

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 769

Short Title: Require Schedule of Benefits.

(Public)

Sponsors: Representatives Brawley; Bowman, Hayes, Lemmond, and C. Wilson.

Referred to: Insurance.

April 6, 1993

A BILL TO BE ENTITLED

1 AN ACT TO REQUIRE ALL HEALTH INSURANCE COMPANIES DOING
2 BUSINESS IN NORTH CAROLINA TO OFFER POLICIES WITH COVERAGE
3 UNDER A SCHEDULE OF BENEFITS.
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5 Whereas, the escalation of health care costs has contributed to the increase in
6 the cost of health care insurance; and

7 Whereas, limiting the amount that health care insurance will cover for
8 specified medical treatments and procedures will encourage cost conscious health care
9 practices, limit the amount of and increases in health insurance premiums, and provide
10 affordable insurance protection to consumers; and

11 Whereas, requiring insurance companies to offer alternative health insurance
12 contracts that base premium rates in part upon a schedule of benefits would make
13 available to consumers and employers the option of choosing lower cost health care
14 insurance;

15 Now, therefore,

16 The General Assembly of North Carolina enacts:

17 Section 1. Article 50 of Chapter 58 of the General Statutes is amended by
18 adding the following new section to read:

19 "**§ 58-50-16. Schedule of benefits contract required as option to purchaser.**

20 (a) Every insurer offering health insurance coverage pursuant to Articles 50
21 through 55 of this Chapter shall offer to every person applying to purchase health
22 insurance from that insurer a policy of health coverage that sets forth in writing a
23 schedule of benefits indicating the fixed amount of coverage available for specified

1 health care treatment or procedures and the premium rate for which policy is based at
2 least in part upon the schedule of benefits.

3 (b) The Commissioner shall adopt rules governing the implementation of this
4 section."

5 Sec. 2. G.S. 58-50-125 is amended by adding the following new subsection to
6 read:

7 "(c1) Every insurer offering health insurance coverage pursuant to this act shall
8 offer to every person applying to purchase such coverage from that insurer an
9 alternative policy of health coverage that sets forth in writing a schedule of benefits
10 indicating the fixed amount of coverage available for specified health care treatment or
11 procedures and the premium rate for which coverage is based at least in part upon the
12 schedule of benefits. The Commissioner shall adopt rules governing the implementation
13 of this subsection."

14 Sec. 3. G.S. 58-54-15 reads as rewritten:

15 **"§ 58-54-15. Minimum standards for benefits, marketing practices, compensation**
16 **arrangements, reporting practices, and claims payments.**

17 (a) Every insurer offering health insurance coverage pursuant to this Article shall
18 offer to every person applying to purchase health insurance from that insurer an
19 alternative policy of health coverage that sets forth in writing a schedule of benefits
20 indicating the fixed amount of coverage available for specified health care treatment or
21 procedures and the premium rate for which policy is based at least in part upon the
22 schedule of benefits under the alternative policy.

23 (b) The Commissioner shall adopt rules, pursuant to G.S. 150B-13, to establish
24 minimum standards for benefits, marketing practices, compensation arrangements,
25 reporting practices, and claims payments under ~~polieies~~ policies, and governing the
26 implementation of the requirements of subsection (a) of this section."

27 Sec. 4. Article 65 of Chapter 58 of the General Statutes is amended by adding
28 the following new section to read:

29 **"§ 58-65-6. Schedule of benefits required as option to purchaser.**

30 (a) Every insurer offering health insurance coverage pursuant to this Article shall
31 offer to every person applying to purchase health insurance from that insurer an
32 alternative policy of health coverage that sets forth in writing a schedule of benefits
33 indicating the fixed amount of coverage available for specified health care treatment or
34 procedures and the premium rate for which policy is based at least in part upon the
35 schedule of benefits under the alternative policy.

36 (b) The Commissioner shall adopt rules governing the implementation of this
37 section."

38 Sec. 5. The Commissioner of Insurance shall report to the General Assembly
39 on or before May 1, 1996, on the effectiveness of schedule of benefits coverage required
40 under this act in making affordable health care available to uninsurable persons.

41 Sec. 6. This act becomes effective January 1, 1994, and applies to health
42 insurance contracts executed or renewed on or after that date.