

FISCAL NOTE
Requested by Legislative Council
04/17/2015

Amendment to: HB 1475

- 1 A. **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.*

| | 2013-2015 Biennium | | 2015-2017 Biennium | | 2017-2019 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | | | \$70,500 | \$124,250 |
| Appropriations | | | | | \$70,500 | \$124,250 |

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| | 2013-2015 Biennium | 2015-2017 Biennium | 2017-2019 Biennium |
|-------------------------|--------------------|--------------------|--------------------|
| Counties | | | \$27,360 |
| Cities | | | \$22,475 |
| School Districts | | | \$14,495 |
| Townships | | | |

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill makes changes to the reporting and contract provisions for the North Dakota Public Employees Retirement System uniform group health insurance program.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Sanford Health Plan estimates a cost increase of \$.51 per active contract per month over the current fully insured bid. Sanford Health Plan notes the cost is from the following sections of the bill:

- Section 3. 54-52.1-05.1.- Direct Marketing
 - To establish administrative process and procedures to evaluate direct marketing pieces with NDPERS board to ensure marketing does not unfairly favor one provider over another.
 - To establish administrative process and procedures to respond to complaints/inquiries regarding whether a marketing piece complies with Section 3. 54-52.1-05.1.
- Section 3. 54-52.1-05.2.(a) (c) and (d) and (e) - New Carrier Report to Employee Benefits Program Committee
 - To establish administrative process and procedures to evaluate and respond to complaints about transition coverage and the perception of a “seamless” experience as defined by the NDPERS Board.
 - To establish administrative process and procedures to evaluate and respond to complaints about transition coverage and the perception that the carrier is “limiting an insured’s right to choose” or “directing and insured to a specific provider” as defined by the NDPERS Board, despite the carrier’s right to advise insured’s of network status.

There would be no effect on the health premium rates for the NDPERS Medicare retirees.

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.*

The cost would result in \$.51 per FTE per month for the 2017-2019 biennium over the Sanford fully insured bid rates.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

There is no fiscal effect on the 2015-2017 biennium. The cost would result in an additional required health premium of \$.51 per FTE per month for the 2017-2019 biennium.

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Date Prepared: 03/15/2015