

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 984

Short Title: Soil & Water Supervisor Health Benefits.

(Public)

Sponsors: Representatives Culp; Brown, Kiser, McCombs, Mitchell, Mosley, Weatherly, and G. Wilson.

Referred to: Insurance.

April 17, 1997

A BILL TO BE ENTITLED

1
2 AN ACT TO PROVIDE HEALTH BENEFITS FOR SOIL AND WATER
3 CONSERVATION DISTRICT SUPERVISORS AND THEIR ELIGIBLE
4 DEPENDENTS WHO DO NOT HAVE ACCESS TO COMPREHENSIVE GROUP
5 HEALTH BENEFITS BY ALLOWING VOLUNTARY PARTICIPATION IN THE
6 TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL
7 PLAN.

8 The General Assembly of North Carolina enacts:

9 Section 1. G.S. 135-40 is amended by adding a new subsection to read:

10 "(a1) The State of North Carolina deems it to be in the public interest for North
11 Carolina soil and water conservation district supervisors and certain of their dependents
12 who are not eligible for any other type of comprehensive group health insurance or other
13 comprehensive group health benefits to be given the opportunity to participate in the
14 benefits provided by the North Carolina Teachers' and State Employees' Comprehensive
15 Major Medical Plan. Coverage under the Plan shall be voluntary for eligible soil and
16 water conservation district supervisors who elect participation in the Plan for themselves
17 and their eligible dependents."

18 Section 2. G.S. 135-40.1(3) reads as rewritten:

1 "(3) Dependent Child. – A natural, legally adopted, or foster child of the
2 employee and/or spouse, unmarried, up to the first of the month
3 following his or her 19th birthday, whether or not the child is living
4 with the employee, as long as the employee is legally responsible for
5 such child's maintenance and support. Dependent child shall also
6 include any child under age 19 who has reached his or her 18th
7 birthday, provided the employee was legally responsible for such child's
8 maintenance and support on his or her 18th birthday.

9 A foster child is covered (i) if living in a regular parent-child
10 relationship with the expectation that the employee will continue to rear
11 the child into adulthood, (ii) if at the time of enrollment, or at the time a
12 foster child relationship is established, whichever occurs first, the
13 employee applies for coverage for such child and submits evidence of a
14 bona fide foster child relationship, identifying the foster child by name
15 and setting forth all relevant aspects of the relationship, (iii) if the
16 Claims Processor accepts the foster child as a participant through a
17 separate written document identifying the foster child by name and
18 specifically recognizing the foster child relationship, and (iv) if at the
19 time a claim is incurred, the foster child relationship, as identified by the
20 employee, continues to exist. Children placed in a home by a welfare
21 agency which obtains control of, and provides for maintenance of, the
22 child(ren), are not eligible participants.

23 Coverage may be extended beyond the 19th birthday under the
24 following conditions:

- 25 a. If the dependent is a full-time student, between the ages of 19
26 and 26, who is pursuing a course of study that represents at least
27 the normal workload of a full-time student at a school or college
28 accredited by the state of jurisdiction.
- 29 b. The dependent is physically or mentally incapacitated to the
30 extent that he or she is incapable of earning a living and (i) such
31 handicap developed or began to develop before the dependent's
32 19th birthday, or (ii) such handicap developed or began to
33 develop before the dependent's 26th birthday if the dependent
34 was covered by the Plan in accordance with G.S. 135-40.1(3)a.

35 Dependent children of soil and water conservation district
36 supervisors are subject to the same terms and conditions as are other
37 dependent children covered by this subdivision."

38 Section 3. G.S. 135-40.1(6) reads as rewritten:

39 "(6) Employing Unit. – A North Carolina School System; Community
40 College; State Department, Agency or Institution; Administrative Office
41 of the Courts; or Association or Examining Board whose employees are
42 eligible for membership in a State-Supported Retirement System. An
43 employing unit also shall mean a charter school in accordance with Part

1 6A of Chapter 115C of the General Statutes whose employees are
2 deemed to be public employees and members of a State-Supported
3 Retirement System. North Carolina soil and water conservation districts
4 are deemed to be employing units for the purpose of providing benefits
5 under this Article."

6 Section 4. G.S. 135-40.1(7) reads as rewritten:

7 "(7) Enrollment. – New employees must enroll themselves and their
8 dependents within 30 days from the date of employment. Coverage may
9 become effective on the first day of the month following date of entry
10 on payroll or on the first day of the following month. New employees
11 not enrolling themselves and their dependents within 30 days, or not
12 adding dependents when first eligible as provided herein may enroll on
13 the first day of any month but will be subject to a 12-month waiting
14 period for preexisting health conditions, except for employees who elect
15 to change their coverage in accordance with rules established by the
16 Executive Administrator and Board of Trustees for optional prepaid
17 hospital and medical benefit plans. Children born to covered employees
18 having coverage type (2), or (3), as outlined in G.S. 135-40.3(d) shall be
19 automatically covered at the time of birth without any waiting period for
20 preexisting health conditions. Children born to covered employees
21 having coverage type (1) shall be automatically covered at birth without
22 any waiting period for preexisting health conditions so long as the
23 Claims Processor receives notification within 30 days of the date of
24 birth that the employee desires to change from coverage (1) to coverage
25 type (2), or (3), provided that the employee pays any additional
26 premium required by the coverage type selected retroactive to the first
27 day of the month in which the child was born. Soil and water
28 conservation district supervisors and their eligible dependents are
29 subject to the same terms and conditions as are new employees and their
30 dependents covered by this subdivision. Enrollments in these
31 circumstances must occur within 30 days of eligibility to enroll."

32 Section 5. G.S. 135-40.1 is amended by adding a new subdivision to read:

33 "(18a) Soil and Water Conservation District Supervisors. – Elected and
34 appointed soil and water conservation district supervisors pursuant to
35 Article 1 of Chapter 139 of the General Statutes who are not eligible for
36 any type of comprehensive group health insurance or other
37 comprehensive group health benefit coverage. Soil and water
38 conservation district supervisors include those who are actively serving
39 as district supervisors as well as former soil and water conservation
40 district supervisors, and former county supervisors and county
41 committeemen covered by G.S. 139-15, who served their respective soil
42 and water conservation districts for 10 or more years. Comprehensive
43 group health insurance and other benefit coverage consists of inpatient

1 and outpatient hospital and medical benefits, as well as other outpatient
2 medical services, prescription drugs, and medical supplies and
3 equipment that are generally available in the health insurance market.
4 Comprehensive group health insurance and other benefit coverage
5 includes Medicare benefits. North Carolina soil and water conservation
6 districts shall certify the eligibility of their supervisors and former
7 supervisors and committeemen to the Plan for their participation in its
8 benefits prior to enrollment. In situations where soil and water
9 conservation districts cannot certify the eligibility of former supervisors
10 or committeemen, the North Carolina Soil and Water Conservation
11 Commission may certify the eligibility to the Plan."

12 Section 6. G.S. 135-40.2(b) is amended by adding a new subdivision to read:

13 "(13) Soil and water conservation district supervisors, their eligible spouses,
14 and eligible dependent children."

15 Section 7. G.S. 135-40.3 is amended by adding a new subsection to read:

16 "(f) Soil and water conservation district supervisors are subject to the same terms
17 and conditions of this section as are employees. Eligible dependents of soil and water
18 conservation district supervisors are subject to the same terms and conditions of this
19 section as are dependents of employees."

20 Section 8. G.S. 135-39.6A reads as rewritten:

21 **"§ 135-39.6A. Premiums set.**

22 The Executive Administrator and Board of Trustees shall, from time to time, establish
23 premium rates for the Comprehensive Major Medical Plan except as they may be
24 established by the General Assembly in the Current Operations Appropriations Act, and
25 establish regulations for payment of the premiums. Premium rates shall be established
26 for coverages where Medicare is the primary payer of health benefits separate and apart
27 from the rates established for coverages where Medicare is not the primary payer of
28 health benefits.

29 In setting premiums for soil and water conservation district supervisors and their
30 eligible dependents, the Executive Administrator and Board of Trustees shall establish
31 rates separate from those affecting other members of the Plan. These separate premium
32 rates shall include rate factors for incurred but unreported claim costs, for the effects of
33 adverse selection from voluntary participation in the Plan, and for any other actuarially
34 determined measures needed to protect the financial integrity of the Plan for the benefit
35 of its served employees, retired employees, and their eligible dependents."

36 Section 9. This act is effective July 1, 1998.