

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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SENATE BILL 519

Short Title: State Health Plan/First Day Coverage. (Public)

Sponsors: Senator Forrester.

Referred to: Select Committee on Employee Hospital and Medical Benefits.

March 11, 2009

A BILL TO BE ENTITLED

AN ACT TO PROVIDE COVERAGE UNDER THE STATE HEALTH PLAN ON THE
FIRST DAY OF EMPLOYMENT AS A STATE EMPLOYEE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 135-45.3 reads as rewritten:

"§ 135-45.3. Enrollment.

(a) ~~Except~~ Notwithstanding any other provision of this Article to the contrary, and
except as otherwise required by applicable federal law, new employees must be given the
opportunity to enroll or decline enrollment for themselves and their dependents on the date of
the new employee's employment or, at the option of the employee, within 30 days from the date
of employment or from first becoming eligible on a noncontributory basis. Coverage may
become effective on the first day of employment of the new employee. ~~of the month following~~
~~date of entry on payroll or on the first day of the following month.~~ New employees not
enrolling themselves and their dependents within 30 days, or not adding dependents when first
eligible as provided herein may enroll on the first day of any month but will be subject to a
12-month waiting period for preexisting health conditions, except for employees who elect to
change their coverage in accordance with rules established by the Executive Administrator and
Board of Trustees for optional or alternative plans available under the Plan. Children born to
covered employees having coverage type (2) or (3), as outlined in G.S. 135-45.4(d) shall be
automatically covered at the time of birth without any waiting period for preexisting health
conditions. Children born to covered employees having coverage type (1) shall be
automatically covered at birth without any waiting period for preexisting health conditions so
long as the claims processor receives notification within 30 days of the date of birth that the
employee desires to change from coverage (1) to coverage type (2) or (3), provided that the
employee pays any additional premium required by the coverage type selected retroactive to
the first day of the month in which the child was born.

(b) Newly acquired dependents (spouse/child) enrolled within 30 days of becoming an
eligible dependent will not be subject to the 12-month waiting period for preexisting
conditions. A dependent can become qualified due to marriage, adoption, entering a foster child
relationship, due to the divorce of a dependent child or the death of the spouse of a dependent
child, and at the beginning of each legislative session (applies only to enrolled legislators).
Effective date for newly acquired dependents if application was made within the 30 days can be
the first day of the following month. Effective date for an adopted child can be date of
adoption, or date of placement in the adoptive parents' home, or the first of the month following
the date of adoption or placement. Firefighters, rescue squad workers, and members of the
national guard, and their eligible dependents, are subject to the same terms and conditions as



1 are new employees and their dependents covered by this subdivision. Enrollments in these
2 circumstances must occur within 30 days of eligibility to enroll."

3 **SECTION 1.(b)** G.S. 135-45.4(a)(2) reads as rewritten:

4 "**§ 135-45.4. Effective dates of coverage.**

5 (a) Employees and Retired Employees. –

6 ...

7 (2) ~~New~~ Notwithstanding any other provision of this Article to the contrary, new
8 employees may apply for coverage to be effective on the first day of ~~the~~
9 ~~month following~~ employment, or on a like date the following month if the
10 employee has enrolled."

11 **SECTION 2.** This act is effective when it becomes law and applies to employees
12 first hired on and after that date.