

This week amid ongoing budget discussions the House Insurance met for the first time and considered **HB 212 – Health Insurance Pilot Program**, which was introduced by Rep. Bruce Goforth (D-Asheville). Rep. Goforth is sponsoring this bill on behalf of businesses in Asheville. The bill received a favorable report in House Insurance and will move on to the Commerce Committee for further consideration.

Health insurance carriers Blue Cross and Carolina First Choice spoke in opposition to this association health plan legislation. Due to time constraints, debate on this legislation was cut short, and it may well be that a fuller hearing will be provided to this bill in House Commerce.

Also on the move this week was **HB 102 – Budget Code Technical Correction**, which is the legislation providing the “fix” to permit the State Budget Office to release \$5 million in Health and Wellness Trust Fund monies to the Health Insurance Risk Pool. This bill received a favorable report from the Health & Human Services subcommittee of the House Appropriations Committee, and it is on for second and third readings in the House on Monday evening, March 16. I anticipate smooth sailing in the House, and will keep you advised as this bill heads towards the Senate.

Several bills of interest were introduced this week. Representatives Cotham, Insko, England and Stewart introduced **HB 535 – Health Insurance Coverage/Lymphedema**. Note that there are 23 co-sponsors for this bill which would require health insurers and the State Health Plan to provide coverage for the diagnosis and treatment of lymphedema. This health insurance mandate will first go to House Health, and if it receives a favorable report by that committee it will then be sent to House Insurance and on to House Appropriations.

Also filed this week was **HB 589 (= SB 375) – Insurance/Coverage for Hearing Aids**. This bill is a companion to Sen. Purcell’s SB 275 and would require health benefit plans and the State Health Plan to cover the full cost of one hearing aid, up to \$2,500, every 36 months for the hearing impaired under the age of 22. The sponsors of this legislation are Representatives England, Martha Alexander, Wiley and Glazier.

Rep. Jennifer Weiss (D-Cary) introduced **HB 577 – Funds for Healthy North Carolinians**. It would appropriate funds to assist in the establishment and sustainability of Healthy Carolinians partnerships health promotion initiatives in each county in North Carolina. The sum of just over \$1 million would be appropriated for each of the next two fiscal years, and of these funds, \$10,000 would be allocated to each county health department to support the necessary infrastructure to create and maintain health promotion partnerships to carry out locally defined initiatives inclusive of women and children, minority populations and aging populations. Each county would need to obtain certification as a member of the Healthy Carolinians Partnership.

Rep. Verla Insko and three other sponsors have introduced **HB 601 – Funds/NC Health Choice/Kids’ Care**. This legislation would appropriate funds to fully fund the NC Health Choice and implement NC Kids’ Care, as recommended by the legislative study commission on children and youth. Just over \$11 million would be appropriated for this fiscal year with \$26 million being appropriated for the next fiscal year. A total of \$7

million would be appropriated to HHS for each of the next two years to fund enrollment of between 10,000 and 12,000 children eligible for NC Kids' Care. Note that HHS would contract for the administration of NC Kids' Care to collect premiums, co-insurance, co-pays and deductibles.

There was considerable discussion this week among legislators about how to restore the State Health Plan to financial health. This plan will require a cash infusion of several hundred million dollars, and increased deductibles and co-pays could well be at play. I will keep you advised as the Plan undergoes continued scrutiny.

With respect to stranger originated life insurance ("STOLI"), it is beginning to appear as if the Department of Insurance will not be including STOLI legislation in its legislative agenda. The Commissioner is under considerable pressure on coastal insurance issues, and the Department does not have the resources to pursue too many issues at one time. The deadline for the filing of bills is approaching, and I will keep you advised as to all communications I have with the Department concerning STOLI.

On the P&C side of things, note that next week House Insurance may consider **HB 426 – Stay on Homeowners Insurance Actions**, legislation introduced by coastal legislators which would stay increases in deductibles and surcharges approved last November and which would cap current rates. The current understanding is for House Insurance to consider this bill next week but not vote upon it. Please note that the Senate version of this bill (**S.B. 428**) was supposed to have been considered next week in Senate Commerce, but as of now it has been pulled from the calendar.

I would expect there to be continuing interest in coastal insurance issues as the session continues, and I will stay in touch on all that transpires.

SB 468 – Authorize Insurance for Former Employees. This bill, introduced by Sen. Floyd McKissick (D-Durham), would authorize counties to provide health insurance benefits to former employees who are not receiving retirement benefits. The statute being addressed is NCGS 153A-93(d). Sen. McKissick has 17 Senators joining him as sponsors of this bill, and it would become effective when ratified.

I hope that the ACC basketball tournament goes to your liking this weekend. I will keep you advised as to all developments at the General Assembly, and please contact me at any time with your questions and observations.

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