

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 154
Committee Substitute Favorable 4/16/15
Senate Insurance Committee Substitute Adopted 6/11/15

Short Title: Local Governments in State Health Plan.

(Public)

Sponsors:

Referred to:

March 5, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE UNITS OF LOCAL GOVERNMENT TO ENROLL THEIR
3 EMPLOYEES AND DEPENDENTS IN THE STATE HEALTH PLAN FOR TEACHERS
4 AND STATE EMPLOYEES, AND TO AUTHORIZE PIONEER SPRINGS
5 COMMUNITY SCHOOL TO ELECT TO PARTICIPATE IN THE STATE HEALTH
6 PLAN FOR TEACHERS AND STATE EMPLOYEES.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 135-48.8(b) reads as rewritten:

9 "(b) The State of North Carolina deems it to be in the public interest for ~~certain~~-local
10 government units to be allowed to join the State Health Plan for Teachers and State Employees
11 and to participate in the Plan."

12 **SECTION 2.** G.S. 135-48.47 reads as rewritten:

13 **"§ 135-48.47. Participation in State Health Plan by ~~certain~~-local government employees
14 and dependents.**

15 (a) Eligibility. – The employees and dependents of employees of ~~the following~~-local
16 government units are eligible to participate in the State Health ~~Plan~~:Plan, as provided in this
17 section.

18 (1) ~~Montgomery County.~~

19 (2) ~~Towns of Elizabethtown and Matthews.~~

20 Employees and dependents participating under this section are not guaranteed participation
21 in the Plan, and participation is contingent on their respective local government units (i)
22 electing to participate in the Plan and (ii) complying with the provisions of this section and this
23 Article, as well as any policies adopted by the Plan.

24 (b) Participation Requirements. – ~~The participation of a local government unit listed in~~
25 ~~subsection (a) of this section in the State Health Plan~~A local government unit may elect to
26 participate in the State Health Plan. Participation shall be governed by the following:

27 (1) In order to participate, a local government unit must, at least 60 days prior to
28 joining the Plan, enter must do the following:

29 a. Pass a valid resolution expressing the local government's desire to
30 participate in the Plan.

31 b. Enter into a memorandum of understanding with the Plan that
32 acknowledges the conditions of this section and this Article.

33 c. Provide at least 90 days' notice to the Plan prior to entry and
34 complete the requirements of this subdivision at least 60 days prior to
35 entry.



1 (2) ~~The~~ In order to participate, a local government unit and its employees must
2 meet the federal requirements to participate in a governmental plan. The
3 Plan may refuse participation to persons who would jeopardize the Plan's
4 qualification as a governmental plan under federal law.

5 (2a) The Plan shall admit any local government unit that meets the administrative
6 and legal requirements of this section, regardless of the claims experience of
7 the local government unit group or the financial impact on the Plan.

8 (3) ~~The~~ A local government unit shall determine the eligibility of its employees
9 and employees' dependents and what portion of the premiums employees
10 will pay to the local government unit.

11 (4) Premiums for coverage and Plan options shall be the same as those offered
12 to State employees and dependents on a fully contributory basis.

13 (5) The local government unit shall pay all premiums for all covered individuals
14 directly to the Plan or the Plan's designee.

15 (c) Enrollment Limitation. – Local governments may elect to participate until the
16 number of employees and dependents of employees of local governments enrolled in the Plan
17 reaches 10,000, after which time no additional local governments may join the Plan. Any local
18 government electing to participate must have less than 1,000 employees and dependents
19 enrolled in health coverage at the time the local government provides notice to the Plan of its
20 desire to participate."

21 **SECTION 3.** Notwithstanding any prior session law, any action taken by a Board
22 of Trustees of the State Health Plan for Teachers and State Employees or of the predecessor
23 plan to the current State Health Plan, or any other law, any local government unit that
24 participates in the State Health Plan as of the effective date of this act may elect to be subject to
25 the new requirements in G.S. 135-48.47, as enacted by this act. Local government units
26 electing to participate in the Plan under G.S. 135-48.47 shall cease monthly contributions to the
27 Retiree Health Benefit Fund in the month in which coverage begins under G.S. 135-48.47.
28 Local government units shall not be entitled to a refund of any prior contributions to the Retiree
29 Health Benefit Fund. Nothing in this section, nor an election to participate in the State Health
30 Plan under G.S. 135-48.47, shall impact any existing debt to the Retiree Health Benefit Fund
31 owed by any local government unit.

32 **SECTION 4.** Notwithstanding the time limitation contained in G.S. 135-48.54, the
33 Board of Directors of Pioneer Springs Community School, a charter school located in
34 Charlotte, may elect to become a participating employing unit in the State Health Plan for
35 Teachers and State Employees in accordance with Article 3B of Chapter 135 of the General
36 Statutes. The election authorized by this act shall be made no later than 30 days after the
37 effective date of this act and shall be made in accordance with all other requirements of
38 G.S. 135-48.54.

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