



# North Carolina Department of Public Safety

## Human Resources

Pat McCrory, Governor  
Frank L. Perry, Secretary

Jerry Hodnett, Acting Director  
Human Resources

October 28, 2014

### ADMINISTRATIVE MEMORANDUM: 11-2014

**TO:** DPS Leadership

**FROM:** Jerry Hodnett

**RE:** **Alternative Health Benefit Coverage for Nonpermanent Full-Time State Employees**

The 2014 General Assembly has ratified and the Governor has signed SB 744 which amended G.S. 135-48 creating a new health benefit for non-permanent full-time employees to comply with the federal Affordable Care Act (ACA). Supplemental Staff employees that are deemed full time as defined by the ACA will be eligible for the new High Deductible Health Plan (HDHP) effective January 1, 2015. The law requires that employers review their employee's average hours of work on an annual basis. The review period is referred to as a measurement period. Employees who average 30 or more hours during one of the measurement periods are considered ACA full time. The chart below defines the measurement periods based on when the supplemental staff employee began working.

Hire Date	Initial Measurement Period	Stability (Coverage) Period
On or before November 1, 2013	November 1, 2013 – October 31, 2014	January 1, 2015 – December 31, 2015
November 2 – 30, 2013	December 1, 2013 – November 30, 2014	January 1, 2015 – December 31, 2015
December 1- 31, 2013	January 1, 2014 – December 31, 2014	February 1, 2015 – January 31, 2016
January 1, 2014 – October 31, 2014	1 <sup>st</sup> of the month following their hire date for 12 consecutive months	1 <sup>st</sup> of the following month after the initial measurement period ends

Employees hired on or after November 1, 2014 who are reasonably expected to work at least 30 or more hours per week (ACA full-time) will be offered the new HDHP the first of the month following the hire date. For November 2014 hires, the first day of coverage is January 1, 2015. Employees hired on or after November 1, 2014 who are not reasonably expected to work at least 30 or more hours per week will start their initial measurement period the 1<sup>st</sup> of the month following their hire date for 12 consecutive months.

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An Equal Opportunity Employer

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The Retirement system recently implemented a change in the State statute regarding rehire retirees and the High Deductible Health Plan. Under G.S. 135-48-41 (j) Clarifying Rehired State Employees, if a retiree has been rehired and is eligible for coverage as defined by the ACA (full-time 30 or more hours), the retiree shall not be eligible for the retiree health coverage during the time of employment. This applies to North Carolina State retirees.

When an employee has a break in service of 13 weeks or more, they are considered a new employee if/when they are rehired. If the new employee is reasonably expected to work at least 30 or more hours per week, the employee is immediately eligible for the HDHP health coverage the 1<sup>st</sup> of the month following their hire date. If the new employee is not reasonably expected to work at least 30 or more hours per week, the new employee will start an initial measurement period the 1<sup>st</sup> of the month following their hire date.

Employees who are **currently** eligible will receive a letter the week of November 17, 2014 notifying them of their eligibility and the process for enrolling in the HDHP healthcare coverage.

The Plan's billing administrator will be COBRAGuard. Employees who enroll in this plan will receive a monthly premium bill from COBRAGuard. The employee's monthly premium for employee only coverage is \$92.38. There is an additional cost if the employee chooses to add dependents. The employer cost is \$117.62 per month. DPS Human Resources will work in conjunction with the Controller's Office to establish billing procedures.

Specific information regarding the HDHP insurance can be found at [www.shpnc.org/hdhp.aspx](http://www.shpnc.org/hdhp.aspx).

If you have questions regarding eligibility, please contact Laurie McVey, Employment Standards Manager at 919-457-1178. If you have questions regarding coverage and enrollment, please contact Ida Diaz, Insurance Program Manager at 919-457-1160.

JH:mks

cc: Secretary Frank L. Perry  
Chief Operating Officer Lorrie L. Dollar  
Commissioner W. David Guice  
Commissioner Gregory K. Baker  
Commissioner William A. Crews