Code, relating to the expansion of the uniform group insurance program to allow participation by permanent and temporary employees of private sector employers and by certain other individuals who are otherwise without health insurance coverage; to amend and reenact section 54-52.1-02 of the North Dakota Century Code, relating to subgroups under the uniform group insurance program; to provide an appropriation; to provide a continuing appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

The board shall operate the uniform group insurance program as a governmental benefit plan. The board shall apply to the federal government to receive exempt status under the Employee Retirement Income Security Act to allow for the expansion of the uniform group insurance program under sections 3, 4, 5, 6, 7, and 8 of this Act.

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

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

SECTION 3. AMENDMENT. Section 54-52.1-02 of the North 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 individuals to enter and remain in the service of state employment, to provide access to health
5 care for citizens of the state, to attract a highly qualified workforce to the state, and to promote
6 the general health and well-being of the people of North Dakota, there is ~~hereby~~ created a
7 uniform group insurance program. The uniform group must be composed of eligible and retired
8 public employees, permanent employees of private sector employers, temporary employees of
9 private sector employers, and certain private citizens and be formed to provide hospital benefits
10 coverage, medical benefits coverage, and life insurance benefits coverage in the manner set
11 forth in this chapter. The uniform group may be divided into the following subgroups at the
12 discretion of the 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 retired employees not eligible for
16 medicare, the rate for a non-medicare retiree single plan is one hundred fifty
17 percent of the active member single plan rate, the rate for a non-medicare retiree
18 family plan of two people is twice the non-medicare retiree single plan rate, and the
19 rate for a non-medicare retiree family plan of three or more persons is two and
20 one-half times the non-medicare retiree single plan rate.
21 2. Retired medicare-eligible employee group medical and hospital benefits coverage.
22 3. Active eligible employee life insurance benefits coverage.
23 4. Retired employee life insurance benefits coverage.
24 5. Terminated employee continuation group medical and hospital benefits coverage.
25 6. Terminated employee conversion group medical and hospital benefits coverage.
26 7. Dental benefits coverage.
27 8. Vision benefits coverage.
28 9. Long-term care benefits coverage.
29 10. Employee assistance benefits coverage.
30 11. Retired medicare-eligible employee group prescription drug coverage.

1 12. Private sector employee and private citizen group medical and hospital benefits
2 coverage.

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

5 **Certain permanent employees of private sector employers authorized to join**
6 **uniform group insurance program - Employer contribution.** A private sector employer in
7 this state may extend the benefits of the uniform group insurance program under this chapter to
8 its permanent employees who are at least age fifty but have not reached the age of sixty-five,
9 subject to minimum requirements established by the board and a minimum period of
10 participation of sixty months. If a participating employer withdraws from participation in the
11 uniform group insurance program before completing sixty months of participation, that employer
12 shall make payment to the board in an amount equal to any expenses incurred in the uniform
13 group insurance program which exceed income received on behalf of the employees as
14 determined under rules adopted by the board. A participating employer may determine the
15 amount of the employer's monthly contribution toward the total monthly premium amount for
16 each employee required to be paid by each eligible participating employee. The board may
17 apply medical underwriting requirements and risk-adjusted premiums to an employer seeking to
18 obtain coverage under this section and to deny coverage if, in the board's sole discretion, the
19 risk created by the employer is undesirable for the uniform group insurance program. Section
20 54-52.1-10 does not apply to this section. For purposes of this section, the board may define
21 the term "permanent employee" by rule.

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

24 **Participation by certain temporary employees of private sector employers.**
25 Subject to minimum requirements established by the board, a temporary employee who is at
26 least age fifty but has not reached the age of sixty-five of a private sector employer participating
27 in the uniform group insurance program pursuant to section 4 of this Act may elect to participate
28 in the uniform group insurance program by completing the necessary enrollment forms. The
29 board may use risk-adjusted premiums for individual insurance contracts to implement this
30 section. A temporary employee participating in the uniform group insurance program under this
31 section shall pay monthly to the board the premiums in effect for the coverage being provided.

1 The board may deny coverage if, in the board's sole discretion, the risk created by the
2 individual is undesirable for the uniform group insurance program. Section 54-52.1-10 does not
3 apply to this section.

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

6 **Participation by certain private citizens.** Subject to minimum requirements
7 established by the board, an individual who is at least age fifty but has not reached the age of
8 sixty-five and is a resident of this state and who does not have health insurance coverage
9 through a private insurer or through a public benefits plan provided by a governmental entity
10 may elect to participate in the uniform group insurance program by completing the necessary
11 enrollment forms. The board may use risk-adjusted premiums for individual insurance contracts
12 to implement this section. For purposes of this section, "resident" means an individual who has
13 actually lived within this state or maintained a home in this state for at least six months
14 immediately preceding the date on which the individual applies to participate in the uniform
15 group insurance plan. An individual may only be a resident of only one state at a time. An
16 individual participating in the uniform group insurance program under this section shall pay
17 monthly to the board the premiums in effect for the coverage being provided. The board may
18 deny coverage if, in the board's sole discretion, the risk created by the individual is undesirable
19 for the uniform group insurance program. Section 54-52.1-10 does not apply to the provisions
20 of this section.

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

23 **Use of agents authorized.** The board may use, and pay commissions to, insurance
24 agents licensed under chapter 26.1-26 to sell health insurance for coverage under sections 3,
25 4, 5, and 6 of this Act. The board may adopt rules to implement this section.

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

28 **Acceptance of moneys - Continuing appropriation.** The board may accept grants,
29 donations, legacies, and devises for the purpose of implementing this chapter. All of these
30 moneys, not otherwise appropriated, are appropriated to the board for the purpose of
31 implementing this chapter.

1 **SECTION 9. APPROPRIATION.** There is appropriated out of any moneys received by
2 the North Dakota public employees retirement system board in the form of insurance premiums,
3 grants, donations, legacies, and devises, not otherwise appropriated, the sum of $300,000, or
4 so much of the sum as may be necessary, to the public employees retirement system for the
5 purpose of expanding the uniform group insurance program, for the biennium beginning July 1,
6 2011, and ending June 30, 2013. The board is authorized three additional full-time equivalent
7 positions to implement this Act.

8 **SECTION 10. EFFECTIVE DATE.** Sections 2, 3, 4, 5, 6, and 7 of this Act become
9 effective when the board receives notification from the federal government of the uniform group
10 insurance program's exempt status under the Employee Retirement Income Security Act to
11 allow for the expansion of the uniform group insurance program as required under section 1 of
12 this Act, the board determines that utilizing medical underwriting requirements and risk-adjusted
13 premiums does not violate the Health Insurance Portability and Accountability Act, and the
14 board enters a contract with an insurer to provide coverage pursuant to this Act. The board
15 shall notify the director of the legislative council of the effective date of this Act.