

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**SENATE DRS15166-LN-30A (1/25)**

Short Title: State Health Plan/Options.

(Public)

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Sponsors: Senator Rand.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO MAKE CHANGES TO THE TEACHERS' AND STATE EMPLOYEES'  
COMPREHENSIVE MAJOR MEDICAL PLAN IN ORDER TO PROVIDE  
AFFORDABLE HEALTH BENEFIT OPTIONS TO COVERED EMPLOYEES.

The General Assembly of North Carolina enacts:

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

**"§ 135-39.5B. Prepaid plans.**

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

(b) The Executive Administrator and Board of Trustees may, after consulting with the Committee on Employee Hospital and Medical Benefits, adopt an arrangement

1 for an optional prepaid hospital and medical benefits program other than the one  
2 specified in subsection (a) of this section. The optional program may include one that is  
3 purchased or underwritten by the State, and may be a PPO, HMO, or other type optional  
4 program."

5           **SECTION 2.** This act becomes effective July 1, 2005.