

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1043

Short Title: Medical Care Savings Plan.

(Public)

Sponsors: Senator Forrester.

Referred to: Insurance.

May 5, 1993

A BILL TO BE ENTITLED

**AN ACT TO REQUIRE THE STATE HEALTH DIRECTOR TO PREPARE A
MEDICAL AND HEALTH BENEFITS PLANS.**

The General Assembly of North Carolina enacts:

Section 1. The State Health Director shall prepare a medical and health care plan that will help provide for persons in North Carolina whose employers pay all or part of the cost of medical and health care benefits for their employees, incentives to forego unnecessary medical treatment and to shop for the best value in cases where treatment is necessary. The plan shall contain the following components:

- (1) Employers may set aside, each year, in an account for each of their employees a certain percentage of the amount that they currently or would spend for medical and health care benefits for each employee. This account will be an allowance for medical and health care for the employee during that year.
- (2) Employers shall retain a sufficient percentage of the amount that they currently or would spend for medical and health care benefits for each employee to purchase or self fund major medical and health care benefits for all employees which will pay one hundred percent (100%) of the cost of any portion of an employee's medical and health care that exceeds the amount in the employee's medical and health care account.
- (3) Any amount in an employee's medical and health care account that is unspent at the end of the year will belong to the employee with no restrictions on the purposes for which it may be used. Of any interest

1 derived from the deposit of the funds held in trust for the health care
2 accounts for all employees, one-half of the interest shall belong to the
3 employee and one-half of the interest shall be paid to the State to fund
4 indigent health care.

5 (4) The amount in an employee's medical and health care account will not
6 be subject to State taxation while it remains in the account, any amount
7 spent from the account for medical and health care will be totally
8 exempt from State income taxation, and any amount spent from the
9 account for any purpose other than medical and health care will be
10 fully subject to State income taxation, including any appropriate
11 interest and penalties.

12 (5) Employers that provide medical and health care benefits to their
13 employees in accordance with the plan will receive State tax credits
14 against their income for the cost of these medical and health care
15 benefits for each year that these benefits are provided.

16 Sec. 2. The State Health Director shall notify the Commissioner of Insurance
17 of the minimum requirements for the plan required to be prepared by this act. The
18 Commissioner of Insurance shall prepare a proposed plan incorporating these minimum
19 requirements and the State Health Director shall provide the Commissioner of Insurance
20 with any data maintained by the Division of Health that would benefit the
21 Commissioner of Insurance in preparing the proposed plan. The Commissioner of
22 Insurance shall submit the proposed plan to the State Health Director no later than
23 November 1, 1993, and the State Health Director shall consult with the Secretary of
24 Revenue, the North Carolina Medical Society, Blue Cross and Blue Shield of North
25 Carolina, and any other agencies or entities as necessary to develop the plan. These
26 agencies and entities consulted by the State Health Director shall provide full
27 cooperation as requested.

28 Sec. 3. The State Health Director shall revise the proposed plan, as
29 necessary, and submit a report with a final plan to the General Assembly on the first day
30 of the 1994 Session of the General Assembly. The report shall include any proposed
31 legislation necessary to implement the plan in North Carolina.

32 Sec. 4. This act is effective upon ratification.