

NORTH CAROLINA GENERAL ASSEMBLY  
1977 SESSION

CHAPTER 968  
HOUSE BILL 630

AN ACT TO CREATE THE LEGISLATIVE COMMISSION ON MEDICAL COST  
CONTAINMENT.

Whereas, the General Assembly of North Carolina is currently faced with large cost increases in the State's Medicaid Program in the 1977-1979 biennium; and

Whereas, the problem of rising Medicaid costs has been compounded by severe management problems within the program; and

Whereas, rising costs of Medicaid coverage for the State's poor have been paralleled by increases in the cost of health insurance coverage for employees in the public and private sector; and

Whereas, the General Assembly of North Carolina believes that the spiraling costs of health care imperils the continued access to appropriate medical services by all citizens of the State; and

Whereas, the General Assembly recognizes that while certain short-range options may be exercised during this legislative session no plan exists to deal with the broader issue of rising health care costs for all citizens of the State; Now, therefore,

The General Assembly of North Carolina enacts:

**Section 1.** There is hereby created the Legislative Commission on Medical Cost Containment.

**Sec. 2.** Duties of the commission. The commission shall study the present health care system in North Carolina and the cost trends associated with that system. The commission shall review North Carolina's Medicaid program and the cost trends associated with that program. The commission shall review medical cost containment programs that have been established in North Carolina and in other states. In the course of its hearings the commission shall receive testimony from consumers, providers of medical services, or their representative State agencies involved in the delivery and the regulation of medical services, representatives of the health insurance industry, and representatives of private industry.

In its reports the commission shall make recommendations on cost containment options for the State's Medicaid program, and any other medical service or reimbursement programs operated by the State. The commission shall also make recommendations on medical cost containment proposals that will impact on all people of the State of North Carolina.

**Sec. 3.** Organization of the commission.

(a) The commission shall consist of six members appointed by the President of the Senate from that body and six members appointed by the Speaker of the House of Representatives from that body. The members of the commission shall be appointed within 30 days of ratification of this act and they 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 who appointed the former member who is to be replaced, and the person then appointed shall serve for the remainder of the term of the member whom he succeeds.

(c) The Speaker of the House of Representatives and the President of the Senate shall appoint cochairman for the commission.

**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. The commission is also authorized to utilize the staff of the Fiscal Research Division and the General Research Division as it deems appropriate. 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 to the General Assembly for the Legislative Commission on Medical Cost Containment from the General Fund of the State fifteen thousand dollars (\$15,000) in fiscal year 1977-78. 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 President of the Senate and the Speaker of the House of Representatives by April 1, 1978. The commission shall file its final report with the President of the Senate and the Speaker of the House of Representatives by April 1, 1979. The final report of the commission shall summarize the information obtained in the course of its inquiry, set forth any findings and conclusions, and recommend such administrative actions or legislative actions that may be necessary to contain rising medical costs. If legislation is recommended, the commission shall prepare and submit with its report appropriate bills. Upon termination of the commission, the chairman shall transmit to the Legislative Library for preservation the records and papers of the commission. The commission shall terminate upon the filing of its report.

**Sec. 7.** This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 1st day of July, 1977.