

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1997**

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HOUSE BILL 1062  
Committee Substitute Favorable 4/30/97

Short Title: Child Support/Health Coverage.

(Public)

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Sponsors:

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Referred to:

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April 21, 1997

A BILL TO BE ENTITLED

1 AN ACT TO REQUIRE THE DEPARTMENT OF HUMAN RESOURCES TO  
2 DEVELOP AND IMPLEMENT A PLAN FOR PROVIDING LOW-COST HEALTH  
3 INSURANCE COVERAGE TO CHILDREN WHOSE PARENTS ARE ORDERED  
4 TO MAINTAIN HEALTH INSURANCE UNDER ORDERS ENFORCED BY THE  
5 DEPARTMENT.  
6

7 The General Assembly of North Carolina enacts:

8 Section 1. (a) The Department of Human Resources shall develop and  
9 implement a program to provide low-cost health care coverage for children for whom the  
10 Department enforces child support orders. The purpose of the program is to increase the  
11 number of these children who have health care coverage by offering their parents a  
12 choice of health care plans the premiums for which are lower than that available through  
13 the employer or on the individual market. Persons eligible for the program are  
14 noncustodial parents who are under an order enforced by the Department to maintain  
15 health insurance for their dependent children. The program shall:

- 16 (1) Include procedures for soliciting proposals from private health insurers,  
17 including managed care companies, to participate in the program;  
18 (2) Provide for administration of benefits and premium collections;

- 1 (3) Ensure that access to the Plan is available to eligible children throughout  
2 the State; and
- 3 (4) Establish requirements for insurer participation that address the  
4 purposes of the program.
- 5 (b) Health care plans offered under the program may include, but are not  
6 limited to, the following provisions:
- 7 (1) Guaranteed enrollment of all eligible children;
- 8 (2) Full health care coverage at a premium rate approved by the Department  
9 of Insurance that is at or lower than the average premium rate for  
10 coverage offered through the employer or on the individual market;
- 11 (3) The plan shall be the primary payor of health care costs of covered  
12 children, thereby reducing State Medicaid expenditures for these costs;
- 13 (4) Guaranteed continued coverage for children who move to another area  
14 of the State;
- 15 (5) No preexisting condition exclusions;
- 16 (6) The custodial parent may assume premium payment in the event the  
17 noncustodial parent becomes unemployed or defaults on premium  
18 payments;
- 19 (7) Coverage will be provided so long as eligibility requirements are met  
20 and premiums are paid; and
- 21 (8) Other provisions deemed necessary and appropriate to carry out the  
22 purpose of the program.

23 In developing the program the Department shall review similar programs in  
24 other states to determine the scope and success of those programs and the desirability and  
25 feasibility of implementing similar program components in North Carolina.

26 (c) The Department shall develop and conduct the program on a pilot basis.  
27 The Department shall report to the Joint Legislative Commission on Governmental  
28 Operations, the cochairs of the House of Representatives and Senate Appropriations  
29 Subcommittees on Human Resources, and the Fiscal Research Division on March 1,  
30 1998, on the development and implementation of the pilot program. The report shall  
31 include recommendations on implementing the program statewide, and shall also include  
32 findings and recommendations, including any additional costs or savings that may result,  
33 on whether the program should be available to all parents who are subject to a court order  
34 to maintain health insurance for their dependent children.

35 Section 2. The Department of Human Resources shall develop a plan for  
36 collecting and retrieving data from child support orders filed by the clerks of court. The  
37 purpose of the plan is to enable the Department to readily ascertain how many children  
38 covered by support orders are covered under private health insurance and also are eligible  
39 for coverage under the State Medicaid program. The Department shall report on the  
40 development of this plan to the Joint Legislative Commission on Governmental  
41 Operations, the cochairs of the House of Representatives and Senate Appropriations  
42 Subcommittees on Human Resources, and the Fiscal Research Division no later than

- 1 October 1, 1998. The report shall include recommendations on any appropriations or
- 2 statutory changes needed to implement the plan.
- 3           Section 3. This act is effective when it becomes law.