

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 972

Short Title: Managed Care Policy Board.

(Public)

Sponsors: Senators Winner; Cooper, Gulley, Hartsell, and Rand.

Referred to: Commerce.

April 21, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE MANAGED CARE POLICY BOARD.

3 The General Assembly of North Carolina enacts:

4 Section 1. Chapter 58 of the General Statutes is amended by adding the
5 following new Article to read:

6 **"ARTICLE 68B.**

7 **"MANAGED CARE POLICY BOARD.**

8 **"§ 58-68B-1. Managed Care Policy Board created; membership; terms.**

9 (a) As used in this Article, the term 'managed care plan' means a health benefit
10 plan that either requires a covered person to use, or creates incentives, including financial
11 incentives, for a covered person to use health care providers managed, owned, under
12 contract with, or employed by a health carrier that provides a plan of health insurance,
13 health benefits, or health services.

14 (b) There is created the Managed Care Policy Board. The purposes of the Board
15 are to:

16 (1) Monitor the development, implementation, and regulation of managed
17 care plans; and

18 (2) Make recommendations to the Governor, the General Assembly, and the
19 Commissioner of Insurance on managed care information reporting

1 requirements, and monitor the criteria developed for the analysis and
2 public dissemination of this information.

3 The Board shall be established within the Department of Insurance for administrative,
4 organizational, and budgetary purposes only. The Department of Insurance shall provide
5 administrative and staff support to the Board and shall also provide technical assistance
6 as requested by the Board.

7 (b) The Board shall consist of 20 members as follows:

8 (1) Five members appointed by the Governor, one of whom shall be a
9 consumer with no financial ties to the managed care industry, one of
10 whom shall be a health care provider, one of whom shall be a purchaser
11 of health insurance, and one of whom shall be a public health
12 professional with expertise in quality assessment and improvement or
13 health services research. One of these appointees shall serve an initial
14 term of one year, two shall serve an initial term of two years, and two
15 shall serve an initial term of three years;

16 (2) Five members appointed by the General Assembly upon the
17 recommendation of the President Pro Tempore of the Senate, one of
18 whom shall be a consumer with no financial ties to the managed care
19 industry, one of whom shall be a health care provider, one of whom
20 shall be a purchaser of health insurance, and one of whom shall be a
21 public health professional with expertise in quality assessment and
22 improvement or health services research. One of these appointees shall
23 serve an initial term of one year, two shall serve initial terms of two
24 years, and two shall serve initial terms of three years;

25 (3) Five members appointed by the General Assembly upon the
26 recommendation of the Speaker of the House of Representatives, one of
27 whom shall be a consumer with no financial ties to the managed care
28 industry, one of whom shall be a health care provider, one of whom
29 shall be a purchaser of health insurance, and one of whom shall be a
30 public health professional with expertise in quality assessment and
31 improvement or health services research. One of these appointees shall
32 serve an initial term of one year, two shall serve initial terms of two
33 years, and two shall serve initial terms of three years; and

34 (4) Five members appointed by the Commissioner of Insurance, one of
35 whom shall be a consumer with no financial ties to the managed care
36 industry, one of whom shall be a health care provider, one of whom
37 shall be a purchaser of health insurance, and one of whom shall be a
38 public health professional with expertise in quality assessment and
39 improvement or health services research. One of these appointees shall
40 serve an initial term of one year, two shall serve initial terms of two
41 years, and two shall serve initial terms of three years.

42 (c) Members of the Board shall receive per diem and necessary travel and
43 subsistence expenses in accordance with G.S. 138-5 or G.S. 138-6, as applicable.

1 (d) Terms of members appointed subsequent to the initial term shall be for three
2 years. A member may be reappointed for one additional term. Upon the expiration of a
3 term of office, a member shall continue to serve until a successor is appointed and
4 qualified. When a vacancy occurs other than by expiration of the term, a successor shall
5 be appointed by the person making the original appointment for the remainder of the
6 unexpired term.

7 **"§ 58-68B-2. Duties and responsibilities of the Board.**

8 The Board shall have the following powers and duties:

- 9 (1) Review and comment on all matters of planning, policy development,
10 and program design and evaluation with regard to the provision of
11 health care and health coverage to the citizens of this State;
- 12 (2) Recommend standards for managed care plans to assure minimum
13 standards for the adequacy, accessibility, and quality of health care
14 services offered under a managed care plan, review the standards
15 periodically, and recommend modification, if appropriate, to assure that
16 the standards meet current state of the art and technology in health care
17 delivery practices;
- 18 (3) Recommend standards for collecting data from managed care plans and
19 disseminate comparative information to the general public to allow for
20 informed consumer choice for plan selection and treatment options
21 based on price, covered benefits, quality, and enrollee satisfaction;
- 22 (4) Monitor data collected by the Department which provide information
23 about benefits, quality, and enrollee satisfaction, including, but not
24 limited to, the number and reasons for complaints filed with the
25 Department, enrollment and disenrollment data, the carrier's utilization
26 review and appeals activity report, annual report, evidence of coverage,
27 and premiums;
- 28 (5) Conduct managed care policy studies that will contribute to the effective
29 implementation of a managed care system. The studies shall include:
- 30 a. State policy for risk-adjusted payments to health plans and ways
31 to provide greater responsiveness in managed care to vulnerable
32 populations such as mentally and physically disabled persons,
33 chronically ill persons, individuals with rare diseases, and low-
34 income individuals;
- 35 b. The type of data that should be collected and the format for
36 presentation of such data in an annual guide comparing
37 premiums, cost-sharing, benefits, quality, utilization, service
38 indicators, and consumer satisfaction;
- 39 c. Methods for increasing and maximizing consumer choice in
40 health plan selection;
- 41 d. The need for an external appeals mechanism after a carrier
42 internal appeals and grievance system has been exhausted; and

- 1 e. Other studies the Board determines necessary to fulfill its
2 responsibilities for recommending needed managed care policy
3 and program revisions.
- 4 (6) The Board shall meet at least four times each year. The Board shall
5 elect its officers and may designate its committees; and
- 6 (7) The Board may recommend the enactment of legislation and the
7 adoption of rules as may be necessary to carry out its purposes."
- 8 Section 2. There is appropriated from the General Fund to the Department of
9 Insurance the sum of one hundred thousand dollars (\$100,000) for the 1997-98 fiscal year
10 and the sum of one hundred thousand dollars (\$100,000) for the 1998-99 fiscal year for
11 allocation to the Managed Care Policy Board for its operations.
- 12 Section 3. This act becomes effective July 1, 1997.