

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

21988

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2198

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2198

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 05, 2001

Tape Number	Side A	Side B	Meter #
1		x	31.4 to end
(Feb. 06/01) 2		x	49.6 to end
3	x		0 to 5.8
Committee Clerk Signature <i>Doris E. Perez</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on SB 2198 relating to the expansion of the uniform group insurance program to allow participation by permanent and temporary employees of private sector employers and by any other person who is otherwise without health insurance coverage.

SENATOR TIM MATHERN, Distr. 11, Fargo. Sponsor of this bill. Urges do pass. Written testimony attached.

SENATOR ESPEGARD: The bill says you can take in employees other than state employees at the same rates as government employees without raising the rates?

S. MATHERN: Rates can be set for them.

SENATOR ESPEGARD: We wouldn't know what rates apply until we know the make-up of the group so we can't guarantee that the rates will be the same.

SENATOR HARVEY TALLACKSON, Distr. 16. In favor of this bill. Our constituents request action regarding health insurance. This is a new idea that should be tried to help people out with rising medical costs.

SENATOR ESPEGARD: Would this bill allow employer to share cost of the premiums with their employees?

SENATOR HARVEY TALLACKSON: Yes even though the state pays the total premium for state employees.

No opposing testimony, hearing closed.

Feb. 06/01. Hearing reopened. (Tape 2-B-49.6 to end; 3-A-0 to 5.8) All members present.

DAN ULMER, Blue Cross/Blue Shield, Neutral testimony, to inform and clarify. This bill has been around for a long time. PERS plan has low premiums defined by the legislature. PERS rates are the same as the open market but sign up is for five years, guaranteed. The question is how far do you want to open up public employee funds. This is a state plan being opened to other than government employees. What will happen will be separate pools of employees( political subdivisions, state employees and private sector pool) and probably different premiums.

SENATOR KLEIN: Isn't it supposed to be one pool?

D. ULMER: Yes, we pool everybody depending on group, to "level" premiums but different pools within this pool.

SENATOR EVERY: Wouldn't this be an alternative for folks who are uninsurable unless in a group plan?

SENATOR KREBSBACH: There is an alternative in place already: CHAND.

D. ULMER: That is so. We take everybody into our plan, rates might be higher but they are not refused insurance. This bill says that they be can refused insurance.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number SB 2198

Hearing Date Feb. 05/01

Discussion held. SENATOR TOLLEFSON: Move do not pass.

SENATOR ESPEGARD: second. Roll call vote: Yes 5; NO 2. Motion carried.

Carrier: SENATOR ESPEGARD.

**FISCAL NOTE**  
 Requested by Legislative Council  
 01/15/2001

Bill/Resolution No.: SB 2198

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
<b>Revenues</b>						
<b>Expenditures</b>				\$300,000		\$300,000
<b>Appropriations</b>				\$300,000		\$300,000

**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.*

**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.*

Expenditure is for three additional staff for implementation and operation. Staff is needed as a result of the expanded number of individuals that would be eligible for the program and the services they would need and the expected number of new members coming on to the program.

**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.*

The additional appropriation authority is needed to authorize the above expenditure.

<b>Name:</b>	Sparb Collins	<b>Agency:</b>	North Dakota Public Employees Retirement System
<b>Phone Number:</b>	323-3901	<b>Date Prepared:</b>	01/19/2001

Date: 2/06/01  
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB2198

Senate Industry, Business and Labor Committee

- Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

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

Action Taken DWP

Motion Made By Sen Tollefson Seconded By Sen Espgaard

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every		✓
Senator Klein - Vice Chairman	✓		Senator Mathern		✓
Senator Espgaard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 5 No 2

Absent 0

Floor Assignment Sen Espgaard

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



**REPORT OF STANDING COMMITTEE (410)**  
February 8, 2001 7:38 a.m.

**Module No: SR-23-2647**  
**Carrier: Espegard**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2198: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO NOT PASS (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2198 was placed on the Eleventh order on the calendar.**

2001 TESTIMONY

SB 2198

**TESTIMONY FOR SENATE BILL 2198  
SENATOR TIM MATHERN  
FEBRUARY 5, 2001**

Mr. Chairman and Members of the Senate Industry Business and Labor Committee. I am Tim Mathern, Senator from District 11 in Fargo. Thank you for taking time to consider new ways of meeting the health care needs of North Dakotans. It is your committee that has the possibility to offer the most creative way to assure affordable health care to businesses and families in our state by passing Senate Bill 2198.

The 1995 Legislative Session received an interim committee report regarding the feasibility of allowing North Dakotans to participate in the North Dakota Public Employees Retirement System (NDPERS) uniform group insurance plan. Five proposals were developed and summarized as follows: 1 - expand the number of member groups under current rules, 2 - voluntary enrollment with medical underwriting, 3 - voluntary open access with no underwriting, 4 - mandatory coverage of everyone in the state, and 5 - mandatory coverage with opt-out. The details of each of these options are explained in a special report prepared by William M. Mercer Incorporated, the firm that had been doing the actuarial work for NDPERS. I reviewed each of the proposals, particularly their effect on access to health care insurance, the risk to the PERS plan, cost implications, and implementation considerations. The bill you have before you is, in major part, the option that expands access while having no negative actuarial effect on the PERS plan. Each legislative session since 1995, and in each interim, the proposal has been refined to meet each and every concern expressed by the PERS actuarial analysis.

The PERS plan is an excellent health insurance plan. It is professionally managed, has comprehensive benefits and is innovative in its relationship between consumers and providers. The PERS plan is creative in promoting wellness and has competitive premiums. The plan is available to the Governor, Legislators, state employees and employees of many political subdivisions. It is time for businesses, farmers, organizations, and the tax payers of our state who pay for PERS to also be able to use

## TESTIMONY FOR SENATE BILL 2198

It. The bill before you is conservative in its approach and implementation. The bill would allow an orderly assimilation of new people into the plan. It would not only be an excellent health care plan, but it would also permit PERS to extend its many positive practices to more citizens.

Attached to your testimony, please find the NDPERS premium rates for five categories that are easy for comparison use. The state employee rate for a family plan is \$349.72. The family policy for political subdivision employees is \$427.94. Please offer this excellent rate and program to the businesses, organizations, and families in your community.

Members of the Committee, this bill offers an option to permit and encourage more people to stay in the insurance system. This not only benefits them, but benefits us all. With a greater number of people in the health care system as premium payers, fewer people are on Medicaid or receiving charity care with costs shifted to the insured and private payers. North Dakota, with legislative support and the excellent work of the NDPERS board and staff, has developed an excellent program. The time has come to share this good news and to permit more North Dakotans to participate in an orderly and planned manner. We need an organization that looks to the common good of all North Dakotans. With your leadership, NDPERS can be that organization.

Thank you for your consideration. I respectfully ask for your favorable recommendation on this bill.

*From Cheryl Masset - NDPERS  
2-2-2001*

NDPERS current rates effective until June 30, 2001

Active State Employee Rate (Per contract per month single or family)	\$349.72
EPO/Basic Option Rate (New Political Subdivision joining NDPERS) (single policy)	\$171.42 *
EPO/Basic Option Rate (New Political Subdivision joining NDPERS) (family policy)	\$427.94 *
Retired State Employee Rate (Medicare Eligibility, must carry Parts A & B of Medicare) (single policy) (No lapse in coverage)	\$157.54
Retired State Employee Rate (Medicare Eligibility, must carry Parts A & B of Medicare) (family policy) (No lapse in coverage)	\$308.62

\* The subscriber and all eligible dependents on the contract must affiliate with an EPO provider