

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1293

Short Title: Health Care Reform Commn.

(Public)

Sponsors: Senator Daniel.

Referred to: Rules and Operation of the Senate.

July 5, 1993

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE LEADERSHIP COMMISSION ON HEALTH CARE REFORM.

Whereas, the Commission on Access to Health Insurance reported its findings and proposed short-term and long-term health care reform legislation to the 1993 General Assembly; and

Whereas, some health care reform legislation has been ratified by the 1993 General Assembly; and

Whereas, over 30 health care reform bills have been introduced in the 1993 General Assembly; and

Whereas, the 1993 General Assembly has determined that continued study is needed on health care reform; Now, therefore,
The General Assembly of North Carolina enacts:

Section 1. (a) There is created the Leadership Commission on Health Care Reform. The Commission shall study the issues involved in designing and developing a health care plan that ensures that all citizens of the State have access to affordable health care and health insurance and that provides coverage for basic health care needs. In conducting its study, the Commission shall consider:

(1) The following health care reform bills recommended by the Commission on Access to Health Insurance and introduced in the 1993 General Assembly:

- a. Senate Bill 2 - Managed Competition Act,
- b. Senate Bill 3 - Caring Program Funds,
- c. Senate Bill 4 - Medicaid Coverage/Children,

- 1 d. Senate Bill 5 - Medicaid for Disabled and Elderly,
- 2 e. Senate Bill 6 - Rural/Primary Care Initiatives,
- 3 f. Senate Bill 7 - Uniform Insurance Claims Form,
- 4 g. Senate Bill 8 - No Self-Referrals/Health Care, and
- 5 h. Senate Bill 9 - Hospital Cooperation Act.
- 6 (2) All other health care reform legislation introduced in the 1993 General
- 7 Assembly, including:
 - 8 a. House Bill 4 - Health Care Access,
 - 9 b. House Bill 572 - Family Health Care Program,
 - 10 c. House Bill 675 - Physician Practice Parameters,
 - 11 d. House Bill 729 - Small Employer Health Plans,
 - 12 e. House Bill 821 - Health Care Reform Act,
 - 13 f. House Bill 941 - Health Care Provider Cooperation Act,
 - 14 g. House Bill 1232 - Rural/Primary Care Initiatives,
 - 15 h. Senate Bill 41 - Health Care Cost Control,
 - 16 i. Senate Bill 42 - Health Benefits Deductibles,
 - 17 j. Senate Bill 330 - GPAC/Preventive Health Benefits,
 - 18 k. (HCS) Senate Bill 554 - Fletcher-Jeralds Act,
 - 19 l. Senate Bill 696 - Small Employer Health Plan,
 - 20 m. Senate Bill 722 - Uninsured Health Coverage.
- 21 (3) Health care reform legislation enacted or being considered by the
- 22 United States Congress.
- 23 (b) The Commission shall study and report on the following specific issues:
 - 24 (1) Identification of a health care benefit package for all North
 - 25 Carolinians;
 - 26 (2) Development of an actuarial study of the benefit package proposed in
 - 27 Senate Bill 2 and House Bill 572, introduced in the 1993 General
 - 28 Assembly, and any other proposed health care benefit package
 - 29 identified by the Commission that proposes covering all North
 - 30 Carolinians;
 - 31 (3) Federal, State, local, and private funds currently being spent on the
 - 32 delivery of health care services in North Carolina, including
 - 33 administrative expenditures associated with insurance and third-party
 - 34 insurance administrators;
 - 35 (4) Federal, State, local, and private funds currently being spent on the
 - 36 delivery of public health services in North Carolina;
 - 37 (5) Federal, State, and local funds currently being spent on the State
 - 38 regulation of health care services;
 - 39 (6) The long-term impact of the cost of health care reform on business and
 - 40 industry in North Carolina;
 - 41 (7) Rates charged by the health insurance industry in North Carolina.
- 42 (c) The Commission shall recommend mechanisms or actions necessary to
- 43 design, develop, and finance a health care plan to ensure that all citizens of the State

1 have access to affordable health care and health insurance that provides coverage for
2 basic health care needs to the General Assembly, including, but not limited to:

- 3 (1) Mechanisms to assure universal access to needed health care services
4 for all North Carolinians;
- 5 (2) The need for a State Health Commission with broad responsibilities in
6 the proposed health care plan;
- 7 (3) Restructuring of the health care delivery system into community care
8 networks, community health districts, or accountable health plans
9 based upon the following principles:
 - 10 a. The ultimate goal should be improved health status, not health
11 care;
 - 12 b. Health status must be improved primarily through locally
13 developed initiatives;
 - 14 c. The appropriate role of the State is to assure a framework by
15 which health services can be delivered in local communities;
 - 16 d. While State and local governments should provide the
17 framework for the delivery of health services, they should not
18 interpret this responsibility as a requirement to directly provide
19 all of the services; and
 - 20 e. In order for a new health system to be effective, there must be
21 cooperative and collaborative efforts in place throughout the
22 State. Hospitals, health departments, individual health
23 providers, provider organizations, and others must find new and
24 innovative ways to work together effectively, and laws should
25 be amended or enacted as necessary to encourage these efforts.
- 26 (4) The need for the development of mechanisms to administer and
27 regulate the restructured health delivery system in North Carolina,
28 including managed competition, single payor, or other options;
- 29 (5) Financing of the proposed health care plan; and
- 30 (6) Mechanisms to ensure the delivery of quality health care services in
31 North Carolina.

32 Sec. 2. The Commission shall consist of 13 members, as follows:

- 33 (1) The Governor;
- 34 (2) The Speaker of the House of Representatives;
- 35 (3) The President Pro Tempore of the Senate;
- 36 (4) Five members appointed by the Speaker of the House of
37 Representatives, one of whom is the chair of the House Appropriations
38 Committee, one of whom is the chair of the House Finance
39 Committee, one of whom is the chair of the House Health and Human
40 Services Committee, and two members of the House of
41 Representatives, one of whom represents the political party to which
42 the largest minority of the membership of the General Assembly
43 belongs;

1 (5) Five members appointed by the President Pro Tempore of the Senate,
2 one of whom is the chair of the Senate Appropriations Committee, one
3 of whom is the chair of the Senate Finance Committee, one of whom is
4 the chair of the Senate Children and Human Resources Committee,
5 and two members of the Senate, one of whom represents the political
6 party to which the largest minority of the membership of the General
7 Assembly belongs.

8 If vacancies occur among the membership appointed under subdivisions (4) and (5) of
9 this section, the vacancies shall be filled by the original appointing authority using the
10 criteria established in those subdivisions.

11 Sec. 3. The Governor shall chair the Commission. The chair shall call the
12 first meeting of the Commission within two months of adjournment of the first session
13 of the 1993 General Assembly. The Commission shall meet at least monthly.

14 Sec. 4. The Commission members shall receive no salary for their services
15 but shall receive per diem, subsistence, and travel expenses in accordance with the
16 provisions of G.S. 120-3.1.

17 Sec. 5. The Commission may contract for professional or other services it
18 may require in the course of its study. Upon the request of the Commission, the
19 Legislative Services Commission may assign professional and clerical staff to assist in
20 the work of the Commission. The Commission may meet in the Legislative Building or
21 the Legislative Office Building upon the approval of the Legislative Services
22 Commission.

23 Sec. 6. The Commission shall submit an interim report on or before the first
24 day of the 1993 General Assembly, Regular Session 1994, by filing the report with the
25 President Pro Tempore of the Senate and the Speaker of the House of Representatives.

26 Sec. 7. The Commission shall submit a final report of its findings and
27 recommendations to the General Assembly on or before the first day of the 1995
28 Session of the General Assembly by filing the report with the President Pro Tempore of
29 the Senate and the Speaker of the House of Representatives. Upon filing its final report,
30 the Commission shall terminate.

31 Sec. 8. There is allocated from the funds appropriated to the General
32 Assembly's Legislative Services Commission the sum of fifteen thousand dollars
33 (\$15,000) for the 1993-94 fiscal year and the sum of fifteen thousand dollars (\$15,000)
34 for the 1994-95 fiscal year for the expenses of the Commission established under
35 Section 1 of this act.

36 Sec. 9. This act becomes effective July 1, 1993.