

**SENATE BILL NO. 2391**

Introduced by

Senator T. Mathern

Representative S. Kelsh

1 A BILL for an Act to create and enact a new subsection to section 54-52-04 and three new  
2 sections to chapter 54-52.1 of the North Dakota Century Code, relating to the expansion of the  
3 uniform group insurance program to allow participation by certain nonprofit corporations; to  
4 amend and reenact section 54-52.1-02 of the North Dakota Century Code, relating to  
5 subgroups under the uniform group insurance program; to provide a continuing appropriation;  
6 and to provide an effective date.

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

8 **SECTION 1.** A new subsection to section 54-52-04 of the 1999 Supplement to the  
9 North Dakota Century Code is created and enacted as follows:

10 The board shall operate the uniform group insurance program as a governmental  
11 benefit plan. The board shall apply to the federal government to receive exempt  
12 status under the Employee Retirement Income Security Act to allow for the  
13 expansion of the uniform group insurance program under sections 2, 3, 4, and 5 of  
14 this Act.

15 **SECTION 2. AMENDMENT.** Section 54-52.1-02 of the 1999 Supplement to the North  
16 Dakota Century Code is amended and reenacted as follows:

17 **54-52.1-02. Uniform group insurance program created - Formation into**  
18 **subgroups.** In order to promote the economy and efficiency of employment in the state's  
19 service, reduce personnel turnover, and offer an incentive to high-grade men and women to  
20 enter and remain in the service of state employment, there is hereby created a uniform group  
21 insurance program. The uniform group must be composed of eligible and retired public  
22 employees; and employees of nonprofit organizations organized for the purpose of providing  
23 residential services for developmentally disabled, chronically mentally ill, and physically  
24 disabled persons and be formed to provide hospital benefits coverage, medical benefits

1 coverage, and life insurance benefits coverage in the manner set forth in this chapter. The  
2 uniform group may be divided into the following subgroups at the discretion of the board:

- 3 1. Medical and hospital benefits coverage group consisting of active eligible  
4 employees and retired employees not eligible for medicare. In determining  
5 premiums for coverage under this subsection for retired employees not eligible for  
6 medicare, the rate for a non-medicare retiree single plan is one hundred fifty  
7 percent of the active member single plan rate, the rate for a non-medicare retiree  
8 family plan of two people is twice the non-medicare retiree single plan rate, and the  
9 rate for a non-medicare retiree family plan of three or more persons is two and  
10 one-half times the non-medicare retiree single plan rate.
- 11 2. Retired medicare-eligible employee group medical and hospital benefits coverage.
- 12 3. Active eligible employee life insurance benefits coverage.
- 13 4. Retired employee life insurance benefits coverage.
- 14 5. Terminated employee continuation group medical and hospital benefits coverage.
- 15 6. Terminated employee conversion group medical and hospital benefits coverage.
- 16 7. Dental benefits coverage.
- 17 8. Vision benefits coverage.
- 18 9. Long-term care benefits coverage.
- 19 10. Employee assistance benefits coverage.
- 20 11. Nonprofit organization organized for the purpose of providing residential services  
21 for developmentally disabled, chronically mentally ill, and physically disabled  
22 persons group medical and hospital benefits coverage.

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

25 **Employees of certain nonprofit organizations authorized to join uniform group**  
26 **insurance program - Employer contribution.** A nonprofit corporation organized for the  
27 purpose of providing residential services for developmentally disabled, chronically mentally ill,  
28 and physically disabled persons in this state may extend the benefits of the uniform group  
29 insurance program under this chapter to its employees, subject to minimum requirements  
30 established by the board and a minimum period of participation of sixty months. If a  
31 participating employer withdraws from participation in the uniform group insurance program

1 before completing sixty months of participation, that employer shall make payment to the board  
2 in an amount equal to any expenses incurred in the uniform group insurance program which  
3 exceed income received on behalf of the employees as determined under rules adopted by the  
4 board. A participating employer may determine the amount of the employer's monthly  
5 contribution toward the total monthly premium amount for each employee required to be paid by  
6 each eligible participating employee. Section 54-52.1-10 does not apply to the provisions of  
7 this section. The board may apply medical underwriting requirements and risk-adjusted  
8 premiums to an employer seeking to obtain coverage under this section and to deny coverage  
9 if, in the board's sole discretion, the risk created by the employer is undesirable for the uniform  
10 group insurance program. For purposes of this section, the board may define the term  
11 "employee" by rule.

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

14         **Use of agents authorized.** The board may use, and pay commissions to, insurance  
15 agents licensed under chapter 26.1-26 to sell health insurance for coverage under sections 2  
16 and 3 of this Act. The board may adopt rules to implement the provisions of this section.

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

19         **Acceptance of moneys - Continuing appropriation.** The board may accept grants,  
20 donations, legacies, devises, and premiums from nonprofit organizations organized for the  
21 purpose of providing residential services for developmentally disabled, chronically mentally ill,  
22 and physically disabled persons and employees of these organizations for the purpose of  
23 implementing this chapter. All these moneys, not otherwise appropriated, are appropriated to  
24 the board for the purpose of implementing this chapter.

25         **SECTION 6. EFFECTIVE DATE.** Sections 2, 3, and 4 of this Act become effective  
26 when the board receives notification from the federal government of the uniform group  
27 insurance program's exempt status under the Employee Retirement Income Security Act to  
28 allow for the expansion of the uniform group insurance program as required under section 1 of  
29 this Act, the board determines that utilizing medical underwriting requirements and risk-adjusted  
30 premiums does not violate the Health Insurance Portability and Accountability Act, and the

Fifty-seventh  
Legislative Assembly

- 1 board enters a contract with an insurer to provide coverage pursuant to this Act. The board
- 2 shall notify the legislative council of the effective date of this Act.