

DST POLICIES AND PROCEDURES

DST Reference:	SHP-POL-3008-MUL
Title:	Reinstatement Policy for Disability Suspensions
Chapter:	Plan Integration
Current Effective Date:	July 28, 2022
Original Effective Date:	July 11, 2017

Applies to: NC Department of State Treasurer – State Health Plan and Retirement Systems Division

Keywords: Disability Retirement Benefits, Eligibility, Employee Benefits, Retirement Systems, State Health Plan

Background

N.C.G.S. § 135-48.41(d) states that former employees who are receiving disability retirement benefits or disability income benefits pursuant to Article 6 of Chapter 135 of the General Statutes shall be eligible for the benefit provisions of the State Health Plan (“the Plan”) on a noncontributory or partially contributory basis, contingent on the receipt of disability benefits from the Retirement Systems. Failure to timely provide required income documentation to the Retirement Systems shall result in the suspension of disability benefits, including cancellation of health benefits under the Plan. If the Member provides the requested documentation and disability benefits are reinstated, the Member may be reenrolled in health benefits.

Purpose

This policy and procedure outlines reinstatement to the Plan when a disability recipient does not timely submit the required documentation to the Retirement Systems. This policy describes reinstatement in the Plan, and applies to all disability recipients who participate in the Plan effective on or after February 12, 2021.

Policy

Pursuant to N.C.G.S. § 135-48.30, the Plan sets policy to administer and operate the Plan, as established under Article 3B of Chapter 135 of the North Carolina General Statutes. This policy is created in response to N.C.G.S. § 135-48.41(d), which states that former employees who are receiving disability retirement benefits or disability income benefits are eligible for the benefit provisions of the Plan. Under certain circumstances, those employees may be suspended from those benefits. This policy outlines the process for suspension and reinstatement of Plan health benefits for employees receiving disability retirement benefits or disability income benefits who fail to timely provide the required income documentation.

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.

Implementation

Members receiving disability benefits who fail to timely provide required income documentation to the Retirement Systems shall have their disability benefits suspended, including cancellation of their health

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benefits. Once employees again meet eligibility requirements, they will be retroactively reinstated up to eighteen months in arrears.

The Centers for Medicare and Medicaid Services do not permit retroactive enrollments into Medicare Advantage plans. Members who were originally enrolled in a Medicare Advantage plan will be reinstated into the 70/30 plan.

If the retroactive reinstatement period crosses plan years, enrollment in the current plan year may not be the same as the prior plan year(s). Cross plan year-enrollment is dependent on the enrollment mapping strategy in place at the time of the reinstatement, and is subject to change.

Subscribers are responsible for payment of any applicable retroactive premiums owed.

Sample scenario for intra-plan year reinstatement:

- Disabled member terminated effective 4/30/2022
- Reinstatement request received on 5/15/2022
- Disabled member reinstated effective 5/1/2022

Sample scenario for cross-plan year reinstatement:

- Disabled member terminated effective 11/30/2022
- Reinstatement request received on 6/1/2023
- Disabled member re-enrolled effective 12/1/2022

When an employee's disability benefits are suspended, and if the employee meets eligibility requirements after suspension, the Retirement Systems insurance team shall notify the Plan's eligibility and enrollment vendor and the Plan Integration team so that each can take the appropriate actions.

The Plan Integration team shall ensure that the eligibility and enrollment vendor performs cancellation and reinstatement based on the information provided by the Retirement Systems and in accordance with this policy.

Related Statutes, Rules, and Policies

1. Medicare Managed Care Manual, Chapter 2 (CMS § 60.4)
2. N.C.G.S. § 135-48.30
3. N.C.G.S. § 135-48.41(d)
4. N.C.G.S. § 135, Article 3B, Parts 1-5
5. N.C.G.S. § 135, Article 6

Revision/Review History

Version	Date approved	Description of Changes
1.0	7/11/2017	New Policy
2.0	11/4/2019	Revised to specify that members who were originally enrolled in a Medicare Advantage plan will be reinstated into the 70/30 plan because retroactive enrollments into Medicare Advantage plans are not allowed by CMS; title of policy changed.

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3.0	1/29/2021	Revised so that Members who have Plan coverage canceled by RSD due to required information not being submitted will be retroactively reinstated once they again meet eligibility requirements, but may not be reinstated to the same plan design; additional information addressing reinstatements that cross plan years; added that Subscribers will be responsible for paying any retroactive premiums owed; effective date of participation in the Plan in order for disability recipients to be reinstated in the Plan was updated.
4.0	7/28/2022	Clarified some sections, re-arranged to meet current policy template, removed extraneous language; revised title.

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