



# HOUSE BILL 190: State Health Plan Modifications

2015-2016 General Assembly

**Committee:**  
**Introduced by:**  
**Analysis of:** S.L. 2015-100

**Date:**  
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Staff Attorney

**SUMMARY:** *S.L. 2015-100 makes a number of modifications to the State Health Plan, including:*

- *Amends the statute pertaining to enrollment to allow retirees and surviving spouses to disenroll themselves or their dependents from the Plan during the Plan year without a qualifying event.*
- *Amends the statute to provide that coverage ceases on the earliest of the last day of the month or as soon thereafter as administratively feasible, in which the Plan approves cancellation of coverage for an employee or retired employee.*
- *Adds "employees eligible for coverage on a noncontributory basis" to the statute pertaining to partially contributory coverage.*
- *Provides eligibility for coverage under the Plan on a fully contributory basis to Disability Income Plan Beneficiaries.*
- *Removes some references to preexisting conditions and waiting periods from eligibility provisions.*
- *Adds "other contributory basis" to enrollment language pertaining to new employees that must be given the opportunity to enroll or decline enrollment for themselves and their dependents within 30 days from the date of employment or from first becoming eligible on a partially contributory or other contributory basis.*

*This act became effective July 1, 2015.*

## **BILL ANALYSIS:**

**Section 1** amends G.S. 135-48.42(e) pertaining to enrollment to allow retirees and surviving spouses to dis-enroll from the Plan during the Plan year without a qualifying event. It also allows retirees and surviving spouses to dis-enroll their dependents from the Plan without a qualifying event.

**Section 2** amends G.S. 135-48.44(a) specifying that coverage will cease on the earliest of the last day of the month, or as soon thereafter as administratively feasible, in which the Plan approves cancellation of coverage for an employee or retired employee. This section also adds new language in the PCS to clarify that coverage will be terminated for failure to pay premiums. Termination for failure to pay will take place on the last day of the month for which a premium is paid.

**Section 3** amends G.S. 135-48.40(b)(8) pertaining to partially contributory coverage to add "employees eligible for coverage on a noncontributory basis" to the section. According to the State Health Plan this change is needed to clarify treatment for Reduced in Force (RIF) employees.



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**Section 4(a)** amends G.S. 135-48.40(d) regarding fully contributory coverage to allow surviving spouses of Disability Income Plan beneficiaries to be eligible for coverage under the Plan on a fully contributory basis.

**Section 4(b)** amends G.S. 135-48.41(g) pertaining to additional eligibility provisions to remove references to preexisting conditions and waiting periods.

**Section 5** of S.L. 2015-190 amends G.S. 135-48.42(a) to add "other contributory basis" to enrollment language pertaining to new employees that must be given the opportunity to enroll or decline enrollment for themselves and their dependents within 30 days from the date of employment or from first becoming eligible on a partially contributory or other contributory basis.

**EFFECTIVE DATE:** S.L. 2015-100 became effective July 1, 2015.

Staff Analyst Theresa Matula substantially contributed to this summary.