

Committee activity at the North Carolina General Assembly this week was hectic as legislators began to grapple with the May 14 crossover deadline. You will recall that bills affected by the crossover deadline that do not pass by May 14 are dead for this legislative session. House Bills, for example, which do not pass the House by May 14 are no longer eligible for consideration. The same goes for Senate bills. Thus, there is a very real push by legislators to have bills heard in committee and passed by May 14.

There was activity on a number of bills of interest, and these include the following:

HB 896 – Cancer Drug Coverage Changes. This bill, sponsored by Representatives Harrell, England and Faison passed second and third readings in the House this week after earlier receiving favorable reports from the House Health and Insurance Committees. It would amend the cancer compendia statute (NCGS 58-51-59; coverage of certain prescribed drugs for cancer treatment) to provide coverage for drugs authorized by the National Comprehensive Cancer Network Drugs and Biologics Compendium.

HB 1040 – Amend Viatical Settlement Act had been scheduled for consideration by House Insurance this week. However, its sponsor, Representative Jerry Dockham (R-Denton), pulled the bill from the House Insurance calendar. Life Partners is the company which asked Rep. Dockham to introduce the bill, which would exclude “accredited investors” from certain definitions relating to the viatical settlement contract. Rep. Dockham had understood that this bill would not generate any controversy, and both we and the ACLI indicated that it would, in fact, be very controversial. I am cautiously optimistic that this bill will not be calendared again before the crossover deadline.

HB 1164 – Modernize HMO Oversight Requirements passed the House this week and will be sent to the Senate. It is a DOI bill, and would delete obsolete data reporting requirements for HMOs.

HB 1183 – Health and Other Insurance Law Changes is also a DOI bill. It also passed the House this week, and, among other things, updates the portability and creditable coverage statutes to comport with recent Congressional enactments.

One matter not subject to the crossover deadline is the ominous specter of an **Annuity Tax**. You will recall that several sessions ago we faced the prospect of annuities being taxed to raise revenues for the State’s general fund. The Senate version of the budget for this year did not contain an annuity tax. It now appears that the House is considering such a tax. I will follow up with House leaders on this issue and do my best to determine where things stand on this important issue.

Next week in House Health **HB 535 – Health Insurance Coverage/Lymphodema** will be considered. This is a mandate which would require health insurance policies to cover the care and treatment of lymphodema.

HB 212 – Health Insurance Pilot Program is now in Senate Commerce, but has not been scheduled for debate. Next Tuesday’s agenda for Senate Commerce has been published, and HB 212 is not at this point on its agenda.

Risk Pool statutory revisions are being considered in House Health. Tweaks to the Pool's enabling legislation to give the Board of Directors discretionary authority to implement premium subsidies if funds are available are in the works, as are an extension of the abbreviated pre-existing condition waiting period for new enrollees and payment provisions concerning both out-of-state and in-state emergency medical care.

On the P&C side of things, please note that a Wake County judge has this week dismissed a Dare County challenge to a settlement that the North Carolina Rate Bureau and the Commissioner of Insurance reached on homeowners rates which are to go into effect on May 1, 2009.

SB 428 – Stay on Homeowners Insurance Action was to have been considered in Senate Commerce this week. It would stay any rate increases in the Rate Bureau homeowners and Beach Plan coverages. However, the bill was pulled from the calendar of Senate Commerce.

That should cover the bases for now. The rush to crossover is always a busy time, and I would expect the next two weeks to be busy indeed. I will keep you advised of all developments, and, as always, please favor me with your thoughts, comments and questions at any time.

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