



HOUSE BILL 190: State Health Plan Modifications.-AB

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2015-2016 General Assembly

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| Committee: | House State Personnel, if favorable, Appropriations | Date: | April 14, 2015 |
| Introduced by: | Rep. Pendleton | Prepared by: | Theresa Matula Committee Staff |
| Analysis of: | PCS to First Edition H190-CSSH-18 | | |

SUMMARY: *House Bill 190 makes a number of modifications to the State Health Plan.*

The PCS adds a new Section 5 to the bill and makes a change in Section 2 of the bill to clarify that coverage will be terminated for failure to pay.

BILL ANALYSIS:

Section 1 of House Bill 190 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.

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 the PCS 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: House Bill 190 would become effective July 1, 2015.

