

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

H

2

**HOUSE BILL 180
Committee Substitute Favorable 3/16/05**

Short Title: High-Risk Health Insurance Study.

(Public)

Sponsors:

Referred to:

February 10, 2005

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE STUDY COMMITTEE ON HIGH-RISK HEALTH INSURANCE POOLS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) There is established the Study Committee on High-Risk Health Insurance Pools. The Committee shall study the establishment of a high-risk health insurance pool regulated by the State in order to make health insurance available and affordable to individuals who have been denied health insurance coverage due to a high-risk health condition. In conducting the study, the Committee shall examine in depth the following:

- (1) Key issues relating to regulatory oversight of the high-risk pool.
- (2) Funding sources and methods for start-up expenses of the high-risk pool.
- (3) Pricing and eligibility for high-risk pool coverage.
- (4) Financing mechanisms that assure ongoing high-risk pool solvency and affordability of coverage.
- (5) Terms and provisions of high-risk pool coverage.
- (6) The benefits and limitations of high-risk pools in operation in other states.
- (7) The impact of a high-risk pool on the operations of health insurance companies resulting from potential risk shifting of the most expensive policyholders to other insuring entities.

SECTION 1.(b) The Study Committee on High-Risk Health Insurance Pools shall consist of 15 members, appointed as follows:

- (1) Six appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives.
- (2) Six appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate.
- (3) Two appointed by the Governor.

1 (4) The Commissioner of Insurance, or his designee, shall serve ex officio.
2 Vacancies in membership shall be filled by the original appointing authority. The
3 Committee, while in the discharge of its official duties, may exercise all powers
4 provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The
5 Committee may contract for professional, clerical, or consultant services as provided by
6 G.S. 120-32.02.

7 **SECTION 1.(c)** Subject to the approval of the Legislative Services
8 Commission, the Committee may meet in the Legislative Building or the Legislative
9 Office Building. The Legislative Services Commission, through the Legislative
10 Services Officer, shall assign professional staff to assist the Committee in its work. The
11 House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical
12 support staff to the Committee, and the expenses relating to clerical employees shall be
13 borne by the Committee. Members of the Committee shall receive subsistence and
14 travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

15 **SECTION 1.(d)** The Committee shall report to the 2006 Regular Session of
16 the 2005 General Assembly upon its convening and shall make its final report to the
17 2007 General Assembly upon its convening. Progress and final reports of the
18 Commission may include recommended legislation. The Committee shall terminate
19 upon the convening of the 2007 General Assembly.

20 **SECTION 2.** Of the funds appropriated to the General Assembly, the
21 Legislative Services Commission shall allocate funds for the expenses of the Committee
22 established by this act.

23 **SECTION 3.** This act becomes effective July 1, 2005.