

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H

2

HOUSE BILL 744
Committee Substitute Reported Without Prejudice 5/13/99

Short Title: Health Access Pilot Project.

(Public)

Sponsors:

Referred to:

March 30, 1999

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A PILOT PROJECT TO IMPROVE ACCESS TO HEALTH CARE COVERAGE IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

Section 1. The purpose of this act is to authorize and encourage tailoring of health care delivery and benefits to meet a particular community's needs, while maintaining safeguards, so as to increase the affordability, efficiency, and fairness of health care coverage for small employers. The goal of the Pilot Project established in this act is to allow for a limited time and in a controlled manner, the relaxation of some mandates in order to inject flexibility and advantages to small employers and their employees, while maintaining supervision by appropriate State agencies.

Section 2. The Buncombe County Area Small Business Health Care Purchasing Alliance Pilot Project is hereby established as follows:

- (1) The State Health Plan Purchasing Alliance Board shall establish the Buncombe County Area Small Business Health Care Purchasing Alliance (the "Alliance") pursuant to G.S. 143-627 that shall possess the powers and duties of the Alliance as set forth in G.S. 143-628.

- 1 (2) The Buncombe County Medical Society shall serve as the Community
2 Sponsor for the Buncombe County Area Small Business Health Care
3 Purchasing Alliance.
- 4 (3) The Alliance shall design an initial basic benefit plan tailored to the
5 designated Buncombe County market area needs. It is anticipated that
6 the plan will be a guaranteed issue plan. There shall be no individual
7 medical underwriting and no separate "high-risk" policies. The premium
8 shall be actuarially sound but not necessarily be adjusted community
9 rated. The Alliance may develop one or more additional plans,
10 including a premier benefit plan option. All plans shall be submitted to
11 the Department of Insurance and the State Health Plan Purchasing
12 Alliance Board.
- 13 (4) The Alliance shall coordinate enrollment of suitable member small
14 employers into the Alliance and notify them of the availability of
15 coverage. Only small employers who at the time of enrollment and
16 during the previous six months did not maintain a health insurance plan
17 for its employees shall be considered a suitable member small employer.
- 18 (5) The Alliance may solicit competitive bids from Accountable Health
19 Carriers to offer the plan or plans developed by the Alliance to
20 employees of member small employers.
- 21 (6) The Alliance may impose a reasonable administrative surcharge or fee
22 on member small employers for Pilot Project administration.
- 23 (7) The Pilot Project shall at all times remain subject to the jurisdiction in
24 regulation of the North Carolina Department of Insurance and the State
25 Health Plan Purchasing Alliance Board.
- 26 (8) The Alliance shall have the flexibility to develop reasonable measures
27 to ensure enrollment stability and fiscal solvency while encouraging
28 efficiency.

29 Section 3. The Pilot Project is exempt from only such general or local law or
30 rule to the contrary, including inter alia, contrary provisions of G.S. 143-621 through
31 G.S. 143-636 (Health Care Purchasing Alliance Act), G.S. 58-49-30 through G.S. 58-49-
32 65 (Multiple Employer Welfare Arrangements). The Pilot Project is exempt from G.S.
33 58-50-100 through G.S. 58-50-155 (North Carolina Small Employer Group Health
34 Coverage Reform Act) when the number of employee enrollees exceeds 150.

35 Section 4. Commencing upon the date this act becomes law, the Pilot Project
36 shall be created and remain in existence for a period of four years, at which time it may
37 be continued, modified, or terminated by the General Assembly. The Alliance shall
38 present a report with recommendations to the State Health Plan Purchasing Alliance
39 Board before the expiration of that time. The North Carolina Department of Insurance
40 may provide input and findings to the Board. The Board shall report to the General
41 Assembly on or before the fifth year after this act becomes law, presenting its findings
42 and recommendations as to whether the Pilot Project should be extended, or extended as

1 modified, to other parts of North Carolina for the benefit of employees of small
2 employers.

3 Section 5. To the extent funds are available from the State Health Plan
4 Purchasing Alliance Fund, the sum of twenty-five thousand dollars (\$25,000) shall be
5 allocated to the Pilot Project for the first year of its operation, and the sum of fifteen
6 thousand dollars (\$15,000) for the second year of its operation. Thereafter the Pilot
7 Project shall be self-sustaining.

8 Section 6. The community sponsor shall submit to the State Health Plan
9 Purchasing Alliance Board a proposed plan of operation of the Alliance.

10 Section 7. This act is effective when it becomes law.