

11 NCAC 12 .1304 COMPLIANCE

(a) Each carrier and third party administrator shall file a report on North Carolina small employer group insurance activity annually on or before March 15, which report shall describe case characteristics and numbers of health benefit plans in various categories marketed or issued to small employers. The report shall be in a format prescribed by the Commissioner.

(b) Each carrier shall provide the same health benefit plan to eligible employees and dependents; provided, however, under G.S. 58-67-35(a)(5) and (a)(6)b. and c., an HMO may offer its approved small employer health benefit plan in conjunction with an approved indemnity benefit plan to eligible employees and dependents, and the two plans must be of similar value in that the deductibles, copayments, and covered benefits must be comparable.

(c) A carrier shall not set contribution and participation requirements for the statutory plans that are more restrictive than those for the carrier's nonstatutory plans.

(d) If any eligible employee or dependent has qualifying existing coverage, as defined in G.S. 58-50-130(a)(5), and therefore does not participate in the employer's health benefit plan, a carrier is not required to issue or renew the employer's plan unless either:

- (1) at least two eligible employees in a group of seven or less elect to participate; or
- (2) at least 25 percent of eligible employees in a group of more than seven elect to participate.

(e) Each carrier shall offer both statutory plans to any small employer upon request or if the carrier is unable to issue a nonstatutory plan to the small employer applicant.

(f) A carrier shall provide an extension of benefits to any insured who is a hospital inpatient until the insured is released by the hospital if the insured's existing coverage would end during the insured's hospital stay and if replacement coverage is not available to the insured, subject to the continued payment of monthly premiums or dues by the insured.

(g) New business applications submitted to a carrier on and after September 1, 1992, shall be accompanied by a statement signed by the producer and the small employer applicant that certifies that the employer understands that the firm may elect coverage under the statutory plans. The disclosure form shall be made part of such statement. A copy of the signed statement and disclosure form must be provided to the small employer applicant. The disclosure form shall be in a form prescribed by the Commissioner.

(h) If a carrier establishes more than one class of business under G.S. 58-50-113, the carrier shall maintain at least one basic and standard health care plan in each class of business so established. Nothing in this Section prevents a carrier from offering the statutory plans through an association or multiple employer trust.

History Note: Authority G.S. 58-2-40(1); 58-50-105; 58-50-113; 58-50-120(c)(4); 58-50-120(c)(6); 58-50-125(d); 58-50-130(a)(2); 58-50-130(a)(5); 58-50-130(d); 58-50-130(f);
Temporary Adoption Eff. December 21, 1992 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner;
Eff. April 1, 1993;
Temporary Amendment Eff. October 11, 1993 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner;
Amended Eff. October 1, 1994; February 1, 1994;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018.