

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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SENATE BILL 508

Short Title: State Health Plan/Temporary Employees. (Public)

Sponsors: Senators Albertson; Dalton, Dannelly, Dorsett, Garrou, Gulley, Holloman, Hoyle, Jenkins, Kerr, Lucas, Malone, Moore, Queen, Rand, Reeves, Shaw, Smith, Soles, Stevens, and Thomas.

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

March 24, 2003

A BILL TO BE ENTITLED

AN ACT TO AMEND THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN PERTAINING TO ELIGIBILITY FOR PLAN COVERAGE FOR CERTAIN TEMPORARY AND OTHER EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-40.1(5) reads as rewritten:

"§ 135-40.1. General definitions.

As used in Parts 2 and 3 of this Article, the following terms have the meaning specified as follows:

...

(5) Employee. – Any permanent full-time or permanent part-time regular employee ~~(designated as half time or more)~~ or temporary or other employee of an employing unit."

SECTION 2. G.S. 135-40.2 reads as rewritten:

"§ 135-40.2. Eligibility.

(a) The following persons are eligible for coverage under the Plan, on a noncontributory basis, subject to the provisions of G.S. 135-40.3:

(1) All permanent full-time employees of an employing unit who meet the following conditions:

- a. Paid from general or special State funds, or
- b. Paid from non-State funds and in a group for which his or her employing unit has agreed to provide coverage.

Employees of State agencies, departments, institutions, boards, and commissions not otherwise covered by the Plan who are employed in permanent job positions on a recurring basis and who work 30 or more

- 1 hours per week for nine or more months per calendar year are covered
2 by the provisions of this subdivision.
- 3 (1a) ~~Permanent hourly employees as defined in G.S. 126-5(e4) who work at~~
4 ~~least one-half of the workdays of each pay period.~~
- 5 (2) Retired teachers, State employees, members of the General Assembly,
6 and retired State law enforcement officers who retired under the Law
7 Enforcement Officers' Retirement System prior to January 1, 1985.
- 8 (2a) Surviving spouses of:
- 9 a. Deceased retired employees, provided the death of the former
10 plan member occurred prior to October 1, 1986; and
- 11 b. Deceased teachers, State employees, and members of the
12 General Assembly who are receiving a survivor's alternate
13 benefit under any of the State-supported retirement programs,
14 provided the death of the former plan member occurred prior to
15 October 1, 1986.
- 16 (3) Repealed by Session Laws 1985 (Reg. Sess., 1986), c. 1020, s. 29(b).
- 17 (3a) Employees of the General Assembly, not otherwise covered by this
18 section, as determined by the Legislative Services Commission, except
19 for legislative interns and pages.
- 20 (4) Members of the General Assembly.
- 21 (5) Notwithstanding the provisions of subsection (e) of this section,
22 employees on official leave of absence while completing a full-time
23 program in school administration in an approved program as a
24 Principal Fellow in accordance with Article 5C of Chapter 116 of the
25 General Statutes.
- 26 (6) Notwithstanding the provisions of G.S. 135-40.11, employees
27 formerly covered by the provisions of this section, other than retired
28 employees, who have been employed for 12 or more months by an
29 employing unit and whose jobs are eliminated because of a reduction,
30 in total or in part, in the funds used to support the job or its
31 responsibilities, provided the employees were covered by the Plan at
32 the time of separation from service resulting from a job elimination.
33 Employees covered by this subsection shall be covered for a period of
34 up to 12 months following a separation from service because of a job
35 elimination.
- 36 (7) Any member enrolled pursuant to subdivision (1) or (1a) of this
37 subsection who is on approved leave of absence with pay or receiving
38 workers' compensation.
- 39 (8) Employees on approved Family and Medical Leave.
- 40 (a1) Repealed by Session Laws 2000-141, s. 6(b), effective August 2, 2000, and
41 by Session Laws 2000-184, s. 1(b), effective August 1, 2000.
- 42 (a2) ~~A classroom teacher in a job sharing position as defined in G.S.~~
43 ~~115C-302.2(b) shall be eligible for coverage under the Plan, on a partially contributory~~
44 ~~basis, subject to the provisions of G.S. 135-40.3. If these employees elect to participate~~

1 ~~in the Plan, the employing unit shall pay fifty percent (50%) of the Plan's total~~
2 ~~noncontributory premiums. Individual employees shall pay the balance of the total~~
3 ~~noncontributory premiums not paid by the employing unit.~~The following persons are
4 eligible for coverage under the Plan, on a partially contributory basis, subject to the
5 provisions of G.S. 135-40.3:

6 (1) A classroom teacher in a job-sharing position as defined in G.S. 115C-
7 302.2(b). If these employees elect to participate in the Plan, the
8 employing unit shall pay fifty percent (50%) of the Plan's total
9 noncontributory premiums. Individual employees shall pay the balance
10 of the total noncontributory premiums not paid by the employing unit.

11 (2) All permanent part-time employees (designated as half-time or more)
12 of an employing unit who meet the conditions outlined in sub-
13 subdivision (a)(1)a. of this section, and who are not covered by
14 subdivision (a)(1) of this section. If these employees elect to
15 participate in the Plan, the employing unit shall pay fifty percent
16 (50%) of the Plan's total noncontributory premiums. Individual
17 employees shall pay the balance of the total noncontributory premiums
18 not paid by the employing unit.

19 (3) All temporary or other employees of an employing unit not otherwise
20 covered by the provisions of this section who work at least six months
21 in any continuous 12-month period on a full-time recurring basis and
22 who have worked in the same employer-employee relationship for at
23 least two years. The same employer-employee relationship described
24 in this subdivision need not be with the same employing unit. If these
25 employees elect to participate in the Plan, the employing unit shall pay
26 fifty percent (50%) of the Plan's total noncontributory premiums.
27 Individual employees shall pay the balance of the total noncontributory
28 premiums not paid by the employing unit.

29 (b) ~~The following person~~persons shall be eligible for coverage under the Plan,
30 on a fully contributory basis, subject to the provisions of G.S. 135-40.3:

31 (1) Repealed by Session Laws 1983, c. 761, s. 255.

32 (2) Former members of the General Assembly who enroll before October
33 1, 1986.

34 (2a) For enrollments after September 30, 1986, former members of the
35 General Assembly if covered under the Plan at termination of
36 membership in the General Assembly. To be eligible for coverage as a
37 former member of the General Assembly, application must be made
38 within 30 days of the end of the term of office. Only members of the
39 General Assembly covered by the Plan at the end of the term of office
40 are eligible. If application is not made within the specified time period,
41 the member forfeits eligibility.

42 (3) Surviving spouses of deceased former members of the General
43 Assembly who enroll before October 1, 1986.

- 1 (3a) Employees of the General Assembly, not otherwise covered by this
2 section, as determined by the Legislative Services Commission, except
3 for legislative interns and pages.
- 4 (3b) For enrollments after September 30, 1986, surviving spouses of
5 deceased former members of the General Assembly, if covered under
6 the Plan at the time of death of the former member of the General
7 Assembly.
- 8 (4) All permanent part-time employees (~~designated as half-time or more~~)
9 ~~of an employing unit who meets the conditions outlined in subdivision~~
10 ~~(a)(1)a above, and who are not covered by the provisions of G.S.~~
11 ~~135-40.2(a)(1).not otherwise covered by this section.~~
- 12 (4a) Repealed by Session Laws 1997-512, s. 22.
- 13 (5) The spouses and eligible dependent children of enrolled teachers, State
14 employees, retirees, former members of the General Assembly, former
15 employees covered by the provisions of G.S. 135-40.2(a)(6), Disability
16 Income Plan beneficiaries, enrolled continuation members, and
17 members of the General Assembly. Spouses of surviving dependents
18 are not eligible, nor are dependent children if they were not covered at
19 the time of the member's death. Surviving spouses may cover their
20 dependent children provided the children were enrolled at the time of
21 the member's death or enroll within 30 days of the member's death.
- 22 (6) Blind persons licensed by the State to operate vending facilities under
23 contract with the Department of Health and Human Services, Division
24 of Services for the Blind and its successors, who are:
- 25 a. Operating such a vending facility;
- 26 b. Former operators of such a vending facility whose service as an
27 operator would have made these operators eligible for an early
28 or service retirement allowance under Article 1 of this Chapter
29 had they been members of the Retirement System; and
- 30 c. Former operators of such a vending facility who attain five or
31 more years of service as operators and who become eligible for
32 and receive a disability benefit under the Social Security Act
33 upon cessation of service as an operator.
- 34 Spouses, dependent children, surviving spouses, and surviving
35 dependent children of such members are not eligible for coverage.
- 36 (7) Repealed by Session Laws 1985 (Reg. Sess., 1986), c. 1020, s. 29(j).
- 37 (8) Surviving spouses of deceased retirees and surviving spouses of
38 deceased teachers, State employees, and members of the General
39 Assembly provided the death of the former Plan member occurred
40 after September 30, 1986, and the surviving spouse was covered under
41 the Plan at the time of death.
- 42 (9) Repealed by Session Laws 1987, c. 857, s. 11.1.
- 43 (10) Any eligible dependent child of the deceased retiree, teacher, State
44 employee, member of the General Assembly, former member of the

1 General Assembly, or Disability Income Plan beneficiary, provided the
2 child was covered at the time of death of the retiree, teacher, State
3 employee, member of the General Assembly, former member of the
4 General Assembly, or Disability Income Plan beneficiary, (or was in
5 posse at the time and is covered at birth under this Part), or was
6 covered under the Plan on September 30, 1986. An eligible surviving
7 dependent child can remain covered until age 19, or age 26 if a
8 full-time student, or indefinitely if certified as incapacitated under G.S.
9 135-40.1(3)b.

10 (11) Repealed by Session Laws 2000-141, s. 6(b), effective August 2, 2000,
11 and by Session Laws 2000-184, s. 1(b), effective August 1, 2000.

12 (12) Notwithstanding the provisions of G.S. 135-40.11, former employees
13 covered by the provisions of G.S. 135-40.2(a)(6), and their spouses
14 and eligible dependent children who were covered by the Plan at the
15 time of the former employees' separation from service pursuant to G.S.
16 135-40.2(a)(6), following expiration of the former employees'
17 coverage provided by G.S. 135-40.2(a)(6). Election of coverage under
18 this subdivision shall be made within 90 days after the termination of
19 coverage provided under G.S. 135-40.2(a)(6).

20 (13) Firemen, rescue squad workers, and members of the national guard,
21 their eligible spouses, and eligible dependent children.

22 (14) All temporary or other employees of an employing unit not otherwise
23 covered by this section.

24 (c) No person shall be eligible for coverage as a dependent if eligible as an
25 employee or retired employee, except when a spouse is eligible on a fully contributory
26 basis. In addition, no person shall be eligible for coverage as a dependent of more than
27 one employee or retired employee at the same time.

28 (d) Former employees who are receiving disability retirement benefits or
29 disability income benefits pursuant to Article 6 of Chapter 135 of the General Statutes,
30 provided the former employee has at least five years of retirement membership service,
31 shall be eligible for the benefit provisions of this Plan, as set forth in this Part, on a
32 noncontributory basis. Such coverage shall terminate as of the end of the month in
33 which such former employee is no longer eligible for disability retirement benefits or
34 disability income benefits pursuant to Article 6 of this Chapter.

35 (e) Employees on official leave of absence without pay may elect to continue this
36 group coverage at group cost provided that they pay the full employee and employer
37 contribution through the employing unit during the leave period.

38 (f) For the support of the benefits made available to any member vested at the
39 time of retirement, their spouses or surviving spouses, and the surviving spouses of
40 employees who are receiving a survivor's alternate benefit under G.S. 135-5(m) of those
41 associations listed in G.S. 135-27(a), licensing and examining boards under G.S.
42 135-1.1, the North Carolina Art Society, Inc., and the North Carolina Symphony
43 Society, Inc., each association, organization or board shall pay to the Plan the full cost
44 of providing these benefits under this section as determined by the Board of Trustees of

1 the Teachers' and State Employees' Comprehensive Major Medical Plan. In addition,
2 each association, organization or board shall pay to the Plan an amount equal to the cost
3 of the benefits provided under this section to presently retired members of each
4 association, organization or board since such benefits became available at no cost to the
5 retired member.

6 (g) An eligible surviving spouse and any eligible surviving dependent child of a
7 deceased retiree, teacher, State employee, member of the General Assembly, former
8 member of the General Assembly, or Disability Income Plan beneficiary shall be
9 eligible for group benefits under this section without waiting periods for preexisting
10 conditions provided coverage is elected within 90 days after the death of the former plan
11 member. Coverage may be elected at a later time, but will be subject to the 12-month
12 waiting period for preexisting conditions and will be effective the first day of the month
13 following receipt of the application.

14 (h) No person shall be eligible for coverage as an employee or retired employee
15 or as a dependent of an employee or retired employee upon a finding by the Executive
16 Administrator or Board of Trustees or by a court of competent jurisdiction that the
17 employee or dependent knowingly and willfully made or caused to be made a false
18 statement or false representation of a material fact in a claim for reimbursement of
19 medical services under the Plan. The Executive Administrator and Board of Trustees
20 may make an exception to the provisions of this subsection when persons subject to this
21 subsection have had a cessation of coverage for a period of five years and have made a
22 full and complete restitution to the Plan for all fraudulent claim amounts. Nothing in
23 this subsection shall be construed to obligate the Executive Administrator and Board of
24 Trustees to make an exception as allowed for under this subsection.

25 (i) Any employee receiving benefits pursuant to Article 6 of this Chapter when
26 the employee has less than five years of retirement membership service, or an employee
27 on leave without pay due to illness or injury for up to 12 months, is entitled to continued
28 coverage under the Plan for the employee and any eligible dependents by paying one
29 hundred percent (100%) of the cost."

30 **SECTION 3.** This act becomes effective July 1, 2003.