

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H

1

HOUSE BILL 1123*

Short Title: State Health Plan Amendments.

(Public)

Sponsors: Representatives Mosley; Baddour, Barefoot, Cox, Sutton, and Womble.

Referred to: Insurance.

April 15, 1999

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT THE TEACHERS' AND STATE EMPLOYEES'
2 COMPREHENSIVE MAJOR MEDICAL PLAN PROVIDES BENEFITS ON A
3 CALENDAR YEAR BASIS, AND TO PROVIDE FOR A PRESCRIPTION DRUG
4 CARD BENEFIT
5

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 135-40.1(7b) reads as rewritten:

8 "(7b) Fiscal Year. – The period beginning ~~July 1~~ January 1 and ending on ~~June~~
9 ~~30 of the succeeding calendar year.~~ December 31."

10 Section 2. Notwithstanding G.S. 135-40.1(7b), the period from July 1, 1999,
11 through December 31, 2000, shall be a fiscal year. For that period, any deductibles and
12 aggregate maximums under Article 3 of Chapter 135 of the General Statutes which are
13 calculated on a fiscal year basis shall, for the special 18-month fiscal year, under this
14 section shall be applied at one hundred fifty percent (150%) of the stated statutory
15 amounts.

16 Section 3. The Executive Administrator of the Teachers' and State Employees'
17 Comprehensive Major Medical Plan shall provide an open enrollment period for Prepaid
18 Plans (HMOs) under G.S. 135-39.5B for coverage either:

19 (1) October 1, 1999, through December 31, 2000; or

20 (2) October 1, 2000, through December 31, 2001,

1 so as to align the HMO plan year with that of the State Health Plan.

2 Section 4. The introductory language of G.S. 135-40.6 reads as rewritten:

3 "**§ 135-40.6. Benefits subject to deductible and coinsurance (comprehensive**
4 **benefits).**

5 ~~The~~ Other than prescription drugs under subdivision (8)a. of this section, the
6 following benefits are subject to a deductible of two hundred fifty dollars (\$250.00) per
7 covered individual to an aggregate maximum of seven hundred fifty dollars (\$750.00) per
8 family per fiscal year and are payable on the basis of eighty percent (80%) by the Plan
9 and twenty percent (20%) by the covered individual up to a maximum of one thousand
10 dollars (\$1,000) out-of-pocket per fiscal year."

11 Section 5. G.S. 135-40.6(8)a. reads as rewritten:

- 12 a. Prescription Drugs: The Plan's allowable charges for prescription
13 legend drugs to be used outside of a hospital or skilled nursing
14 facility are ninety percent (90%) of the average wholesale price.
15 Each covered individual shall pay ten dollars (\$10.00) for each
16 generic drug, fifteen dollars (\$15.00) for each brand-name drug,
17 and an additional five dollars (\$5.00) for a brand-name drug for
18 which there is a generic equivalent. There is no deductible or
19 percentage co-payment by the covered individual. A dispensing
20 fee for qualified providers shall be determined by the Executive
21 Administrator and Board of Trustees. The Plan will pay allowable
22 charges for each outpatient prescription drug less a copayment to be
23 paid by each covered individual equal to the provider dispensing fee
24 set by the Executive Administrator and Board of Trustees.—A
25 prescription legend drug is defined as an article the label of
26 which, under the Federal Food, Drug, and Cosmetic Act, is
27 required to bear the legend: "Caution: Federal Law Prohibits
28 Dispensing Without Prescription."Such articles may not be sold
29 to or purchased by the public without a prescription order.
30 Benefits are provided for insulin even though prescription is not
31 required."

32 Section 6. G.S. 135-40.8(a) reads as rewritten:

33 "(a) For the balance of any fiscal year after each eligible employee, retired
34 employee, or dependent satisfies the cash deductible, the Plan pays eighty percent (80%)
35 of the eligible expenses outlined in G.S. ~~135-40.6.~~ 135-40.6, other than prescription drugs
36 covered under G.S. 135-40.6(8)a. The covered individual is then responsible for the
37 remaining twenty percent (20%) until one thousand dollars (\$1,000), in excess of the
38 deductible, has been paid out-of-pocket. The Plan then pays one hundred percent (100%)
39 of the remaining covered expenses."

40 Section 7. Sections 5 and 6 of this act become effective July 1, 1999. The
41 remainder of this act is effective when it becomes law.