

# DST POLICIES AND PROCEDURES

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<b>DST Reference:</b>	<b>SHP-POL-3014-SHP</b>
<b>Title:</b>	<b>Setting Up a New Group (Employing Unit) on the Plan</b>
<b>Chapter:</b>	<b>Plan Integration</b>
<b>Current Effective Date:</b>	<b>November 24, 2021</b>
<b>Original Effective Date:</b>	<b>April 7, 2020</b>

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**Applies to:** NC Department of State Treasurer – State Health Plan Division

**Keywords:** Employee Benefits; Employing Unit; Employment Termination; Employing Units; Health Benefit Representative (HBR); State Health Plan

## Background

Article 3B of Chapter 135 sets forth the eligibility and enrollment requirements for health benefits under the North Carolina State Health Plan (Plan).

The Plan is exclusively available for the benefit of eligible employees; eligible retired employees; eligible dependents; and other individuals, such as COBRA participants, former legislators and employees that were terminated due to reduction in force. Eligible State employees are permanent regular employees of an Employing Unit. Employing Units are defined in N.C.G.S. § 135-1(11). Each Employing Unit is statutorily required to designate an employee to administer the Plan for that Employing Unit. The designee is referred to as the Health Benefits Representative (HBR). The responsibilities of the HBR, as defined in N.C.G.S. § 135-1(13), include enrolling new employees of the Employing Unit on the Plan, advising the Employing Unit of eligibility requirements, reporting Plan changes to the Employing Unit, explaining Plan benefits to the Employing Unit, reconciling group statements, and remitting group fees.

In general, Employing Units participating on the Plan are required to adhere to the statutory requirements governing the Plan, as well as the rules, policies, and procedures promulgated by the Plan. HBRs are responsible for advising their Employing Unit on compliance with the Plan's regulatory requirements.

## Purpose

The purpose of this policy is to outline Employing Units' responsibilities for setting up a new group and for adhering to the applicable Plan policies, rules, and statutes. This policy applies to all Employing Units that request to join the Plan.

## Policy

Employing Units that request to join the Plan must do so in accordance with this Policy. All requests by qualified Employing Units to join the Plan will be contingent on the completion of all steps of this policy to the Plan's satisfaction.

## Nature of the Policy

This Policy serves as the State Health Plan's nonbinding interpretative statement governing the setup of a new group on the Plan. This Policy defines, interprets, or explains the meaning of the laws and/or regulations listed above. Those laws or regulations, not this Policy, shall take priority if they conflict in any way.

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## Roles and Responsibilities

This Policy shall be administered by the Plan with the assistance of the Senior Director of Plan Integration, the Plan Integration team, the Plan's vendors, and others, as appropriate.

**Employing Units:** The Employing Unit will designate the appropriate staff to serve in the role of HBR. The Employing Unit is also responsible for following all relevant statutes, Plan policies, and Plan rules. If the contact information for the HBR (including their physical and/or mailing address) changes, the Employing Unit is responsible for notifying the State Health Plan of these changes immediately.

**Plan:** The Plan is responsible for ensuring that all groups are set up appropriately with the Plan's vendors, and that the Employing Units and HBRs are adhering to the Plan's policies, rules, and statutes. Plan staff must also communicate any changes to Plan policies, rules, or statutes to the Employing Units and HBRs. The Plan will also assist with issue resolution between the Employing Unit and Plan vendors.

## Implementation

Any new, qualified Employing Unit that requests to join the Plan must contact the Plan at least thirty days before the first employees are hired, or at least thirty days before the effective date of the transfer of coverage from another carrier or plan, whichever is applicable. The Plan will confirm the Employing Unit's eligibility for the Plan and confirm the proposed effective date or propose a different effective date.

Once eligibility and effective dates are confirmed by the Plan, the Employing Unit will designate at least one HBR to work with the Plan and the Plan's vendors to complete the new group setup. The HBR will be trained on Plan rules, enrollment responsibilities, and the premium invoice and payment process. The new group setup will be completed by Plan vendors so that the initial enrollment process can begin.

At the time of setup, the Employing Unit must determine what termination rules the Employing Unit will follow, as well as what ancillary benefits, such as NCFlex benefits, it will offer to employees through the Plan's eligibility and enrollment services contract. If the Employing Unit does not make these determinations, the group will be set up to process terminations as of the end of the month in which employment ends, and no ancillary benefits will be set up in the enrollment platform. If the Employing Unit wishes to change these options, it will be able to do so during configuration for the next Open Enrollment period.

The HBR must initiate enrollment for all employees when the group is originally set up, and for new employees on an ongoing basis. The HBR is also responsible for managing employment status changes and terminations. The HBR should not complete enrollments for their employees as employees are required to make their own elections, attestations, and process any qualifying life events within the appropriate timeframes. HBRs are also responsible for reconciling the Employing Unit's premium invoices on a monthly basis.

Policy and Rules on enrollment can be found on the Plan's website at <https://www.shpnc.org>.

## Enforcement

The Plan's Executive Administrator shall have authority to interpret and apply this policy; this policy may be modified or amended at any time.

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## Related Statutes, Rules, and Policies

1. SHP-POL-3007-SHP - Extended Short-Term and Long-Term Disability Policy
2. N.C.G.S. § 135-48.40
3. N.C.G.S. § 135-48.41
4. N.C.G.S. § 135-48.44
5. N.C.G.S. § 135, Article 3B, Parts 1-5
6. 20 NCAC 12 .0101(a), Rule on Enrollment Exceptions and Appeals
7. 20 NCAC 12 .0101(b), Rule on Member Terminations and Reinstatements
8. 20 NCAC 12 .0101(c), Rule on Arrears
9. 20 NCAC 12 .0101(d), Rule on Retiree Health Benefit Enrollment and Premium Payments

## Revision/Review History

Version	Date Approved	Description of Changes
1.0	4/7/2020	New Policy
1.1	11/24/2021	Technical changes, conforming to current policy template, updated chapter, other non-substantive changes.

*For questions or clarification on any of the information contained in this policy, please contact the policy owner: Sr. Director, Plan Integration, [Caroline.Smart@nctreasurer.com](mailto:Caroline.Smart@nctreasurer.com). For general questions about department-wide policies and procedures, contact the [DST Policy Coordinator](#).*