

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 232
Committee Substitute Favorable 4/2/13
Committee Substitute #2 Favorable 5/15/13
Senate Pensions & Retirement and Aging Committee Substitute Adopted 6/26/13

Short Title: State Health Plan/Statutory Changes.-AB

(Public)

Sponsors:

Referred to:

March 7, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE TECHNICAL AND OTHER CHANGES TO THE STATE HEALTH
3 PLAN FOR TEACHERS AND STATE EMPLOYEES STATUTES, AS REQUESTED BY
4 THE STATE HEALTH PLAN.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 135-48.40(b)(1) reads as rewritten:

7 "(b) Partially Contributory Coverage. – The following persons are eligible for coverage
8 under the Plan, on a partially contributory basis, subject to the provisions of G.S. 135-48.43:

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

11 a. ~~Paid from general or special State funds.~~

12 b. ~~Paid from non State funds and in a group for which his or her
13 employing unit has agreed to provide coverage.~~

14 ~~Employees of State agencies, departments, institutions, boards, and
15 commissions not otherwise covered by the Plan who are employed in
16 permanent job positions on a recurring basis and who work 30 or
17 more hours per week for nine or more months per calendar year are
18 covered by the provisions of this subdivision. For the purposes of this
19 section, the full-time status of an employee will be determined by the
20 employing unit in accordance with section 4980H of the Internal
21 Revenue Code and the applicable regulations, as amended."~~

22 **SECTION 2.** G.S. 135-48.40(b)(2) is repealed.

23 **SECTION 3.** G.S. 135-48.42(e) reads as rewritten:

24 "(e) Eligible employees and retirees may only change their elections, including adding or
25 removing dependents, during the Plan year due to a qualifying event as defined under federal
26 law."

27 **SECTION 4.** G.S. 135-48.43 reads as rewritten:

28 "§ 135-48.43. **Effective dates of coverage.**

29 (a) Eligible Employees and Retired Employees. – Employees and retirees who
30 otherwise satisfy the eligibility requirements set forth in G.S. 135-48.40 will be offered
31 coverage with the following effective dates:

32 (1) Employees and retired employees covered under the Predecessor Plan will
33 continue to be covered, subject to the terms hereof.



- 1 (2) New employees may apply for coverage to be effective on the first day of
 2 the month following ~~employment, or on a like date the following month if~~
 3 ~~the employee has enrolled, the date that the employee is determined by the~~
 4 ~~employing unit to be a full-time employee as defined in~~
 5 G.S. 135-48.40(b)(1) or, if later, the first day of any applicable stability
 6 periods established by the employing unit in accordance with section 4980H
 7 of the Internal Revenue Code and the applicable regulations, as amended.
- 8 (3) Employees ~~age 19 or older~~ not enrolling or adding dependents ~~age 19 and~~
 9 ~~older~~ when first eligible in accordance with G.S. 135-48.42 may enroll later
 10 during annual enrollment, ~~but may be subject to a 12-month waiting period~~
 11 ~~for a preexisting health condition,~~ except employees who elect to change
 12 their coverage in accordance with rules adopted by the State Treasurer for
 13 optional alternative plans offered under the Plan.
- 14 (4) Members of the General Assembly, beginning with the 1985 Session, shall
 15 become first eligible with the convening of each Session of the General
 16 Assembly, regardless of a Member's service during previous Sessions.
 17 Members and their dependents enrolled when first eligible after the
 18 convening of each Session of the General Assembly will not be subject to
 19 any waiting periods for preexisting health conditions. Members of the 1983
 20 Session of the General Assembly, not already enrolled, shall be eligible to
 21 enroll themselves and their dependents on or before October 1, 1983,
 22 without being subject to any waiting periods for preexisting health
 23 conditions.

24 (b) Waiting Periods and Preexisting Conditions. –

25 ...

- 26 (3) Retiring employees and dependents enrolled when first eligible after an
 27 employee's retirement are subject to no waiting period for preexisting
 28 conditions under the Plan. Retiring employees not enrolled or not adding
 29 dependents age 19 and older when first eligible after an employee's
 30 retirement may enroll at a later ~~on the first of any following month, time~~
 31 during annual enrollment, but ~~will~~ may be subject to a 12-month waiting
 32 period for preexisting conditions except as provided in subdivision (a)(3) of
 33 this section.

34"

35 **SECTION 5.** G.S. 135-48.51 reads as rewritten:

36 **"§ 135-48.51. Coverage and operational mandates related to Chapter 58 of the General**
 37 **Statutes.**

38 The following provisions of Chapter 58 of the General Statutes apply to the State Health
 39 Plan:

40 ...

- 41 (8) G.S. 58-3-250, Payment obligations for covered services.

- 42 (9) G.S. 58-3-265, ~~Payment obligations for covered services.~~ Prohibition on
 43 managed care provider incentives.

44"

45 **SECTION 6.** G.S. 147-86.23 reads as rewritten:

46 **"§ 147-86.23. Interest and penalties.**

47 A State agency shall charge interest at the rate established pursuant to G.S. 105-241.21 on a
 48 past-due account receivable from the date the account receivable was due until it is paid. A
 49 State agency shall add to a past-due account receivable a late payment penalty of no more than
 50 ten percent (10%) of the account receivable. A State agency may waive a late-payment penalty
 51 for good cause shown. If another statute requires the payment of interest or a penalty on a

1 past-due account receivable, this section does not apply to that past-due account receivable.
2 This section does not apply to money owed to the University of North Carolina Health Care
3 System or to East Carolina University's Division of Health Sciences for health care ~~services or~~
4 services, to the North Carolina Turnpike Authority for money owed to the Authority for ~~tolls.~~
5 tolls, or to the North Carolina State Health Plan for past-due account receivables related to
6 premiums and claims payments."

7 **SECTION 7.** Sections 1 and 4 become effective January 1, 2014, and apply to plan
8 years beginning on or after that date. Section 3 becomes effective July 1, 2013, and applies to
9 plan years beginning on or after that date. The remainder of this act is effective when it
10 becomes law.