



SENATE BILL 865: State Health Plan/Admin Changes/Local Govts.

2016-2017 General Assembly

Committee:	Senate Insurance	Date:	June 23, 2016
Introduced by:	Sen. Sanderson	Prepared by:	Jason Moran-Bates Staff Attorney
Analysis of:	PCS to First Edition S865-CSTU-28		

SUMMARY: *The Proposed Committee Substitute to Senate Bill 865 makes several changes to the statutes governing the State Health Plan for Teachers and State Employees. The changes in each section are described below.*

BILL ANALYSIS:

Section 1: Amends G.S. 135-48.47(b) to prohibit local government units that participate in the Plan from charging employees more for their coverage than allowed under the structure set by the Plan. It also prohibits local governments from charging premiums for employees' dependents which are greater than those set by the Plan.

Section 2.(a).: Amends G.S. 135-47(c) to increase the enrollment limitation on the number of employees and dependents of local governments from 10,000 to 16,000. Section 2.(b). sets forth a schedule for this increase.

Section 3: Amends G.S. 135-48.17 to allow local governments to withdraw from the Plan effective January 1, 2017, so long as notice is given to the Plan no later than September 15, 2016.

Section 4: Adds a new Part to Article 3B of Chapter 135 of the General Statutes to clarify that the Plan is responsible for federal filing requirements under sections 6055 and 6056 of the Internal Revenue Code for retirees and direct bill members, but employing units are responsible for those filings for all other individuals. The Plan shall provide employing units with access to the necessary data and may facilitate a reporting solution, but the employing unit is responsible for paying all costs of that solution. For 2015, the Plan provided and paid for a solution for all employing units. The filing requirements relate to the "individual mandate" and "employer mandate" under the federal Affordable Care Act.

Section 5: Amends G.S. 58-3-167(a)(1) to clarify that a "Health benefit plan" does not include any plan implemented or administered by the State Health Plan for Teachers and State Employees.

EFFECTIVE DATE: Section 1 becomes effective on January 1, 2017, and applies to premiums paid on or after that date. The remainder of the act becomes effective when it becomes law.

David Vanderweide of the Fiscal Research Division substantially contributed to this summary.

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