

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1407

Introduced by

Representatives Carlson, Kasper, Keiser, D. Ruby

1 A BILL for an Act to amend and reenact section 54-52.1-05 of the North Dakota Century Code,
2 relating to the term of the public employee uniform group insurance contract for health benefits
3 coverage; and to provide for application.

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

5 **SECTION 1. AMENDMENT.** Section 54-52.1-05 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-52.1-05. Provisions of contract - Term of fully insured uniform group insurance**
8 **contract for hospital benefits, medical benefits, or prescription drug coverage.**

- 9 1. Each uniform group insurance contract entered by the board must be consistent with
10 ~~the provisions of this chapter,~~ must be signed for the state of North Dakota by the
11 chairman of the board, and must include the following:
- 12 a. As many optional coverages as deemed feasible and advantageous by the
13 board.
- 14 b. A detailed statement of benefits offered, including maximum limitations and
15 exclusions, and such other provisions as the board may deem necessary or
16 desirable.
- 17 2. ~~The initial term or the renewal term of a fully insured uniform group insurance contract~~
18 ~~for hospital benefits coverage, medical benefits coverage, or prescription drug~~
19 ~~coverage may not exceed two years.~~
- 20 a. ~~The board may not renew a contract subject to this subsection ~~without soliciting a~~~~
21 ~~bid under section 54-52.1-04 if the board determines the carrier's performance~~
22 ~~under the existing contract meets the board's expectations and the proposed~~
23 ~~premium renewal amount does not exceed the board's expectations.~~
- 24 b. ~~In making a determination under this subsection, the board shall:~~

- 1 (1) ~~Use the services of a consultant to concurrently and independently prepare~~
2 ~~a renewal estimate the board shall consider in determining the~~
3 ~~reasonableness of the proposed premium renewal amount.~~
- 4 (2) ~~Review the carrier's performance measures, including payment accuracy,~~
5 ~~claim processing time, member service center metrics, wellness or other~~
6 ~~special program participation levels, and any other measures the board~~
7 ~~determines relevant to making the determination and shall consider these~~
8 ~~measures in determining the board's satisfaction with the carrier's~~
9 ~~performance.~~
- 10 (3) ~~Consider any additional information the board determines relevant to~~
11 ~~making the determination.~~
- 12 e. ~~If the board determines the carrier's performance under the existing contract~~
13 ~~does not meet the board's expectations or the proposed premium renewal~~
14 ~~amount exceeds the board's expectations and the board determines to solicit a~~
15 ~~bid under section 54-52.1-04, the board shall specify its reasons for the~~
16 ~~determination to solicit a bid.~~

17 **SECTION 2. APPLICATION.** This Act applies to a fully insured uniform group insurance
18 contract for hospital benefits coverage, medical benefits coverage, or prescription drug
19 coverage in effect on or entered after the effective date of this Act.