



2019-2020 General Assembly

SENATE BILL 704: COVID-19 Recovery Act, Sec. 4.21: State Health Plan Premium and Debt Payment Deferral Option During Declaration of Emergency

Committee:		Date:	October 28, 2020
Introduced by:		Prepared by:	Amy Jo Johnson Staff Attorney
Analysis of:	Sec. 4.21 of S.L. 2020-3		

OVERVIEW: Section 4.21 of S.L. 2020-3 authorizes the State Treasurer, with approval of the Board of Trustees for the State Health Plan, to give certain members or employing units the option to defer premium or debt payment when there is a state of disaster or emergency. This section was effective retroactively to January 1, 2020.

BACKGROUND:

The Commissioner of Insurance has authority to order a deferral of insurance premium and debt payment in the event of a state of emergency or disaster. This authority does not apply to the State Health Plan.

BILL ANALYSIS:

Section 4.21(a) of S.L. 2020-3 enacts G.S. 135-48.30(a)(18) which authorizes the State Treasurer, with approval of the Board of Trustees for the State Health Plan, to give certain members or employing units the option to defer State Health Plan premiums or debt payment when there is a state of disaster or emergency.

Section 4.21(b) of S.L. 2020-3 enacts G.S.135-48.39 which outlines the operations of the State Health Plan during a state of disaster or emergency. State of disaster or emergency is defined as any of the following:

- The Governor or legislature has declared a state of emergency under G.S. 166A 19.20.
- The Governor has issued a disaster declaration under G.S. 116A 19.21.
- The President of the United States has issued a major disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121, et seq., as amended, for this State, for an area within this State, or for an area in which a member or an employing unit is located.
- The Governor, legislature, or other governing body has declared a state of emergency or disaster, or the equivalent, for an area in which a member or employing unit is located.

A deferral period offered under G.S. 135-48.39 cannot last beyond 90 days from the last day of the period in which there is a state of disaster. Any payments in arrears continue to be owed to the State Health Plan.

EFFECTIVE DATE: This section was effective retroactively to January 1, 2020.

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Legislative Drafting
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