

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1593
Committee Substitute Favorable 7/30/07
Senate Select Committee on Employee Hospital and Medical Benefits Committee
Substitute Adopted 8/2/07

Short Title: State Health Plan/ Plan Yr.Change.

(Public)

Sponsors:

Referred to:

April 19, 2007

A BILL TO BE ENTITLED

1
2 AN ACT TO DIRECT THE EXECUTIVE ADMINISTRATOR OF THE TEACHERS'
3 AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN TO
4 PREPARE TO CHANGE THE STATE HEALTH PLAN FROM A FISCAL YEAR
5 TO A CALENDAR YEAR.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** The Executive Administrator of the Teachers' and State
8 Employees' Comprehensive Major Medical Plan shall evaluate the actuarial,
9 administrative, financial, operational, and plan member impact of converting the Plan's
10 benefit plan year to a calendar year basis from a fiscal year basis. Not later than April 1,
11 2008, the Executive Administrator shall report his findings and recommendations to the
12 Committee on Employee Hospital and Medical Benefits and the Fiscal Research
13 Division. The report shall include the following information:

- 14 (1) An estimate of actuarial impact to the Plan under six-month and 18-
15 month transition plan years respectively, as a means to implement a
16 fiscal year to calendar year transition. Each respective transition plan
17 year scenario estimate shall clearly state the Executive Administrator's
18 assumptions about projected out-of-pocket requirements and limits for
19 plan members for deductibles and co-insurance under each scenario.
- 20 (2) A description of potential benefit option changes that may be possible
21 in the event the General Assembly authorizes the Plan to switch its
22 benefit plan year to a calendar year. Each option should be
23 accompanied with an analysis of the change in benefits to plan
24 members and a refined estimate of actuarial impact to the Plan with
25 clearly stated assumptions and supporting data from which any
26 analysis is offered by the Executive Administrator.

- 1 (3) A description of any other actuarial, administrative, financial,
2 operational, and plan member impacts including, but not limited to,
3 costs increases or reductions in contracts providing claims processing
4 of medical and drug claims, provision of provider networks, or other
5 contractual administration.
6 (4) Any specific recommendations or other issues by the Executive
7 Administrator with respect to a possible transition to a calendar year
8 based benefit plan year.

9 **SECTION 2.** This act is effective when it becomes law.