

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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SENATE BILL 24

Short Title: Govt Mandates Increase Healthcare Costs. (Public)

Sponsors: Senators Burgin, Galey, and Sawrey (Primary Sponsors).

Referred to: Rules and Operations of the Senate

January 30, 2025

A BILL TO BE ENTITLED

AN ACT TO DISCLOSE THE COST OF STATE GOVERNMENT HEALTH INSURANCE
MANDATES ON NORTH CAROLINA'S EMPLOYERS AND TAXPAYERS.

Whereas, the rising healthcare costs in North Carolina place a significant financial burden on individuals, families, employers, and taxpayers, greatly contribute to inflation, and make it increasingly difficult for residents to access essential healthcare services; and

Whereas, North Carolina has intolerably high healthcare costs, with recent studies ranking the state 50th out of 50 in the United States; and

Whereas, government-mandated health insurance requirements for employers in North Carolina lead to higher premiums, placing undue financial strain on employers, particularly small businesses; and

Whereas, health insurance mandates on the North Carolina State Health Plan for Teachers and State Employees carry a cost that is ultimately paid for by taxpayers and divert resources away from other critical public services and economic investments; and

Whereas, many consumers in North Carolina are forced to pay for health insurance coverage they neither need nor use as a result of government-mandated benefits that do not align with their personal healthcare needs or preference; and

Whereas, the continued escalation of healthcare costs driven by government mandates exacerbates the rising cost of living, as individuals and families struggle to afford both premiums and out-of-pocket expenses for necessary care, and the rising cost of doing business, as employers struggle to continue offering health insurance to employees; Now, therefore,
The General Assembly of North Carolina enacts:

PART I. HEALTH BENEFIT MANDATE LEGISLATION

SECTION 1. Article 31 of Chapter 120 of the General Statutes is amended by adding a new section to read:

"§ 120-272. Legislation containing health benefit mandates.

(a) Definitions. – The following definitions apply in this section:

(1) Health benefit mandate. – A regulation impacting a health benefit plan or the State Health Plan that meets any of the following criteria:

a. Mandates that a health benefit plan or the State Health Plan provide coverage of any healthcare service, any specific treatment or set of treatments, or any prescription drug used for the treatment of any health, physical, mental, or behavioral condition.



- 1 b. Requires that a health benefit plan or the State Health Plan include
 2 coverage for any healthcare service or treatment by a provider or group
 3 of providers other than a physician licensed in this State.
 4 c. Places requirements on any cost-sharing mechanism utilized by a
 5 health benefit plan or the State Health Plan, such as a copayment or
 6 deductible.
 7 d. Regulates any health benefit plan or the State Health Plan cost-control
 8 process, including those that necessitate a healthcare provider obtain
 9 advance approval from an insurer before a specific service, treatment,
 10 or prescription benefit is delivered to the patient or utilized by the
 11 patient in order to qualify for coverage under the applicable plan.
 12 e. Places a limit or requirement on a pharmacy benefits manager under
 13 Article 56A of Chapter 58 of the General Statutes.
 14 f. Regulates the manner in which a health benefit plan or the State Health
 15 Plan provides coverage for a healthcare service, treatment, or
 16 prescription drug, regardless of whether the regulation is imposed
 17 upon a covered service that is provided by a healthcare provider that
 18 participates in the provider network of the health benefit plan.

19 (2) Health benefit plan. – As defined in G.S. 58-3-167.

20 (3) Piece of legislation. – Any introduced bill, any bill or proposed committee
 21 substitute considered by a committee, or any bill, conference committee
 22 report, or proposed conference committee substitute considered by either
 23 chamber of the General Assembly.

24 (4) State Health Plan. – The North Carolina State Health Plan for Teachers and
 25 State Employees.

26 (b) Required Additional Statutory Repeals. – Any piece of legislation containing one or
 27 more new health benefit mandates is required to also contain at least one provision that repeals
 28 at least the same number of health benefit mandates that are already in effect as of the date of the
 29 consideration of that piece of legislation prior to ratification of that legislation.

30 (c) Appropriation Required. – Any piece of legislation containing one or more health
 31 benefit mandates is required to also contain a provision appropriating recurring funds in the
 32 amount of the cost of that mandate to the Department of the State Treasurer and the State Health
 33 Plan or to any other relevant State agency prior to ratification. If any repeal of an existing health
 34 benefit mandate required to be contained in the legislation under subsection (b) of this section
 35 results in cost-savings to the State, then that cost-savings shall have no impact on the amount
 36 required to be appropriated under this subsection."

38 **PART II. IMPACT ON NORTH CAROLINA STATE HEALTH PLAN FOR TEACHERS** 39 **AND STATE EMPLOYEES**

40 **SECTION 2.** G.S. 135-48.51 reads as rewritten:

41 **"§ 135-48.51. Coverage and operational mandates related to Chapter 58 of the General**
 42 **Statutes.**

43 (a) The following provisions of Chapter 58 of the General Statutes apply to the State
 44 Health Plan:

- 45 (1) G.S. 58-3-191, Managed care reporting and disclosure requirements.
 46 (2) G.S. 58-3-221, Access to nonformulary and restricted access prescription
 47 drugs.
 48 (3) G.S. 58-3-223, Managed care access to specialist care.
 49 (4) G.S. 58-3-225, Prompt claim payments under health benefit plans.
 50 (5) G.S. 58-3-235, Selection of specialist as primary care provider.
 51 (6) G.S. 58-3-240, Direct access to pediatrician for minors.

- 1 (7) G.S. 58-3-245, Provider directories.
- 2 (7a) G.S. 58-3-247, Insurance identification card.
- 3 (8) G.S. 58-3-250, Payment obligations for covered services.
- 4 (9) G.S. 58-3-265, Prohibition on managed care provider incentives.
- 5 (10) G.S. 58-3-280, Coverage for the diagnosis and treatment of lymphedema.
- 6 (11) G.S. 58-3-285, Coverage for hearing aids.
- 7 (12) G.S. 58-50-30, Right to choose services of certain providers.
- 8 (13) G.S. 58-67-88, Continuity of care.

9 **(b)** A provision of Chapter 58 of the General Statutes containing a health benefit mandate,
10 as defined in G.S. 120-272, that first becomes effective on or after July 1, 2025, shall apply to
11 the State Health Plan as of the start of the next Plan year following the effective date of the health
12 benefit mandate."

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14 **PART III. EFFECTIVE DATE**

15 **SECTION 3.** This act is effective 30 days after it becomes law and applies to pieces
16 of legislation considered by the General Assembly on or after that date.