

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE BILL 854

Short Title: Protect STATE Health Care Act. (Public)

Sponsors: Representatives Insko, Meyer, Cunningham, and Black (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Rules, Calendar, and Operations of the House

April 18, 2019

1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH PROTECTIONS FOR INDIVIDUALS WITH PREEXISTING  
3 CONDITIONS WHO SEEK TO OBTAIN HEALTH INSURANCE COVERAGE.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Article 3 of Chapter 58 of the General Statutes is amended by adding  
6 a new section to read:

7 "**§ 58-3-26. Preexisting conditions; health benefit plans.**

8 (a) The following definitions apply in this section:

9 (1) Health benefit plan. – As defined in G.S. 58-3-167. The phrase also applies to  
10 limited-scope dental and vision insurance.

11 (2) Preexisting exclusion. – A limitation or exclusion of benefits based on the fact  
12 that a condition was present before the effective date of the coverage, or the  
13 date of denial if coverage is denied, under a health benefit plan, whether or  
14 not any medical advice, diagnosis, care, or treatment was recommended or  
15 received before that date.

16 (b) An insurer offering a health benefit plan, including individual, large group, or small  
17 group health coverage, in this State shall not impose any preexisting condition exclusions with  
18 respect to coverage under the health benefit plan.

19 (c) Each insurer that offers a health benefit plan in this State must accept every employer  
20 and every individual in the State who is eligible for the coverage and who applies for the  
21 coverage.

22 (d) An insurer shall develop the premium rates for all health benefit plans offered in this  
23 State based on the only following case characteristics:

24 (1) Whether the health benefit plan covers an individual or family. If the coverage  
25 is family coverage in the individual or small group market, the insurer shall  
26 apply the rating variations permitted under this subsection based on the  
27 portion of premium that is attributable to each family member covered under  
28 the health benefit plan in accordance with rules adopted by the Commissioner.

29 (2) The geographic rating area, established in accordance with federal law.

30 (3) The age of the insured individuals, except that the rate shall not vary by more  
31 than three to one for adults.

32 (4) The tobacco use of the insured individuals, except that the rate must not vary  
33 by more than one and one-fifteenth to one.



1       (e)    An insurer shall not adjust the premium charged for any health benefit plan offered  
2 in this State on the individual or small group market more frequently than annually unless the  
3 change is made to reflect any of the following:

4           (1)   With respect to a health benefit plan offered in the small group market,  
5           changes to the enrollment of the small employer.

6           (2)   Changes to the family composition of the insured.

7           (3)   With respect to a health benefit plan offered in the individual market, changes  
8           in the geographic rating area of an insured or changes in the tobacco use of an  
9           insured, as provided for in subsection (d) of this section.

10          (4)   Changes to the health benefit plan requested by the insured or the small  
11          employer.

12          (5)   Changes required by federal law or regulations or otherwise expressly  
13          permitted by State law."

14       **SECTION 2.** The Department of Insurance may adopt rules to implement and  
15 administer this act and to ensure that rating practices used by insurers are consistent with this act.

16       **SECTION 3.** This act is effective when it becomes law.