

March 21, 2007

S 1207. STATE HEALTH PLAN CHANGES. Filed 3/21/07. *TO MAKE CHANGES TO THE LAW PERTAINING TO THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN.*

This act makes multiple changes to the Teachers' and State Employees' Comprehensive Major Medical Plan (T&SE Plan).

Calendar year: Effective January 1, 2009, repeals GS 135-40.1(7b) defining fiscal year as beginning July 1 and ending June 30 of the succeeding year and replaces all reference to fiscal year in GS Chapter 135 Article 3 with calendar year.

Emergency room charges: Amends GS 135-40.8(c2) removing the exception in the T&SE Plan that provided criteria for exclusion from payment of the first \$200 of allowable emergency room charges although the emergency room use did not result in immediate hospitalization.

12-month waiting period: Amends GS 135-40.3(a)(3) to require a 12-month waiting period for preexisting health conditions for employees enrolling or adding dependents other than when they are first eligible to do so. Amends GS 135-40.3(b)(3) to allow retiring employees who do not enroll or add dependents when first eligible after the employee's retirement, to enroll later on the first of any following month without being subject to a 12-month waiting period for preexisting conditions. Amends GS 135-40(b)(5) to provide that in administering the 12-month waiting period for preexisting conditions, the T&SE Plan must give credit for the time that a person was covered under a previous plan if the previous plan's coverage was continuous without a break of more than 63 days in the 12 months prior to the person's effective date.

Eligibility: Amends GS 135-40.2 to identify persons who are eligible for coverage under the T&SE Plan on a partially contributory basis (was, on a noncontributory basis) subject to provisions in GS 135-40.3 regarding effective dates of coverage. Includes eligibility guidelines for school employees in a job-sharing position and employees and members of the General Assembly with 10 but less than 20 years of retirement service credit. Amends GS 135-40.2(b)(5) providing that spouses and eligible dependent children of teachers and state employees enrolled in the T&SE Plan are covered on a fully contributory basis, to change from 30 to 90 days the deadline from the death of a member by which the dependent children of the member must be enrolled in the T&SE Plan in order for the dependent children to be covered. Amends GS 135-40.2(a) to provide for the enrollment of eligible individuals in an optional plan on a noncontributory basis. Amends GS 135-39.5B to specify that there are four types of coverage that an employee or retiree may elect under the optional program.

Makes additional changes regarding abrogation and third party liability; conditions for extending coverage of dependent children beyond the 19th birthday; prescription drug coverage; filing notice of a dependent's ineligibility; and duties of health benefits representative. Provides that the Executive Administrator and Board of Trustees for the T&SE Plan may create additional employment positions to improve efficiency and cost effectiveness of Plan operations.

With the exception of changes regarding calendar year, the act is effective July 1, 2007.

Intro. by Rand.

GS 135