

As expected, budget deliberations are front and center this week in the North Carolina House of Representatives. The House convened this morning at 8:00 to address the budget on second reading after debating, often furiously, potential tax increases and budget cuts yesterday. Once the House adopts its budget and returns it to the Senate for a vote on concurrence, we can expect the Senate not to concur. Thereafter, conferees from both bodies will be appointed to iron out their budgetary differences.

The State's fiscal year ends on June 30, and thus, an effort will be made to have a final budget in place by that time. Note that committee activity in both the House and the Senate has been significant this week as the committee chairs seek to have as many bills heard as possible. This suggests that the leadership is trying to clear the decks so that once the budget has been adopted, adjournment of the session may be seriously considered.

Several bills of interest were ratified this week. **HB 896 – Cancer Drug Coverage Changes** passed the Senate this week and will be sent to the Governor for signing. This bill addresses the coverage for cancer drugs with FDA approval and which are prescribed in designated reference compendia. This legislation simply updates and expands the compendia of approved cancer drugs.

SB 957 – Special Enrollment Period/Group Health Insurance was also enacted this week and sent to the Governor for signing. You will recall that this legislation extends COBRA enrollment periods, and is tied into the COBRA subsidies addressed by the American Recovery and Reinvestment Act of 2009.

Senate Commerce met this week and gave a favorable report to the following bills:

- **HB 1161 – Revise Insurance Financial Conditions.** This is a DOI bill which addresses changes relating to the financial conditions of insurance companies.
- **HB 1164 – Modernize HMO Oversight Requirements.** This legislation would eliminate obsolete data collection requirements for HMOs.
- **HB 1165 – Update Standard Fire Insurance Policy.** This legislation simply modernizes the text of the standard fire insurance policy without changing it in any substantive way.

Note that all three of these bills are on the Senate calendar for second and third readings on Monday evening, June 15, 2009.

Senate Commerce is scheduled to meet on Tuesday, June 16, and will address **HB 1485 – Insurance/Health Care Provider Relationship.** This legislation would address a number of specific items that the contracts between providers and benefits plans must contain.

HB 1392 – Risk Pool/Out-of-State Payments will probably be left on the sidelines for this session. It has passed the House prior to crossover, and will be eligible during next year's short session. The bill sought to address how claims payment for out-of-state emergency services are to be handled for Risk Pool participants. Senate Commerce wishes for the Risk Pool to marshal

its resources and pay no more than is necessary to resolve these types of claims. The Risk Pool's TPA will endeavor to negotiate with out-of-state providers of emergency services in an effort to have them accept Medicare reimbursements as full and complete payment of their services.

Lastly, note that **HB 9 - No Texting While Driving** has passed the General Assembly and will be sent to the Governor for signing. The title of the bill says it all. Texting while driving one's car will be prohibited.

That should cover the bases for now. Stay tuned as the budget is discussed and debated. I will keep you advised as to all developments, and would welcome your thoughts, comments and questions at any time.