

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 138
Committee Substitute Favorable 3/2/11

Short Title: Amend Health Insurance Risk Pool Statutes.

(Public)

Sponsors:

Referred to:

February 21, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE HEALTH INSURANCE RISK POOL STATUTES.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 58-50-180(c) reads as rewritten:

5 "(c) The initial appointments by the Governor and the General Assembly upon the
6 recommendation of the Speaker of the House of Representatives and the President Pro
7 Tempore of the Senate shall serve a term of three years. The initial appointments by the
8 Commissioner under sub-subdivisions a., b., and d. of subdivision (b)(3) of this section shall be
9 for a term of two years. The initial appointments by the Commissioner under sub-subdivisions
10 c., e., f., and g. of subdivision (b)(3) of this section shall be for a term of one year. All
11 succeeding appointments shall be for terms of three years. Members shall not serve for more
12 than ~~two~~ three successive terms.

13 A Board member's term shall continue until the member's successor is appointed by the
14 original appointing authority. Vacancies shall be filled by the appointing authority for the
15 unexpired portion of the term in which they occur. A Board member may be removed by the
16 appointing authority for cause.

17 The Board shall meet at least quarterly upon the call of the chair. A majority of the total
18 membership of the ~~Commission Board~~ shall constitute a quorum.

19 The Commissioner shall appoint a chair to serve for the initial two years of the Plan's
20 operation. Subsequent chairs shall be elected by a majority vote of the Board members and
21 shall serve for two-year terms. Board members shall receive travel allowances under
22 G.S. 138-5 when traveling to and from meetings of the Board or for official business of the
23 Pool, but shall not receive any per diem under subdivision (a)(1) of that section."

24 **SECTION 2.** G.S. 58-50-180(e)(4a) reads as rewritten:

25 "(e) The Pool shall have the general powers and authority granted under the laws of this
26 State to health insurers and the specific authority to do all of the following:

27 ...

- 28 (4a) Provide premium subsidies ~~if federal grant funds are available~~ for individuals
29 with incomes up to three hundred percent (300%) of the federal poverty
30 guidelines ~~and where~~ the Board deems it is fiscally prudent to do so.
31 Premium subsidies may come from the following sources:
32 a. Federal grants made to the Pool for premium subsidies.
33 b. The Pool's own funds, not to exceed the amount of the most recent
34 year for which the Pool received a federal grant award under
35 sub-subdivision a. of this subdivision."

36 **SECTION 3.** G.S. 58-50-190(b) reads as rewritten:



1 "(b) The Pool shall determine the standard risk rate by considering the premium rates
2 charged by other insurers offering health insurance coverage to individuals. The standard risk
3 rate shall be established using reasonable actuarial techniques and shall reflect anticipated
4 experience and expenses for the coverage. Pool rates shall be ~~one hundred fifty percent (150%)~~
5 ~~to two hundred percent (200%)~~ one hundred thirty-five percent (135%) to one hundred
6 seventy-five percent (175%) of rates established as applicable for individual standard rates and
7 shall be adjusted annually, at the time of annual renewal."

8 **SECTION 4.** G.S. 58-50-195(a) is amended by adding a new subdivision to read:

9 "(a) Any individual who is and continues to be a resident of this State is eligible for Pool
10 coverage if the individual provides evidence of any of the following:

11 ...

12 (8) The individual is eligible for and has not exhausted current COBRA health
13 insurance coverage at a rate exceeding the Pool rate and provides evidence
14 of eligibility for Pool coverage under any of the subdivisions (1) through (4)
15 of this subsection."

16 **SECTION 5.** G.S. 58-50-210(a) reads as rewritten:

17 "(a) Except as otherwise provided by law, Pool coverage shall exclude charges or
18 expenses incurred during the first ~~12~~^{six} months following the effective date of coverage as to
19 any condition for which medical advice, care, or treatment was recommended or received as to
20 such conditions during the 12-month period immediately preceding the effective date of
21 coverage, except that no preexisting condition exclusion shall be applied to a federally defined
22 eligible individual or an individual who is eligible for the Pool because of his or her eligibility
23 for the credit for health insurance costs under the Trade Adjustment Assistance Reform Act of
24 2002, section 35 of the Internal Revenue Code of 1986, pursuant to G.S. 58-50-195(a)(6)."

25 **SECTION 6.** This act is effective when it becomes law.