

FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2032

Introduced by

Legislative Management

(Health Services Committee)

1 A BILL for an Act to create and enact chapter 26.1-08.1 of the North Dakota Century Code,
2 relating to the comprehensive health association of North Dakota; to repeal chapters 26.1-08
3 and 26.1-08.1 of the North Dakota Century Code, relating to the comprehensive health
4 association of North Dakota; to provide an effective date; and to declare an emergency.

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

6 **SECTION 1.** Chapter 26.1-08.1 of the North Dakota Century Code is created and enacted
7 as follows:

8 **26.1-08.1-01. Definitions.**

9 As used in this chapter:

- 10 1. "Association" means the comprehensive health association of North Dakota.
11 2. "Board" means the comprehensive health association of North Dakota board of
12 directors.
13 3. "Creditable coverage" means, with respect to an individual, coverage under chapter
14 26.1-08.
15 4. "Guaranteed issue" means an issuer may not:
16 a. Deny or condition the issuance or effectiveness of a Medicare supplement policy
17 that is offered and is available for issuance to new enrollees by the issuer;
18 b. Discriminate in the pricing of such a Medicare supplement policy because of
19 health status, claims experience, receipt of health care, or medical condition; or
20 c. Impose an exclusion of benefits based on a preexisting condition under such a
21 Medicare supplement policy.

1 5. "Lead carrier" means the insurance company selected by the board to administer the
2 association benefit plans.

3 **26.1-08.1-02. Cessation of operations.**

4 1. The association shall cease enrollment under the plan effective May 1, 2025.

5 2. After taking all reasonable steps, including those specified in this section, to timely and
6 efficiently assist in the transition of individuals receiving benefits under chapter
7 26.1-08, and paying health insurance claims for plan coverage and meeting all other
8 obligations of the board under this section, the association shall cease operating the
9 pool.

10 3. The association may take any action it deems necessary to:

11 a. Cease enrollment for plan coverage effective May 1, 2025.

12 b. Terminate all existing benefit plans effective December 31, 2025.

13 c. Provide at least a ninety-day notice to current policyholders of the termination.

14 4. This section does not require the board to revise plan benefits to comply with this
15 chapter.

16 **26.1-08.1-03. Board of directors.**

17 1. Notwithstanding any other provision of this chapter, to facilitate an efficient cessation
18 of operations, the board:

19 a. May continue to use the lead carrier to fulfill administrative tasks and operations.

20 b. Shall continue to follow the requirements of participating members under section
21 26.1-08-09.

22 c. May implement a process to assess members based on actual program costs
23 rather than projected program costs.

24 2. If the board has excess funds after cessation of operations of the association, the
25 funds must be returned by the lead carrier to the insurer assessed under section
26 26.1-08-09.

27 **26.1-08.1-04. Enrollment of individuals losing creditable coverage.**

28 An individual losing creditable coverage must be provided enrollment into a comparable:

29 1. Health benefit plan; or

30 2. Plan under a Medicare supplement policy that has a benefit package classified as
31 plan A, B, C, F (including F with a high deductible), G, K, or L under guaranteed issue.

1 **26.1-08.1-05. Statute of limitations.**

2 A cause of action against the association or the board must be commenced within the
3 earlier of one year after the cause of action occurs or December 31, 2027.

4 **SECTION 2. REPEAL.** Chapters 26.1-08 and 26.1-08.1 of the North Dakota Century Code
5 are repealed.

6 **SECTION 3. EFFECTIVE DATE.** Section 2 of this Act becomes effective December 31,
7 2027.

8 **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.