

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

SESSION LAW 2015-112  
HOUSE BILL 154

AN ACT TO AUTHORIZE UNITS OF LOCAL GOVERNMENT TO ENROLL THEIR EMPLOYEES AND DEPENDENTS IN THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES, AND TO AUTHORIZE PIONEER SPRINGS COMMUNITY SCHOOL TO ELECT TO PARTICIPATE IN THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 135-48.8(b) reads as rewritten:

"(b) The State of North Carolina deems it to be in the public interest for ~~certain~~ local government units to be allowed to join the State Health Plan for Teachers and State Employees and to participate in the Plan."

**SECTION 2.** G.S. 135-48.47 reads as rewritten:

"§ 135-48.47. **Participation in State Health Plan by ~~certain~~ local government employees and dependents.**

(a) Eligibility. – The employees and dependents of employees of ~~the following~~ local government units are eligible to participate in the State Health ~~Plan~~ Plan, as provided in this section.

(1) ~~Montgomery County.~~

(2) ~~Towns of Elizabethtown and Matthews.~~

Employees and dependents participating under this section are not guaranteed participation in the Plan, and participation is contingent on their respective local government units (i) electing to participate in the Plan and (ii) complying with the provisions of this section and this Article, as well as any policies adopted by the Plan.

(b) Participation Requirements. – ~~The participation of a local government unit listed in subsection (a) of this section in the State Health Plan~~ A local government unit may elect to participate in the State Health Plan. Participation shall be governed by the following:

(1) In order to participate, a local government unit must, at least 60 days prior to joining the Plan, enter must do the following:

a. Pass a valid resolution expressing the local government's desire to participate in the Plan.

b. Enter into a memorandum of understanding with the Plan that acknowledges the conditions of this section and this Article.

c. Provide at least 90 days' notice to the Plan prior to entry and complete the requirements of this subdivision at least 60 days prior to entry.

(2) ~~The~~ In order to participate, a local government unit and its employees must meet the federal requirements to participate in a governmental plan. The Plan may refuse participation to persons who would jeopardize the Plan's qualification as a governmental plan under federal law.

(2a) The Plan shall admit any local government unit that meets the administrative and legal requirements of this section, regardless of the claims experience of the local government unit group or the financial impact on the Plan.

(3) ~~The~~ A local government unit shall determine the eligibility of its employees and employees' dependents and what portion of the premiums employees will pay to the local government unit.

(4) Premiums for coverage and Plan options shall be the same as those offered to State employees and dependents on a fully contributory basis.



(5) The local government unit shall pay all premiums for all covered individuals directly to the Plan or the Plan's designee.

(c) Enrollment Limitation. – Local governments may elect to participate until the number of employees and dependents of employees of local governments enrolled in the Plan reaches 10,000, after which time no additional local governments may join the Plan. Any local government electing to participate must have less than 1,000 employees and dependents enrolled in health coverage at the time the local government provides notice to the Plan of its desire to participate."

**SECTION 3.** Notwithstanding any prior session law, any action taken by a Board of Trustees of the State Health Plan for Teachers and State Employees or of the predecessor plan to the current State Health Plan, or any other law, any local government unit that participates in the State Health Plan as of the effective date of this act may elect to be subject to the new requirements in G.S. 135-48.47, as enacted by this act. Local government units electing to participate in the Plan under G.S. 135-48.47 shall cease monthly contributions to the Retiree Health Benefit Fund in the month in which coverage begins under G.S. 135-48.47. Local government units shall not be entitled to a refund of any prior contributions to the Retiree Health Benefit Fund. Nothing in this section, nor an election to participate in the State Health Plan under G.S. 135-48.47, shall impact any existing debt to the Retiree Health Benefit Fund owed by any local government unit.

**SECTION 4.** Notwithstanding the time limitation contained in G.S. 135-48.54, the Board of Directors of Pioneer Springs Community School, a charter school located in Charlotte, may elect to become a participating employing unit in the State Health Plan for Teachers and State Employees in accordance with Article 3B of Chapter 135 of the General Statutes. The election authorized by this act shall be made no later than 30 days after the effective date of this act and shall be made in accordance with all other requirements of G.S. 135-48.54.

**SECTION 5.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22<sup>nd</sup> day of June, 2015.

s/ Chad Barefoot  
Presiding Officer of the Senate

s/ Tim Moore  
Speaker of the House of Representatives

s/ Pat McCrory  
Governor

Approved 10:15 a.m. this 24<sup>th</sup> day of June, 2015