



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES



Expansion of Local Government Participation

Board of Trustees Meeting

December 1, 2016

A Division of the Department of State Treasurer

Overview

- Prior to 2015, there were 16 local units of government participating in the State Health Plan.
 - Each allowed to participate through various pieces of legislation, the first of which was passed in 2004.
- Two recent legislative actions have authorized additional participation in the Plan by local units of government.
 - **SL 2015-112** provided local governments with an opportunity to join the State Health Plan, but capped total enrollment of local government employees and dependents at 10,000
 - **SL 2016-104** provided another opportunity for local government enrollment up to 16,000 that extends through CY 2017
- An additional 11 local units have been approved for enrollment effective January 1, 2017.
- An additional 12 local units have submitted application materials for enrollment effective July 1, 2017, and additional requests to participate are expected.

SL 2015-112

- **SL 2015-112** allowed local governmental units with fewer than 1,000 members to enroll their active employees in the Plan following the completion of:
 - Adoption of a local resolution, and
 - Execution of a Memorandum of Understanding (MOU) with the Plan
- Key provisions:
 - Current and future retirees are ineligible for coverage
 - Local governmental units have to comply with all Plan policies and procedures
 - Enrollment is capped at 10,000 members total
- Approximately 60 local units joined the Plan under **SL 2015-112**
 - Equates to about 7,500 members
 - Local government enrollment prior to SL 2015-112 was about 3,500
 - Statutory enrollment cap was reached in early 2016

SL 2016-104

- **SL 2016-104** contains multiple provisions related to State Health Plan operations; one of which expands the enrollment cap on local participation in the Plan:
 - Section 5(b) of SL 2016-104 increases the cap on local enrollment to **13,500**, effective January 1, 2017
 - The same section further increases the cap to **16,000**, effective July 1, 2017
- **SL 2016-104** also clarifies the premiums that must be collected and paid on behalf of participating local units of government
 - Section 4 of the new law provides the following:

The premiums employees pay to the local government unit for their own coverage shall conform to the premiums in the structure set by the Plan. The premiums employees pay to the local government unit for coverage of their dependents may be determined by the local government unit but may not exceed the premiums set by the Plan.

Enrollment Summary

	Local Gov't Members Covered ¹	Estimated Eligible Members from Local Gov't Units ²	Statutory Enrollment Cap
Currently Enrolled	11,197		10,000
<i>Cap on January 1, 2017</i>			<i>13,500</i>
Local Units Approved for Enrollment, 1/1/2017		1,850	
Anticipated Total Enrollment on 1/1/2017	13,047		
<i>Cap on July 1, 2017</i>			<i>16,000</i>
Local Units seeking Enrollment on 7/1/2017		1,750	

1. Enrollment is based on October 2016 BCBSNC data
2. Based on self-reported estimates by local units as of November 1, 2016

Next Steps

- Currently onboarding the 11 local government units that will be added effective January 1, 2017
 - Held online informational sessions for these groups on October 28th and November 1st
 - Open Enrollment periods for each group scheduled in either November or December to allow employees to make benefit elections.
- Plan staff will continue to engage with interested local government units in advance of the enrollment cap increase scheduled for July 1, 2017
 - Approximately 1,750 spaces have already been reserved for prospective enrollees
 - It is anticipated that interest will meet or exceed the statutory enrollment cap

Appendix

Participating Local Units of Government

Enrolled 2015 or Earlier	Enrolled under SL 2015-112*	Enrolling under SL 2016-104**
BLADEN COUNTY	COUNTY OF SURRY	PETTIGREW REGIONAL LIBRARY
WASHINGTON COUNTY	BAY RIVER SEWER	ROCKY MOUNT WILSON REGIONAL AIRPORT
RUTHERFORD COUNTY	CITY OF BESSEMER	TOWN OF BURNSVILLE
RUTHERFORD-POLK-MCDOWELL HEALTH DISTRICT	CITY OF CONOVER	TOWN OF CHINA GROVE
TOWN OF FOREST CITY	TOWN OF BROADWAY	TOWN OF CLAYTON
TOWN OF LAKE LURE	TOWN OF BENSON	TOWN OF COVE CITY
TOWN OF BLACK CREEK	LAND OF SKY REGIONAL COUNCIL	TOWN OF FAIRBLUFF
TOWN OF SUNSET BEACH	COUNTY OF GREENE	TOWN OF MARS HILL
BEAUFORT COUNTY	TOWN OF SEVEN DEVILS	TOWN OF PRINCEVILLE
MITCHELL COUNTY	TOWN OF BEAUFORT	TOWN OF ROBERSONVILLE
TOWN OF TABOR CITY	JONES COUNTY	UPPER COASTAL PLAIN COUNCIL
TOWN OF BLACK MOUNTAIN	TOWN OF RUTHERFORDTON	APPALACHIAN REGIONAL LIBRARY
TOWN OF OCEAN ISLE BEACH	TOWN OF SPINDALE	CITY OF MT AIRY ABC BOARD
TOWN OF KURE BEACH	TOWN OF OAK ISLAND	DOBSON ABC BOARD
TOWN OF BILTMORE FOREST	HIGH COUNTRY COUNCIL OF GOV'T	EC-PC AIRPORT AUTHORITY
TOWN OF BLOWING ROCK	PASQUOTANK COUNTY	PILOT MTN ABC BOARD
MONTGOMERY COUNTY	TOWN OF INDIAN BEACH	POLK COUNTY LOCAL GOVT
TOWN OF ELIZABETHTOWN	CALDWELL COUNTY	TOWN OF ARCHER LODGE
TOWN OF MATTHEWS	CITY OF GOLDSBORO	TOWN OF BRUNSWICK
	CITY OF MORGANTON	TOWN OF LAUREL PARK
	CITY OF WHITEVILLE	TOWN OF MOMEYER
	WESTERN PIED REG TRANSIT AUTHORITY	TOWN OF SPARTA
	CITY OF LOWELL	TOWN OF SELMA
	ALBEMARLE REGIONAL HEALTH SERVICES	TOWN OF WALLACE
	PENDER COUNTY GOVERNMENT	BERTIE COUNTY
	PERQUIMANS COUNTY	BERTIE-MARTIN REGIONAL JAIL
	ALBEMARLE DISTRICT JAIL	COUNTY OF ASHE
	CAPE FEAR PUBLIC UTILITY	MARTIN COUNTY
	CITY OF LINCOLNTON	MARTIN COUNTY ABC BOARD
		TOWN OF MAGGIE VALLEY
		BURKE COUNTY TOURISM AUTHORITY
		MARTIN COUNTY TOURISM AUTHORITY
		PAMLICO COUNTY
		TOWN OF SHALLOTTE
		NASH COUNTY
		COLUMBUS COUNTY
		FIRST CRAVEN SANITARY DISTRICT
		TOWN OF FREMONT
		NASH COUNTY ABC BOARD
		CITY OF DUNN
		TOWN OF MAYSVILLE
		LINCOLNTON ABC BOARD
		TOWN OF LILESVILLE

*Units enrolled under SL 2015-112 joined the plan in calendar year 2016

**Units enrolling under SL 2016-104 are joining the Plan in January 2017