

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013**

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HOUSE BILL 70

Short Title: North Carolina Health Plan. (Public)

Sponsors: Representative Brandon (Primary Sponsor).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Insurance, if favorable, Health and Human Services, if favorable, Finance, if favorable, Appropriations.

February 6, 2013

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR THE NORTH CAROLINA HEALTH PLAN TO COVER ALL STATE RESIDENTS WITH COMPREHENSIVE HEALTH BENEFIT COVERAGE, AS AN ALTERNATIVE TO A HEALTH BENEFIT EXCHANGE.

The General Assembly of North Carolina enacts:

SECTION 1. It is the intent of the General Assembly that the State shall offer the North Carolina Health Plan, a comprehensive health care plan for all residents of North Carolina, on January 1, 2017, when the Patient Protection and Affordable Care Act, P.L. 111-148, as amended, allows states to offer their citizens alternatives to the Health Insurance Exchanges. To this end, the Department of Insurance and the Department of Health and Human Services shall study the issues and propose statutory changes to facilitate the operation of the NC Health Plan, as described in this act, and report to the Joint Legislative Oversight Committee on Health and Human Services no later than March 1, 2014.

SECTION 2. Benefits. – The NC Health Plan shall provide comprehensive health benefits, including, but not limited to, the following:

- (1) Health care services currently offered by health care facilities, offices, and clinics.
- (2) Preventive health care services.
- (3) Medical and surgical supplies.
- (4) Durable medical equipment.
- (5) A prescription drug formulary.
- (6) Long-term care services and personal assistance, including assisted and skilled care.
- (7) Hospice care.
- (8) Mental health treatment.
- (9) Dental services.

North Carolina residents shall be able to go to any licensed provider within the State for services.

SECTION 3. Cost-Sharing. – For the first two years of the NC Health Plan, the plan shall not charge co-payments or deductibles. If later implemented, deductibles shall not exceed two hundred fifty dollars (\$250.00) per individual or five hundred dollars (\$500.00) per family. The NC Health Plan shall not charge co-payments or deductibles for preventive care. The Plan may, however, charge a co-payment or deductible for a specialist visit without a referral by a primary care provider.



1 **SECTION 4.** Enrollment. – All residents shall be covered, but they must enroll
2 prior to receiving services. The NC Health Plan shall provide for enrollment procedures,
3 including verification of residency within the State.

4 **SECTION 5.** Provider Reimbursement. – The NC Health Plan shall offer a direct
5 billing system for providers. Providers who participate in the direct billing system shall be
6 entitled to payment for services within 30 days of providing services.

7 **SECTION 6.** Funding. – The NC Health Plan shall be funded by all taxpayers
8 within the State based on their ability to pay and by means of a stable funding stream that
9 accounts for the increasing costs of health care services. In making their proposals, the
10 executive branch entities mentioned in Section 1 of this act shall consider the following:

11 (1) The creation of a dedicated funding stream, the structure of which shall
12 include the following:

13 a. A built-in means to maintain the same growth rate as health care
14 costs.

15 b. A funding method that does not violate the Employee Retirement
16 Income Security Act of 1974, P.L. 93-406, as amended (ERISA).

17 (2) A strategy for preventing and dealing with shortfalls in the funding stream.

18 (3) The creation of a trust fund that can only be used for the NC Health Plan.

19 (4) The responsible investment of the balance of the trust fund.

20 **SECTION 7.** Information Technology. – The NC Health Plan shall implement a
21 smart identity card for plan participants and shall coordinate with providers to create a
22 centralized, secured medical record system. It is the intent of the General Assembly that the
23 start-up information technology costs for the NC Health Plan shall be paid through an
24 appropriation from the General Fund.

25 **SECTION 8.** Governance. – The executive agencies listed in Section 1 of this act
26 shall recommend an executive branch department to oversee the NC Health Plan. Those
27 agencies shall also recommend whether to implement a governing or advisory board.

28 **SECTION 9.** Auditing. – The NC Health Plan shall be subject to audits by the
29 State Auditor.

30 **SECTION 10.** This act is effective when it becomes law.