

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2017**

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**HOUSE BILL 916**

Short Title: North Carolina Health Plan. (Public)

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Sponsors: Representatives Brockman and Insko (Primary Sponsors).

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

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Referred to: Appropriations

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April 26, 2017

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.

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 ("Health Plan"), a comprehensive health care plan for all residents of North Carolina, on January 1, 2019, in accordance with the provisions of the Patient Protection and Affordable Care Act, P.L. 111-148, as amended, that allow 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 Health Plan, as described in this act, and report to the House Committees on Health and Human Services and Insurance and to the Senate Committee on Insurance no later than January 1, 2018.

**SECTION 2.** Benefits. – The 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 Health Plan, the Health 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 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 Health Plan shall provide for enrollment procedures, including  
3 verification of residency within the State.

4           **SECTION 5.** Provider Reimbursement. – The 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 Health Plan shall be funded by all taxpayers within  
8 the State based on their ability to pay and by means of a stable funding stream that accounts for  
9 the increasing costs of health care services. In making their proposals, the executive branch  
10 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 Health Plan.

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

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

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

30           **SECTION 10.** There is appropriated from the General Fund to the Department of  
31 Insurance the sum of two million five hundred thousand dollars (\$2,500,000) for the 2017-2018  
32 fiscal year to implement the study required by Section 1 of this act. There is appropriated from  
33 the General Fund to the Department of Health and Human Services the sum of two million five  
34 hundred thousand dollars (\$2,500,000) for the 2017-2018 fiscal year to implement the study  
35 required by Section 1 of this act.

36           **SECTION 11.** This act becomes effective July 1, 2017.