

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE BILL 751

Short Title: State Health Plan/Options.

(Public)

Sponsors: Senator Rand.

Referred to: Select Committee on Employee Hospital and Medical Benefits.

April 11, 2005

A BILL TO BE ENTITLED

1 AN ACT TO MAKE CHANGES TO THE TEACHERS' AND STATE EMPLOYEES'
2 COMPREHENSIVE MAJOR MEDICAL PLAN IN ORDER TO PROVIDE
3 AFFORDABLE HEALTH BENEFIT OPTIONS TO COVERED EMPLOYEES.
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 135-39.5B reads as rewritten:

7 "**§ 135-39.5B. Prepaid plans.**

8 (a) The Executive Administrator and Board of Trustees may, after consultation
9 with the Committee on Employee Hospital and Medical Benefits, provide for optional
10 prepaid hospital and medical benefits plans. Benefits offered under such optional plans
11 shall be comparable to those offered under the Plan. The amounts of State funds
12 contributed for such optional plans shall not be more than the amounts contributed for
13 each person eligible under G.S. 135-40.2 on a noncontributory Employee Only basis,
14 with the person selecting an optional plan paying any excess, if necessary. The amount
15 of State funds contributed to such optional plans shall also not exceed the amount of an
16 optional plan's cost for Employee Only coverage. The Executive Administrator and
17 Board of Trustees are authorized to assess and collect fees from participating optional
18 plans provided by this section for administrative purposes and for risk management
19 purposes. Such fees may be based upon the enrollees' risk factors and the number and
20 types of contracts enrolled by each participating optional plan, and may be collected by
21 the Plan in a manner prescribed by the Executive Administrator and Board of Trustees.
22 In no instance shall benefits be paid under Part 3 of this Article for persons enrolled in
23 an optional prepaid hospital and medical benefit plan authorized under this section on
24 and after the effective date of enrollment in the optional prepaid plan, except in cases of
25 continuous hospital confinement approved by the Executive Administrator.

26 (b) The Executive Administrator and Board of Trustees may, after consulting
27 with the Committee on Employee Hospital and Medical Benefits, adopt an arrangement
28 for an optional prepaid hospital and medical benefits program other than the one
29 specified in subsection (a) of this section. The optional program may include one that is

1 purchased or underwritten by the State, and may be a PPO, HMO, or other type optional
2 program."

3 **SECTION 2.** This act becomes effective July 1, 2005.