

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

S

1

SENATE BILL 822

Short Title: State Self-Funded Health Care Plan.

(Public)

Sponsors: Senators Rand; and Foxx.

Referred to: Insurance and Consumer Protection.

April 3, 2001

A BILL TO BE ENTITLED

1
2 AN ACT TO AUTHORIZE THE EXECUTIVE ADMINISTRATOR AND BOARD
3 OF TRUSTEES OF THE TEACHERS' AND STATE EMPLOYEES'
4 COMPREHENSIVE MAJOR MEDICAL PLAN TO ADOPT AN
5 ARRANGEMENT FOR AN OPTIONAL PREPAID HOSPITAL AND MEDICAL
6 BENEFITS PROGRAM AS AN ALTERNATIVE TO THOSE CURRENTLY
7 AVAILABLE.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** G.S. 135-39.5B reads as rewritten:

10 "**§ 135-39.5B. Prepaid plans.**

11 (a) The Executive Administrator and Board of Trustees may, after consultation
12 with the Committee on Employee Hospital and Medical Benefits, provide for optional
13 prepaid hospital and medical benefits plans. Benefits offered under such optional plans
14 shall be comparable to those offered under the Plan. The amounts of State funds
15 contributed for such optional plans shall not be more than the amounts contributed for
16 each person eligible under G.S. 135-40.2 on a noncontributory Employee Only basis,
17 with the person selecting an optional plan paying any excess, if necessary. The amount
18 of State funds contributed to such optional plans shall also not exceed the amount of an
19 optional plan's cost for Employee Only coverage. The Executive Administrator and
20 Board of Trustees are authorized to assess and collect fees from participating optional
21 plans provided by this section for administrative purposes and for risk management
22 purposes. Such fees may be based upon the enrollees' risk factors and the number and
23 types of contracts enrolled by each participating optional plan, and may be collected by
24 the Plan in a manner prescribed by the Executive Administrator and Board of Trustees.
25 In no instance shall benefits be paid under Part 3 of this Article for persons enrolled in
26 an optional prepaid hospital and medical benefit plan authorized under this section on
27 and after the effective date of enrollment in the optional prepaid plan, except in cases of
28 continuous hospital confinement approved by the Executive Administrator.

1 (b) The Executive Administrator and Board of Trustees may, after consulting
2 with the Committee on Employee Hospital and Medical Benefits, adopt an arrangement
3 for an optional prepaid hospital and medical benefits program, including one
4 underwritten by the State, other than the one specified in subsection (a) of this section."

5 **SECTION 2.** This act is effective when it becomes law.