

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H.B 1121
May 10, 2016
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10525-MR-30A (04/28)

Short Title: State Health Plan Admin. Changes.

(Public)

Sponsors: Representative Dobson.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO MAKE ADMINISTRATIVE CHANGES TO THE STATE HEALTH PLAN FOR
TEACHERS AND STATE EMPLOYEES STATUTES 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. ~~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:~~ Claims processor contractors shall provide all claims processing data elements to the Plan including the identification of providers and the allowed amounts paid.

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



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

2 "(3) A local government unit shall determine the eligibility of its employees and
3 employees' dependents and ~~what portion of the premiums employees will pay to~~
4 ~~the local government unit dependents.~~ The portion of the employee and
5 employees' dependents premiums paid to the local government unit may be
6 determined by the local government unit but may not exceed the premiums in
7 the structure set by the Plan."

8 **SECTION 4.** G.S. 135-48.47 is amended by adding a new subsection to read:

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

12 **SECTION 5.** Part 4 of Article 3B of Chapter 135 of the General Statutes is amended
13 by adding a new section to read:

14 "**§ 135-48.49. IRC sections 6055 and 6066 regulatory reporting.**

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

22 **SECTION 6.** Section 3 becomes effective on January 1, 2017, and applies to
23 premiums paid on or after that date. The remainder of this act is effective when it becomes law
24 and applies to contracts entered into, renewed, or amended on or after that date.