

This week at the General Assembly saw the House and Senate adopt a compromise on bailing out the State Health Plan. This plan covers roughly 667,000 State employees, teachers and retirees. Compromise legislation reached this week provides \$250 million to keep the Plan solvent for this year. The compromise would reduce benefits for employees, raise premiums for spouses and children, and will end up costing the State over \$400 million over the next two-year period.

The State Employee's Association is vehemently opposed to the compromise. One problem that the Plan has is the high cost for an employee to add children and spouses to the Plan. This has caused younger, healthier people to move away from the Plan, and the net result is that the Plan has a high number of employees who are sicker and thus more costly. Many employees find it cheaper to purchase their own private coverage rather than enroll children in the State Health Plan.

House Health met this week and considered two health insurance High Risk Pool bills. These were **HB 1391 – Risk Pool Clarifications** and **HB 1392 – Risk Pool Changes/Out-of-State Services**. Michael Keough, Executive Director of the Risk Pool, fielded a number of questions from the Health Committee membership, and these related to premium subsidies and the length of initial pre-existing condition waiting periods. The Risk Pool will make an informational presentation to the Health Committee at some future time on these issues. Note that the Committee did approve the grant of authority to the Risk Pool to negotiate reimbursement rates for emergency services rendered out-of-state.

House Health met this week, and gave favorable reports to **HB 1164 – Modernize HMO Oversight** and **HB 1183 – Health and Other Insurance Law Changes**. Both of these bills were filed by Rep. Bruce Goforth on behalf of the DOI.

**HB 1164** would delete certain obsolete data reporting requirements for HMOs. **HB 1183** addresses tweaks to current law on portability and creditable coverage. It would require that producers provide annuitants or proposed owners of annuities with a copy of any application that is executed. It would empower the Commissioner to adopt rules to protect consumers from misleading and fraudulent marketing practices with respect to the use of senior-specific certifications and professional designations. It would require health benefit plans to continue coverage of dependent students on medically necessary leave of absence. It also addresses independent review organizations.

In the Senate, **SB 957 – Special Enrollment Period/Group Health Insurance** passed the Senate on second and third readings by a vote of 49-0. This legislation would create a special enrollment period in North Carolina's group health continuation law and would provide eligible individuals with the same continuation rights as under the federal American Recovery and Reinvestment Act of 2009. It now goes to the House for further consideration.

That should cover the bases for now, and I will stay in touch as the General Assembly heads towards the May 14 crossover deadline.

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