

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 330

Short Title: GPAC/Preventive Health Benefits.

(Public)

Sponsors: Senator Martin of Guilford.

Referred to: Government Performance Audit.

February 23, 1993

A BILL TO BE ENTITLED

1 AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNMENT
2 PERFORMANCE AUDIT COMMITTEE WITH REGARDS TO BENEFITS
3 PROVIDED THROUGH THE TEACHERS' AND STATE EMPLOYEES'
4 COMPREHENSIVE MAJOR MEDICAL PLAN AND RELATED BENEFIT
5 PLANS.-1

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 135-40.5 is amended by adding a new subsection to read:

8 "(e) The Plan will cover the expenses in order to detect and initiate early treatment
9 for:

10 (1) Prenatal management of high-risk pregnancies;

11 (2) Chronic diseases; and

12 (3) Cancer

13 to prevent catastrophic and costly incidence of these conditions.

14 This will include the preparation and issuance of individual custom preventative
15 health care plans. The care plans will be prepared for all beneficiaries for whom the
16 plans are likely to produce savings in excess of costs. The care plans will define custom
17 preventative protocols, therapeutic programs, and appropriate special orders.

18 The care program will provide a customized patient and physician reminder system
19 including, as deemed cost-effective, letters, phone calls, and therapeutic consultations.
20 The care program will issue customized patient education materials, incentives, and
21 compliance support materials including disease-specific and patient-specific printed
22 information, videos, reminder cards, pill reminders, tape recordings, newsletters, and the
23 like, to enhance compliance. The care program shall independently monitor the cost-
24

1 effectiveness of all such measures and provide an annual report to the Governor and the
2 General Assembly detailing the cost of the care program and its cost-effectiveness."

3 Sec. 2. G.S. 135-39.5 is amended by adding a new subdivision to read:

4 "(22) Implementing a program to reduce catastrophic care by identifying
5 employees and retirees who are at risk for reasonably preventable
6 catastrophic illnesses due to reasons such as:

7 a. Noncompliance with their medically prescribed treatment
8 program;

9 b. Lack of financial resources to purchase medicines as
10 prescribed; or

11 c. Not seeking testing for such illnesses,
12 and implementing individually tailored programs to improve
13 compliance. This program may be purchased or developed for internal
14 use by the Claims Processor or contracted to an outside vendor subject
15 to the same approvals as required for selection of a claims processor."

16 Sec. 3. (a) Appropriations from the General Fund for Employee and Retiree
17 Health Benefits are reduced by sixty-two million dollars (\$62,000,000) for the 1993-94
18 fiscal year and sixty-two million dollars (\$62,000,000) for the 1994-95 fiscal year due
19 to controlling the costs of employee and retiree health benefits provided by this act.
20 Appropriations from the Highway Fund for Employee and Retiree Health Benefits are
21 reduced by five million dollars (\$5,000,000) for the 1993-94 fiscal year and five million
22 dollars (\$5,000,000) for the 1994-95 fiscal year due to controlling the costs of employee
23 and retiree health benefits provided by this act.

24 (b) It is the intent of the General Assembly to further reduce the General Fund
25 base budget appropriations for Employee and Retiree Health Benefits, in subsequent
26 years, according to the following schedule, due to controlling the costs of employee and
27 retiree health benefits:

Fiscal Year	Amount
1995-96	\$30,000,000
1996-97	\$60,000,000.

31 (c) It is the intent of the General Assembly to further reduce the Highway Fund
32 base budget appropriations for Employee and Retiree Health Benefits, in subsequent
33 years, according to the following schedule, due to controlling the costs of employee and
34 retiree health benefits:

Fiscal Year	Amount
1995-96	\$2,000,000
1996-97	\$4,000,000.

38 (d) The Executive Administrator and Board of Trustees of the Teachers' and
39 State Employees' Comprehensive Major Medical Plan shall effect, beginning October 1,
40 1993, a fifteen percent (15%) reduction in premiums paid by employees for their
41 dependents due to controlling the costs of dependent health benefits provided by this
42 act.

43 Sec. 4. This act becomes effective July 1, 1993.