

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 190  
Committee Substitute Favorable 4/16/15

Short Title: State Health Plan Modifications.-AB

(Public)

Sponsors:

Referred to:

March 11, 2015

A BILL TO BE ENTITLED

AN ACT TO MAKE MODIFICATIONS TO THE STATE HEALTH PLAN FOR PUBLIC EMPLOYEES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 135-48.42(e) reads as rewritten:

"(e) Eligible employees and retirees may only change their elections, including adding or removing dependents, during the Plan year due to a qualifying event as defined under federal law. Notwithstanding the preceding sentence, retirees and surviving spouses may disenroll from the Plan during the Plan year without a qualifying event. Retirees and surviving spouses may also disenroll their dependents from the Plan during the Plan year without a qualifying event."

**SECTION 2.** G.S. 135-48.44(a) reads as rewritten:

"(a) Coverage under this Plan of an employee and his or her surviving spouse or eligible dependent children or of a retired employee and his or her surviving spouse or eligible dependent children shall cease on the earliest of the following dates:

...

(4) The last day of the ~~month~~month, or as soon thereafter as administratively feasible, in which the Plan approves cancellation of coverage for an employee or retired employee requests cancellation of coverage.~~employee.~~

...

(9) The last day of the month for which a premium is paid in full."

**SECTION 3.** G.S. 135-48.40(b) reads as rewritten:

"(b) Partially Contributory Coverage. – The following persons are eligible for coverage under the Plan, on a partially contributory basis, subject to the provisions of G.S. 135-48.43:

...

(8) Notwithstanding the provisions of G.S. 135-48.44, employees formerly covered by the provisions of this section, other than retired ~~employees,~~employees eligible for coverage on a noncontributory basis, who have been employed for 12 or more months by an employing unit, or who have completed a contract term of employment of 10 or 11 months and whose employing unit is a local school administrative unit, and whose jobs are eliminated because of a reduction, in total or in part, in the funds used to support the job or its responsibilities, provided the employees were covered by the Plan at the time of separation from service resulting from a job elimination. Employees covered by this subsection shall be covered for a period of up to 12 months following a separation from service because of a



1 job elimination. An employee formerly covered by the provisions of this  
2 section shall not be eligible for coverage under this subdivision if the  
3 employee is provided health benefit coverage on a non-contributory basis by  
4 a subsequent employer.

5 ...."

6 **SECTION 4.(a)** G.S. 135-48.40(d) reads as rewritten:

7 "(d) Fully Contributory Coverage. – The following persons shall be eligible for coverage  
8 under the Plan, on a fully contributory basis, subject to the provisions of G.S. 135-48.43:

9 ...

10 (9) Surviving spouses of deceased retirees and surviving spouses of deceased  
11 teachers, State employees, Disability Income Plan beneficiaries, and  
12 members of the General Assembly provided the death of the former Plan  
13 member occurred after September 30, 1986, and the surviving spouse was  
14 covered under the Plan at the time of death.

15 ...."

16 **SECTION 4.(b)** G.S. 135-48.41(g) reads as rewritten:

17 "(g) An eligible surviving spouse and any eligible surviving dependent child of a  
18 deceased retiree, teacher, State employee, member of the General Assembly, former member of  
19 the General Assembly, or Disability Income Plan beneficiary shall be eligible for group  
20 benefits under this section ~~without waiting periods for preexisting conditions~~ provided  
21 coverage is elected within 90 days after the death of the former plan member. Coverage may be  
22 elected at a later ~~time,time~~ during an annual enrollment period, ~~but members 19 years of age~~  
23 ~~and older may be subject to the 12-month waiting period for preexisting conditions and will be~~  
24 ~~effective the first day of the month following receipt of the application period."~~

25 **SECTION 5.** G.S. 135-48.42(a) reads as rewritten:

26 "(a) Except as otherwise required by applicable federal law, new employees must be  
27 given the opportunity to enroll or decline enrollment for themselves and their dependents  
28 within 30 days from the date of employment or from first becoming eligible on a partially  
29 contributory or other contributory basis. Coverage may become effective on the first day of the  
30 month following date of entry on payroll or on the first day of the following month. New  
31 employees age 19 and older not enrolling themselves and their dependents age 19 and older  
32 within 30 days, or not adding dependents when first eligible as provided herein may enroll  
33 during annual enrollment, but may be subject to a 12-month waiting period for preexisting  
34 health conditions, except for employees who elect to change their coverage in accordance with  
35 rules established by the State Treasurer for optional or alternative plans available under the  
36 Plan. Children born to covered employees having coverage type (2) or (3), as outlined in  
37 G.S. 135-48.43(d) shall be automatically covered at the time of birth without any waiting  
38 period for preexisting health conditions. Children born to covered employees having coverage  
39 type (1) shall be automatically covered at birth without any waiting period for preexisting  
40 health conditions so long as the claims processor receives notification within 30 days of the  
41 date of birth that the employee desires to change from coverage (1) to coverage type (2) or (3),  
42 provided that the employee pays any additional premium required by the coverage type  
43 selected retroactive to the first day of the month in which the child was born."

44 **SECTION 6.** This act becomes effective July 1, 2015.