

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 434

Short Title: National Guard Health Benefits.

(Public)

Sponsors: Senator Forrester.

Referred to: Pensions & Retirement and Insurance.

March 20, 1997

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE HEALTH BENEFITS FOR NATIONAL GUARD MEMBERS
2 AND THEIR ELIGIBLE DEPENDENTS WHO DO NOT HAVE ACCESS TO
3 COMPREHENSIVE GROUP HEALTH BENEFITS BY ALLOWING
4 VOLUNTARY PARTICIPATION IN THE TEACHERS' AND STATE
5 EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN.
6

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 135-40 is amended by adding a new subsection to read:

9 "(a1) The State of North Carolina deems it to be in the public interest for members
10 of the North Carolina national guard and certain of their dependents who are not eligible
11 for any other type of comprehensive group health insurance or other comprehensive
12 group health benefits to be given the opportunity to participate in the benefits provided by
13 the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan.
14 Coverage under the Plan shall be voluntary for eligible members of the national guard
15 who elect participation in the Plan for themselves and their eligible dependents."

16 Section 2. G.S. 135-40.1(3) reads as rewritten:

17 "(3) Dependent Child. – A natural, legally adopted, or foster child of the
18 employee and/or spouse, unmarried, up to the first of the month
19 following his or her 19th birthday, whether or not the child is living
20 with the employee, as long as the employee is legally responsible for

1 such child's maintenance and support. Dependent child shall also
2 include any child under age 19 who has reached his or her 18th
3 birthday, provided the employee was legally responsible for such child's
4 maintenance and support on his or her 18th birthday.

5 A foster child is covered (i) if living in a regular parent-child
6 relationship with the expectation that the employee will continue to rear
7 the child into adulthood, (ii) if at the time of enrollment, or at the time a
8 foster child relationship is established, whichever occurs first, the
9 employee applies for coverage for such child and submits evidence of a
10 bona fide foster child relationship, identifying the foster child by name
11 and setting forth all relevant aspects of the relationship, (iii) if the
12 Claims Processor accepts the foster child as a participant through a
13 separate written document identifying the foster child by name and
14 specifically recognizing the foster child relationship, and (iv) if at the
15 time a claim is incurred, the foster child relationship, as identified by the
16 employee, continues to exist. Children placed in a home by a welfare
17 agency which obtains control of, and provides for maintenance of, the
18 child(ren), are not eligible participants.

19 Coverage may be extended beyond the 19th birthday under the
20 following conditions:

- 21 a. If the dependent is a full-time student, between the ages of 19
22 and 26, who is pursuing a course of study that represents at least
23 the normal workload of a full-time student at a school or college
24 accredited by the state of jurisdiction.
- 25 b. The dependent is physically or mentally incapacitated to the
26 extent that he or she is incapable of earning a living and (i) such
27 handicap developed or began to develop before the dependent's
28 19th birthday, or (ii) such handicap developed or began to
29 develop before the dependent's 26th birthday if the dependent
30 was covered by the Plan in accordance with G.S. 135-40.1(3)a.

31 Dependent children of national guard members are subject to the
32 same terms and conditions as are other dependent children covered by
33 this subdivision."

34 Section 3. G.S. 135-40.1(6) reads as rewritten:

35 "(6) Employing Unit. – A North Carolina School System; Community
36 College; State Department, Agency or Institution; Administrative Office
37 of the Courts; or Association or Examining Board whose employees are
38 eligible for membership in a State-Supported Retirement System. An
39 employing unit also shall mean a charter school in accordance with Part
40 6A of Chapter 115C of the General Statutes whose employees are
41 deemed to be public employees and members of a State-Supported
42 Retirement System. North Carolina national guard units are deemed to

1 be employing units for the purpose of providing benefits under this
2 Article."

3 Section 4. G.S. 135-40.1(7) reads as rewritten:

4 "(7) Enrollment. – New employees must enroll themselves and their
5 dependents within 30 days from the date of employment. Coverage may
6 become effective on the first day of the month following date of entry
7 on payroll or on the first day of the following month. New employees
8 not enrolling themselves and their dependents within 30 days, or not
9 adding dependents when first eligible as provided herein may enroll on
10 the first day of any month but will be subject to a 12-month waiting
11 period for preexisting health conditions, except for employees who elect
12 to change their coverage in accordance with rules established by the
13 Executive Administrator and Board of Trustees for optional prepaid
14 hospital and medical benefit plans. Children born to covered employees
15 having coverage type (2), or (3), as outlined in G.S. 135-40.3(d) shall be
16 automatically covered at the time of birth without any waiting period for
17 preexisting health conditions. Children born to covered employees
18 having coverage type (1) shall be automatically covered at birth without
19 any waiting period for preexisting health conditions so long as the
20 Claims Processor receives notification within 30 days of the date of
21 birth that the employee desires to change from coverage (1) to coverage
22 type (2), or (3), provided that the employee pays any additional
23 premium required by the coverage type selected retroactive to the first
24 day of the month in which the child was born. National guard members
25 and their eligible dependents are subject to the same terms and
26 conditions as are new employees and their dependents covered by this
27 subdivision. Enrollments in these circumstances must occur within 30
28 days of eligibility to enroll."

29 Section 5. G.S. 135-40.1 is amended by adding a new subdivision to read:

30 "(13b) National guard members. – Members of the North Carolina army and
31 air national guard who are not eligible for any type of comprehensive
32 group health insurance or other comprehensive group health benefit
33 coverage. Members of the North Carolina army and air national guard
34 include those who are actively serving in the national guard as well as
35 former members of the national guard who have completed 20 or more
36 years of service in the national guard but have not attained the minimum
37 age to begin receipt of a uniformed service military retirement benefit.
38 Comprehensive group health insurance and other benefit coverage
39 consists of inpatient and outpatient hospital and medical benefits, as
40 well as other outpatient medical services, prescription drugs, medical
41 supplies and equipment that are generally available in the health
42 insurance market. North Carolina national guard units shall certify the

1 eligibility of their members to the Plan for their participation in its
2 benefits prior to enrollment."

3 Section 6. G.S. 135-40.2(b) is amended by adding a new subdivision to read:

4 "(13) National guard members, their eligible spouses, and eligible dependent
5 children."

6 Section 7. G.S. 135-40.3 is amended by adding a new subsection to read:

7 "(f) National guard members are subject to the same terms and conditions of this
8 section as are employees. Eligible dependents of national guard members are subject to
9 the same terms and conditions of this section as are dependents of employees."

10 Section 8. G.S. 135-39.6A reads as rewritten:

11 **"§ 135-39.6A. Premiums set.**

12 The Executive Administrator and Board of Trustees shall, from time to time, establish
13 premium rates for the Comprehensive Major Medical Plan except as they may be
14 established by the General Assembly in the Current Operations Appropriations Act, and
15 establish regulations for payment of the premiums. Premium rates shall be established
16 for coverages where Medicare is the primary payer of health benefits separate and apart
17 from the rates established for coverages where Medicare is not the primary payer of
18 health benefits.

19 In setting premiums for national guard members and their eligible dependents, the
20 Executive Administrator and Board of Trustees shall establish rates separate from those
21 affecting other members of the Plan. These separate premium rates shall include rate
22 factors for incurred but unreported claim costs, for the effects of adverse selection from
23 voluntary participation in the Plan, and for any other actuarially determined measures
24 needed to protect the financial integrity of the Plan for the benefit of its served
25 employees, retired employees, and their eligible dependents."

26 Section 9. This act becomes effective July 1, 1998.