

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 1291
HOUSE BILL 1655

AN ACT TO ESTABLISH A COMMISSION TO PLAN THE DEVELOPMENT OF AN
OPTIONAL PREPAID HEALTH PLAN IN THE RESEARCH TRIANGLE AREA, AND
TO MAKE AN APPROPRIATION, SO AS TO IMPLEMENT THE
RECOMMENDATIONS OF THE LEGISLATIVE COMMISSION ON MEDICAL COST
CONTAINMENT.

The General Assembly of North Carolina enacts:

Section 1. There is hereby established the Commission on Prepaid Health Plans.

Sec. 2. Duties of the commission. The duties of the commission shall be:

- (1) The development of a prepaid health plan option to serve teachers and State employees: The plan shall include:
 - a. The number of State employees and teachers to be served by the plan;
 - b. The range of health services to be provided by the prepaid health plan;
 - c. The cost of a prepaid option to the State and the employees based on an actuarial estimate; and
 - d. The health care providers in North Carolina who would participate in a prepaid health care plan. The commission shall consider the special needs of geographical areas of the State, the distribution of medical services making its recommendations, and the type of medical organization that could provide benefits under prepaid health care in making its recommendations for provider participation; and
 - e. The coordination of the State's prepaid option with other such plans available to the public.
- (2) The development of a pilot prepaid plan in the Research Triangle area to be available to teachers and State employees on an optional basis. The services of the pilot project shall also be available to private and federal employees. In carrying out its duties, the commission is authorized to receive private and public funds.
- (3) To review other prepaid plans in the public and private sector. It may also visit such plans as part of its investigations and invite representatives and consultants to North Carolina.

Sec. 3. Organization of the commission.

(a) The commission shall consist of fifteen members appointed in the following manner:

- (1) Three shall be appointed by the President of the Senate from that body; and
- (2) Three members shall be appointed by the Speaker of the House of Representatives from that body; and
- (3) Nine members shall be appointed by the Governor. The Governor is requested to appoint persons generally representative of the following groups:

- a. Providers of health care such as the North Carolina Medical Society and the North Carolina Hospital Association;
- b. Teachers and State employees;
- c. Health insurers;
- d. Consumers; and
- e. Private industry.

The commission members shall be appointed within 30 days of ratification of this act and shall serve until termination of the commission.

(b) If a vacancy occurs in the membership of the commission, it shall be filled by action of the officer or group who made the original appointment, and the person then appointed shall serve for the remainder of the term of the member whom he succeeds.

(c) The commission shall select its chairman from its membership at its first regular meeting.

Sec. 4. Staff support for the commission. In executing its duties, the commission is authorized to hire such professional assistance and secretarial support as it deems necessary. Commission members are authorized to receive subsistence and mileage at the statutory rates in lieu of compensation.

Sec. 5. Appropriations to the commission. There is hereby appropriated from the General Fund to the Department of Administration for the Commission on Prepaid Health Plans the sum of fifteen thousand dollars (\$15,000) for fiscal year 1978-79. These funds shall be used in the performance of the duties set forth in this act.

Sec. 6. Reports by the commission. The commission shall file an interim report with the Governor, the President of the Senate, and the Speaker of the House of Representatives by April 1, 1979. The Commission shall file its final report with the Governor, the President of the Senate, and the Speaker of the House of Representatives by February 1, 1980.

Sec. 7. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 16th day of June, 1978.