

NCAHU Legislative Report, April 16, 2007

Day on the Hill activities occurred with gusto this week in Raleigh. There was a great deal of activity because this week was the deadline for the filing of House bills. Set forth below is a report on the filing of bills of potential interest to you.

HB 1531 – Clarify Small Business Health Insurance Credit. Rep. Hugh Holliman (D-Lexington) introduced this bill, which would address the types of plans or policies subject to the credit. Plans which would qualify for the credit would now include a health benefit plan sold by a small employer carrier rather than coverage that equals or exceeds the minimum provisions of the basic health care plan of coverage recommended by the Small Employer Carrier Committee. This legislation would become effective on January 1, 2007.

HB 1590 – Health Insurance Policy Change/Fiscal Impact. Rep. England introduced this bill, which would require insurers to provide health care providers with a fiscal impact report when the insurer makes a substantial policy change. Under this legislation, insurers would not be able to implement a cost saving measure or policy change that substantially affects the cost of delivery of health care services without having developed a plan that fully compensates the enrolled health care provider for costs associated with implementing the cost saving measure or policy change.

HB 1604 – Civil Justice Improvement Act – II. Representative Mark Hilton (R-Conover) and Rep. Mitch Gillespie (R-Marion) introduced this medical malpractice reform package. It would limit non-economic damages in medical malpractice actions to \$350,000. Collateral source evidence would be admissible. Periodic payments would also be permissible on damages over \$100,000, and a sliding scale for contingent fees would be implemented.

HB 1642 – Life Insurance: Funeral Establishments. Rep. Angela Bryant (D-Rocky Mount), a new appointee to the General Assembly, introduced this legislation, which would require insurers to verify certain life insurance information to funeral establishments in a timely manner. Insurers would have to respond to a request from funeral homes for information regarding a deceased's insurance coverage, including the name of the beneficiary of the policy, within 24 hours of receiving the request. The request would have to be submitted to the insurer on a form approved by the Commissioner of Insurance.

HB 1667, 1668, 1669 and 1670 – Medical Malpractice Reform. These bills were introduced by Representatives England, Rapp and Goforth. Rep. England is a practicing physician. These bills would provide that appeal bonds in medical malpractice cases are the lesser of the amount of judgment or the amount of the appellant's medical malpractice coverage. They would provide for separate trials in medical malpractice cases on issues of damages and liability in cases where the plaintiff seeks damages in excess of \$100,000. They would provide for reporting confidentially to the DOI on medical

malpractice settlements. Lastly, they would provide for periodic payment of damage awards where damages are in excess of \$100,000.

HB 1719 – Health Insurance Pilot/Piedmont-Triad. Rep. Pat Hurley (R-Asheboro) introduced this bill, which would establish a pilot program which would allow the Chambers of Commerce in Piedmont-Triad counties to provide group health insurance covering business entities which are members of the Chamber.

HB 1772 – Limit Liability for Emergency Room Care was introduced by Representatives England and Rapp. It would raise the burden of proof in malpractice claims against providers of emergency room care to require a showing of willful and wanton negligence.

Lastly, please note that the House and Senate have taken the symbolic action of repealing the chiropractic special provision that was surreptitiously slipped into the budget last session by former Speaker Jim Black. **HB 502** is the vehicle by which the special provision has been repealed, and this legislation was ratified on April 18.

Both meetings of the House Insurance Committee were cancelled this week. Senate Commerce did meet, but again took up no matters of interest. The HHS subcommittee of House Appropriations met this week, and gave a favorable report to **HB 265 – Establish High Risk Pool**. This legislation is now headed to the floor of the House, and in conversations this week we learned that the Senate is looking forward to the arrival of this bill from the House. Rep. Verla Insko reports that opponents of the Risk Pool legislation continue to hammer away at the fact that ERISA plans are not subject to the assessments and that, therefore, carriers offering coverage to small employers and the small employers themselves will be unjustly targeted by the assessment mechanism. I will keep you advised as the bill is calendared for debate on the floor of the House.

That should cover our bases for now. The crossover deadline is May 17, and there will be a great deal of activity as we head toward the crossover deadline. I hope those participating in the Day on the Hill activities found their time in Raleigh profitable, and I shall keep you advised as to all future developments at the Legislature.