GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 922
HOUSE Bill 1475

AN ACT TO MAKE TECHNICAL AMENDMENTS TO THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN.

The General Assembly of North Carolina enacts:

Section 1. G.S. 135-39(a) is rewritten to read:

"(a) There is hereby established the Board of Trustees of the Teachers' and State Employees' Comprehensive Major Medical Plan."

Sec. 2. G.S. 135-39.5(11) is rewritten to read:

"(11) Employing such clerical, professional staff, and other such assistance as may be necessary to assist the Board of Trustees in carrying out its duties and responsibilities under this Article."

Sec. 3. G.S. 135-39.4(c) is rewritten to read:

"Modifications from the request for proposal and the offer made in response may be made by the Board of Trustees, but such modification may not change any of the provisions of the Comprehensive Major Medical Plan provided in Part 3 of this Article except that the Board may make such administrative modifications as may be deemed necessary to facilitate the operation of the Comprehensive Major Medical Plan, or to correct typographical errors, or as provided in subsection (e). The Board shall consult with the Committee on Employee Hospital and Medical Benefits in regard to all such modifications as soon as reasonably practical."

Sec. 4. G.S. 135-40.1(3) is amended by adding the following sentence immediately after the first full sentence:

"Dependent child shall also include any child under age 19 who has reached his or her 18th birthday, provided the employee was legally responsible for such child's maintenance and support on his or her 18th birthday."

Sec. 5. G.S. 135-40.2(a)(3) is rewritten to read:

"Surviving spouses of deceased retirees and surviving spouses of deceased teachers and State employees, receiving a survivor's alternate benefit under G.S. 135-5(m)."

Sec. 6. G.S. 135-40.3(b) is rewritten to read:

"(b) Waiting Periods and Preexisting Conditions:

(1) New employees and dependents enrolling when first eligible are subject to no waiting period for preexisting conditions under the Plan.

(2) Employees not enrolling or not adding dependents when first eligible may enroll later on the first of any following month, but will be subject to a twelve-month waiting period for preexisting conditions."

Sec. 7. G.S. 135-40.5(d) is amended by adding the following at the end:

"Second surgical opinions for tonsillectomy and adenoidectomy procedures may be provided by Board-qualified pediatricians and family practitioners when qualified surgeons are not available to provide second surgical opinions. Should the first two opinions differ as to the necessity of surgery, the Plan will pay one hundred percent (100%) of reasonable and customary charges for the consultation of a third surgeon."

Sec. 8. G.S. 135-40.6(1) is amended by deleting the entire second paragraph and by adding a new subparagraph at the end to read:

"(s) The use of nebulizers when authorized as medically necessary by the attending physician."

Sec. 9. G.S. 135-40.6(1)n. is rewritten to read:

"n. Processing and administering of blood and blood plasma."

Sec. 10. G.S. 135-40.6(1)r. is amended by adding the following sentence at the end:

"Additional inpatient treatment, based on individual consideration, may be provided if prior approval is obtained from the Plan Administrator."

Sec. 11. G.S. 135-40.6(5)c. is amended by adding the following sentence at the end:

"Developmental and congenital orthognathic surgery procedures will be covered under the Plan, provided such surgery is medically necessary, is the only method of treatment which will correct the patient's deformity, is not performed for cosmetic reasons, and is approved in advance by the Plan Administrator on the basis of the surgeon's documentation that the correction of the deformity is medically necessary for the maintenance of good physical health."

Sec. 12. G.S. 135-40.6(6)a. is amended by adding the following language after the words "bone tissue" and prior to the semicolon in the ninth line:

"except as permitted pursuant to G.S. 135-40.6(5)c.".

Sec. 13. G.S. 135-40.6(8)c. is rewritten to read as follows:

"c. Home Health Agency Services: Services provided in a covered individual's home, when ordered by the attending physician. Services may include medical supplies, equipment, appliances, therapy services (when provided by a qualified speech therapist or licensed physiotherapist), and nursing services. Nursing services will be allowed for:

1. services of a registered nurse (RN); or
2. services of a licensed practical nurse (LPN) under the supervision of a RN; or
3. services of a home health aide under the supervision of a RN, limited to four hours a day.

Home health services shall be limited to 60 days per calendar year, except that additional home health services may be provided on an individual basis if prior approval is obtained from the Plan Administrator."

Sec. 14. G.S. 135-40.6(9)f. is amended by deleting the word "nebulizers," in the third line.

Sec. 15. G.S. 135-40.7(11) is amended by deleting the last sentence which reads:

"This exclusion also applies to any orthognathic procedures."

Sec. 16. G.S. 135-40.8 is amended by designating the first paragraph as subsection (a) and adding a new subsection to read:

"(b) Where a covered individual fails to obtain a second surgical opinion as required under the Plan, the covered individual shall be responsible for twenty percent (20%) of the eligible expenses, provided, however, that no covered individual shall be required to pay out of pocket in excess of one thousand dollars ($1,000)."

Sec. 17. G.S. 135-40.11(c)(3) is amended by changing the word "approval" to "approved".

Sec. 18. G.S. 135-40.13(d) is rewritten to read:

"Medicare Participants' Eligibility. In the case of employees eligible under the Plan who are also eligible for Medicare benefits, benefits under the Plan will be paid in coordination with Medicare benefits in a manner consistent with federal law."

Sec. 19. The last sentence of G.S. 135-40.11(c)(1) is amended by deleting the words "group coverage" and inserting in lieu thereof "employer-sponsored group coverage".

Sec. 20. The first sentence of G.S. 135-40.11(c)(1) is amended by deleting the words "three months" and inserting in lieu thereof the words "six months, provided that the first three months shall be on a fully contributory basis, and the premium for the second three months shall be fifty percent (50%) of the total amount calculated by adding the fully contributory premium to the applicable premium for conversion coverage under G.S. 135- 40.12 but in any case the premium for the second three months shall not be less than the fully contributory premium".

Sec. 21. The third sentence of G.S. 135-40.11(c)(1) is rewritten to read: "The employee must pay in advance to the employer the total cost of the Plan for up to a three-month extension, and if the employee has elected such three-month extension and desires to elect a second extension of up to three months as provided in this subdivision, the employee shall pay in advance to the employer the total cost of such second extension in advance of the beginning of the second three-month period."

Sec. 21.1. G.S. 135-40.1(4) is amended by deleting "National Register of Health Services Provided in Psychology", and inserting in lieu thereof, "National Register of Health Services Providers in Psychology".

Sec. 21.2. G.S. 135-40.1(3)a. and b. are rewritten to read:

"a. If the dependent is a full-time student, between the ages of 19 and 26, who is pursuing a course of study that represents at least the normal workload of a full-time student at a school or college accredited by the state of jurisdiction.

b. The dependent is physically or mentally incapacitated to the extent that he or she is incapable of earning a living and (1) such handicap developed or began to develop before the dependent's 19th birthday, and (2) the dependent was covered by the Plan and/or the Predecessor Plan when such handicap began and there has been no lapse in coverage since that time."

Sec. 21.3. G.S. 135-40.6(9)(f) is further amended by deleting "Eyeglasses (corrective lenses)", and inserting in lieu thereof "Eyeglasses or other corrective lenses (except for cataract lenses certified as medically necessary for aphakia persons)".

Sec. 21.4. G.S. 135-40.7(13) is rewritten to read:

"(13) Charges for eyeglasses or other corrective lenses (except for cataract lenses certified as medically necessary for aphakia persons) and hearing aids or examinations for the prescription or fitting thereof."

Sec. 21.5. G.S. 135-40.6(8) is amended by adding a new subdivision to read:

"(l) Cataract lenses. Cataract lenses prescribed as medically necessary for aphakia persons, including charges for necessary examinations and fittings. Benefits will be limited to one set of cataract lenses every 24 months for persons 18 years of age or older, and one set of cataract lenses every 12 months for persons less than 18 years of age."

Sec. 21.6. G.S. 135-40.12(a) is rewritten to read:

"(a) Upon a cessation of group coverage under the Plan, an employee or dependent shall be entitled to a conversion to nongroup coverage without the necessity of a physical examination. Such conversion coverage shall include hospitalization, surgical, and medical benefits as contained in the major medical and alternative plan conversion provisions of Article 26C of Chapter 58 of the General Statutes. The Board of Trustees in its sole discretion shall approve the conversion coverage, which shall be administered by the Plan Administrator through an insurance contract arranged by the Plan Administrator, or administered as otherwise directed by the Board of Trustees. An eligible employee or dependent must apply for conversion coverage within 30 days after termination of group eligibility."

Sec. 21.7. The third paragraph of G.S. 135-40.1(2) is amended to read:

"The deductible applies separately to each covered individual in each calendar year, subject to an aggregate maximum of three hundred dollars ($300.00) per family (employee or retiree and his or her covered dependents) in any calendar year."

Sec. 21.8. The third sentence of the second paragraph of G.S. 135-40.4 is amended to read:

"The second part is a comprehensive plan and includes those benefits which are subject to both a one hundred dollar ($100.00) deductible for each covered individual to an aggregate maximum of three hundred dollars ($300.00) per family and coinsurance of 95%/5%."

Sec. 21.9. The first sentence of G.S. 135-40.6 is amended to read:

"The following benefits are subject to a deductible of one hundred dollars ($100.00) per covered individual to an aggregate maximum of three hundred dollars ($300.00) per family per calendar year and are payable on the basis of ninety-five percent (95%) by the Plan and five percent (5%) by the covered individual up to a maximum of one hundred dollars ($100.00) out-of-pocket per calendar year."

Sec. 21.10. G.S. 135-37 is amended by rewriting the last sentence to read:

"Provided, however, such information may be released to the State Auditor, or to the Attorney General, or to the persons designated under G.S. 135-39.3 in furtherance of their statutory duties and responsibilities, or to such independent auditors as may be designated and approved by the Board of Trustees of the Teachers' and State Employees' Comprehensive Major Medical Plan, but such information shall retain its

character as confidential information exempt from Chapter 132 of the General Statutes and other provisions of a similar nature when so acquired."

Sec. 21.11. G.S. 105A-2(1), as found in the 1981 Supplement, is amended by deleting the word "and" from subdivision k., by changing the period following subdivision m. to a semicolon, and by adding a new subdivision n. to read:

"n. The Administrator of the Teachers' and State Employees' Comprehensive Major Medical Plan, established in Article 3 of General Statutes Chapter 135."

Sec. 21.12. In order to provide a Reserve for Conversion pursuant to G.S. 135-40.12, every current employee enrolled in the Plan shall have deducted from his monthly salary the amount of twenty-five cents (25c) to be paid to the Board of Trustees of the Teachers' and State Employees' Comprehensive Major Medical Plan. Every employing agency of the enrolled employee shall also pay to the Board of Trustees a like monthly amount to be used to provide a Reserve for Conversion. Once an employee or dependent converts to nongroup coverage in accordance with G.S. 135-40.12, premiums shall be on a fully contributory basis.

Sec. 22. Sections 1, 2, 3, 19, 20, 21, 21.10, and 21.11 of this act are effective upon ratification. Section 21.2 shall become effective October 1, 1983. Section 21.6 shall become effective October 1, 1983, but any otherwise qualified person covered under the Plan at any time from October 1, 1982 through September 30, 1983 may obtain coverage under that section beginning October 1, 1983. Section 21.12 shall become effective October 1, 1983. Sections 21.7, 21.8, and 21.9 shall become effective January 1, 1984. The remainder of the act shall become effective retroactive to October 1, 1982.

In the General Assembly read three times and ratified, this the 22nd day of July, 1983.