

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

**SESSION LAW 2007-521
HOUSE BILL 1593**

AN ACT TO DIRECT THE EXECUTIVE ADMINISTRATOR OF THE TEACHERS'
AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN TO
PREPARE TO CHANGE THE STATE HEALTH PLAN FROM A FISCAL YEAR
TO A CALENDAR YEAR.

The General Assembly of North Carolina enacts:

SECTION 1. The Executive Administrator of the Teachers' and State Employees' Comprehensive Major Medical Plan shall evaluate the actuarial, administrative, financial, operational, and plan member impact of converting the Plan's benefit plan year to a calendar year basis from a fiscal year basis. Not later than April 1, 2008, the Executive Administrator shall report his findings and recommendations to the Committee on Employee Hospital and Medical Benefits and the Fiscal Research Division. The report shall include the following information:

- (1) An estimate of actuarial impact to the Plan under six-month and 18-month transition plan years respectively, as a means to implement a fiscal year to calendar year transition. Each respective transition plan year scenario estimate shall clearly state the Executive Administrator's assumptions about projected out-of-pocket requirements and limits for plan members for deductibles and co-insurance under each scenario.
- (2) A description of potential benefit option changes that may be possible in the event the General Assembly authorizes the Plan to switch its benefit plan year to a calendar year. Each option should be accompanied with an analysis of the change in benefits to plan members and a refined estimate of actuarial impact to the Plan with clearly stated assumptions and supporting data from which any analysis is offered by the Executive Administrator.
- (3) A description of any other actuarial, administrative, financial, operational, and plan member impacts including, but not limited to, costs increases or reductions in contracts providing claims processing of medical and drug claims, provision of provider networks, or other contractual administration.
- (4) Any specific recommendations or other issues by the Executive Administrator with respect to a possible transition to a calendar year based benefit plan year.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of August, 2007.

s/ Marc Basnight
President Pro Tempore of the Senate

s/ Joe Hackney
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 11:28 a.m. this 31st day of August, 2007