

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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SENATE DRS35169-LL-102 (02/27)

Short Title: Local Governments in State Health Plan. (Public)

Sponsors: Senators Brown, Rabon, and Daniel (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE UNITS OF LOCAL GOVERNMENT TO ENROLL THEIR  
3 EMPLOYEES AND DEPENDENTS IN THE STATE HEALTH PLAN FOR TEACHERS  
4 AND STATE EMPLOYEES.

5 The General Assembly of North Carolina enacts:

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

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

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

11 "§ 135-48.47. Participation in State Health Plan by ~~certain~~-local government employees  
12 and dependents.

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

16 (1) ~~Montgomery County.~~

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

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

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

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

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

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

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

34 (2) ~~The~~In order to participate, a local government unit and its employees must  
35 meet the federal requirements to participate in a governmental plan. The



- 1 Plan may refuse participation to persons who would jeopardize the Plan's
- 2 qualification as a governmental plan under federal law.
- 3 (2a) The Plan shall admit any local government unit that meets the administrative
- 4 and legal requirements of this section, regardless of the claims experience of
- 5 the local government unit group or the financial impact on the Plan.
- 6 (3) ~~The~~ A local government unit shall determine the eligibility of its employees
- 7 and employees' dependents and what portion of the premiums employees
- 8 will pay to the local government unit.
- 9 (4) Premiums for coverage and Plan options shall be the same as those offered
- 10 to State employees and dependents on a fully contributory basis.
- 11 (5) The local government unit shall pay all premiums for all covered individuals
- 12 directly to the Plan or the Plan's designee.

13 (c) Enrollment Limitation. – Local governments may elect to participate until the  
 14 number of employees and dependents of employees of local governments enrolled in the Plan  
 15 reaches 10,000, after which time no additional local governments may join the Plan."

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

27 **SECTION 4.** This act is effective when it becomes law.