

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**SENATE BILL 39  
Select Committee on Employee Hospital and Medical Benefits Committee  
Substitute Adopted 3/19/03**

Short Title: Charter Sch. & State Retire. & Med. Plans.

(Public)

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Sponsors:

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Referred to:

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February 13, 2003

A BILL TO BE ENTITLED

1  
2 AN ACT TO AUTHORIZE CERTAIN CHARTER SCHOOLS TO ELECT TO  
3 PARTICIPATE IN THE TEACHERS' AND STATE EMPLOYEES'  
4 RETIREMENT SYSTEM AND THE NORTH CAROLINA TEACHERS' AND  
5 STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN; AND TO  
6 ASSESS INTEREST ON PREMIUM PAYMENTS NOT REMITTED BY  
7 CHARTER SCHOOL EMPLOYING UNITS IN A TIMELY MANNER.

8 The General Assembly of North Carolina enacts:

9       **SECTION 1.** Notwithstanding the time limitations contained in G.S.  
10 135-5.3(b) and G.S. 135-40.3A(b), the board of directors of any charter school that  
11 received State Board of Education approval under G.S. 115C-238.29D on or after  
12 January 1, 2002, may elect to become a participating employer in the Teachers' and  
13 State Employees' Retirement System in accordance with Article 1 of Chapter 135 of the  
14 General Statutes and may also elect to become a participating employing unit in the  
15 North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan in  
16 accordance with Article 3 of Chapter 135. The elections authorized by this section shall  
17 be made no later than 30 days after the effective date of this act and shall be made in  
18 accordance with all other requirements of G.S. 135-5.3 and G.S. 135-40.3A.

19       **SECTION 2.** G.S. 135-39.6A reads as rewritten:

20 "**§ 135-39.6A. Premiums set.**

21       (a) The Executive Administrator and Board of Trustees shall, from time to time,  
22 establish premium rates for the Comprehensive Major Medical Plan except as they may  
23 be established by the General Assembly in the Current Operations Appropriations Act,  
24 and establish regulations for payment of the premiums. Premium rates shall be  
25 established for coverages where Medicare is the primary payer of health benefits  
26 separate and apart from the rates established for coverages where Medicare is not the  
27 primary payer of health benefits.

1 (b) The Executive Administrator and Board of Trustees shall establish separate  
2 premium rates for the long-term care benefits provided by Part 4 of this Article if the  
3 benefits are administered on a self-insured basis.

4 (c) The Executive Administrator and Board of Trustees shall establish premium  
5 rates for benefits provided under Part 5 of this Article. The Department of Health and  
6 Human Services shall, from State and federal appropriations and from any other funds  
7 made available for the Health Insurance Program for Children established under Part 8  
8 of Article 2 of Chapter 108A of the General Statutes, make payments to the North  
9 Carolina Teachers' and State Employees' Comprehensive Major Medical Plan as  
10 determined by the Plan for its administration, claims processing, and other services  
11 authorized to provide coverage for acute medical care for children eligible for benefits  
12 provided under Part 5 of this Article.

13 (d) In setting premiums for firemen, rescue squad workers, and members of the  
14 national guard, and their eligible dependents, the Executive Administrator and Board of  
15 Trustees shall establish rates separate from those affecting other members of the Plan.  
16 These separate premium rates shall include rate factors for incurred but unreported  
17 claim costs, for the effects of adverse selection from voluntary participation in the Plan,  
18 and for any other actuarially determined measures needed to protect the financial  
19 integrity of the Plan for the benefit of its served employees, retired employees, and their  
20 eligible dependents.

21 (e) The total amount of premiums due the Plan from charter schools as  
22 employing units, including amounts withheld from the compensation of Plan members,  
23 that is not remitted to the Plan by the fifteenth day of the month following the due date  
24 of remittance shall be assessed interest of one and one-half percent (1 1/2%) of the  
25 amount due the Plan, per month or fraction thereof, beginning with the sixteenth day of  
26 the month following the due date of the remittance. The interest authorized by this  
27 section shall be assessed until the premium payment plus the accrued interest amount is  
28 remitted to the Plan. The remittance of premium payments under this section shall be  
29 presumed to have been made if the remittance is postmarked in the United States mail  
30 on a date not later than the fifteenth day of the month following the due date of the  
31 remittance."

32 **SECTION 3.** This act is effective when it becomes law.