

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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HOUSE BILL 908

Short Title: State Health Plan/Add Beacon Center LME. (Public)

Sponsors: Representative Bryant (Primary Sponsor).
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: State Personnel, if favorable, Finance.

May 5, 2011

A BILL TO BE ENTITLED

AN ACT TO ALLOW THE BEACON CENTER LOCAL MANAGEMENT ENTITY TO
JOIN THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. This act applies only to the Beacon Center local management entity.

SECTION 2. The State of North Carolina deems it to be in the public interest for employees of a nonprofit corporation functioning as a local management entity ("LME"), as defined in G.S. 122C-3, to be given the opportunity to participate in the benefits provided by the North Carolina State Health Plan for Teachers and State Employees ("State Health Plan" or "Plan").

SECTION 3. Definitions. – For the purpose of allowing LMEs to participate in the State Health Plan, the following definitions applicable to Article 3A of Chapter 135 of the General Statutes are modified as follows:

(1) Employee. – Includes an employee of an LME.

(2) Employing Unit. – Includes a local management entity, as defined in G.S. 122C-3, that elects to provide benefits for its employees and retired employees and that meets all of the following conditions:

a. The LME, by resolution legally adopted by the LME and approved by the Executive Administrator and Board of Trustees of the State Health Plan, elects to have its employees and retirees become eligible to participate in the Plan and to make the contributions as required by the Plan.

b. The LME enrolls all of its eligible employees and retirees in the Plan.

c. The LME makes timely contributions on behalf of its enrolled employees and retirees as required by the Plan.

(3) Retiree. – Includes a retiree of an LME.

SECTION 4. It is the intent of the General Assembly that, in being included in the definitions of "employee" and "retiree" under Section 3 of this act, employees and retirees of LMEs, as well as their dependents, shall be subject to the same eligibility requirements as employees, retirees, and dependents covered under Article 3A of Chapter 135 of the General Statutes.

SECTION 5. By adding an LME to the State Health Plan, it is not the intent of the General Assembly to violate the State Health Plan's exemption from the Employee Retirement Income Security Act of 1974, Pub.L. 93-406, as amended ("ERISA"). If any court of competent jurisdiction rules that the inclusion of an LME in the State Health Plan violates ERISA, then



1 this act shall be repealed and any individuals enrolled in the State Health Plan under this act
2 shall be disenrolled immediately unless the individual qualifies for coverage under the Plan on
3 some other eligibility basis independent of this act.

4 **SECTION 6.** This act becomes effective July 1, 2011.