

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE BILL 865

Short Title: State Health Plan/Admin Changes/Local Govts. (Public)

Sponsors: Senators Sanderson (Primary Sponsor); J. Davis and Rabin.

Referred to: Insurance

May 11, 2016

A BILL TO BE ENTITLED

AN ACT TO MAKE ADMINISTRATIVE CHANGES TO THE STATE HEALTH PLAN FOR
TEACHERS AND STATE EMPLOYEES STATUTES, TO INCREASE THE NUMBER OF
LOCAL GOVERNMENTS ABLE TO PARTICIPATE IN THE STATE HEALTH PLAN,
AND TO MAKE CHANGES TO STATE HEALTH PLAN PREMIUMS PAID BY LOCAL
GOVERNMENT EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-48.32 reads as rewritten:

"§ 135-48.32. **Contracts to provide benefits.**

The Plan benefits shall be provided under contracts between the Plan and the claims processors selected by the Plan. ~~The State Treasurer may contract with a pharmacy benefits manager to administer pharmacy benefits under the Plan. Such contracts shall include the applicable provisions of this Article and the description of the Plan in the request for proposal, and shall be administered by the respective claims processor or Pharmacy Benefits Manager, which will determine benefits and other questions arising thereunder.~~ The contracts necessarily will conform to applicable State law. Claims processor contractors shall provide all claims processing data elements to the Plan including the identification of providers and the allowed amounts paid. ~~If any of the provisions of this Article and the request for proposals must be modified for inclusion in the contract because of State law, such modification shall be made. The State Treasurer shall ensure that the terms of the contract between the Plan and the Plan's Claims Processing Contractor, the Pharmacy Benefit Manager, and the Disease Management Contractor require the contractor to provide the following:~~

- (1) ~~Detailed billing by each entity showing itemized cost information, including individual administrative services provided;~~
- (2) ~~Transactional data; and~~
- (3) ~~The cost to the Plan for each administrative function performed by the contractor."~~

SECTION 2. G.S. 135-48.34 reads as rewritten:

"§ 135-48.34. ~~Contracts not subject to Article 3 of Chapter 143 of the General Statutes.~~ **Contract exemptions.**

~~The design, adoption, and implementation of the preferred provider contracts, networks, and optional alternative comprehensive health benefit plans, and programs available under the optional alternative plans, as authorized~~ Contracts to provide benefits, contracts with providers or provider networks, and contracts for the design, adoption, and implementation of health benefit plans and programs available under health benefits plans, as authorized under G.S. 135-48.2, are not subject to the requirements of Article 3 of Chapter 143 of the General Statutes, ~~Statutes~~ or to the



1 requirements of Parts 3 or 4 of Article 15 of Chapter 143B of the General Statutes, but are subject
2 to the requirements of G.S. 135-48.33."

3 **SECTION 3.** G.S. 135-47(c) reads as rewritten:

4 "(c) Enrollment Limitation. – Local governments may elect to participate until the number
5 of employees and dependents of employees of local governments enrolled in the Plan reaches
6 10,000,20,000 after which time no additional local governments may join the Plan. Any local
7 government electing to participate must have less than 1,000 employees and dependents enrolled
8 in health coverage at the time the local government provides notice to the Plan of its desire to
9 participate."

10 **SECTION 4.** G.S. 135-48.47(b)(3) reads as rewritten:

11 "(3) A local government unit shall determine the eligibility of its employees and
12 employees' dependents and ~~what portion of the premiums employees will pay to~~
13 ~~the local government unit dependents.~~ The portion of the employee and
14 employees' dependents premiums paid to the local government unit may be
15 determined by the local government unit but may not exceed the premiums in
16 the structure set by the Plan."

17 **SECTION 5.** G.S. 135-48.47 is amended by adding a new subsection to read:

18 "(d) Local governments participating in the Plan as of April 1, 2016, may elect to withdraw
19 from participating in the Plan effective January 1, 2017. Notice of withdrawal must be given by
20 the local government to the Plan no later than October 1, 2016."

21 **SECTION 6.** Part 4 of Article 3B of Chapter 135 of the General Statutes is amended
22 by adding a new section to read:

23 "**§ 135-48.49. IRC sections 6055 and 6066 regulatory reporting.**

24 The Plan shall be responsible for reporting coverage for retirees and coverage for direct bill
25 members, except for individuals participating in Consolidated Omnibus Budget Reconciliation Act
26 (COBRA) coverage, as required by section 6055 of the Internal Revenue Code. The Plan shall
27 provide employing units with access to Plan data necessary for employing units to meet filing
28 requirements under sections 6055 and 6056 of the Internal Revenue Code. The Plan may facilitate
29 the availability of a reporting solution; however, the employing unit is responsible for paying all
30 costs associated with the use of any reporting solution made available by the Plan."

31 **SECTION 7.** Section 4 of this act becomes effective January 1, 2017, and applies to
32 premiums paid on or after that date. The remainder of this act is effective when it becomes law
33 and applies to contracts entered into, renewed, or amended on or after that date.