

Legislative Update

The 2010 session of the North Carolina General Assembly convened Wednesday, May 12. The primary purpose of this legislative session will be to fine tune the State budget. There is a budget deficit that each chamber will have to address, along with the usual tense issues of either raising taxes and/or cutting spending.

Bills currently in consideration include:

Much HB 589 - Insurance and State Health Plan Cover Hearing Aids and Autism would be a mandate to require every health benefit plan and the State Health Plan to provide coverage for one hearing aid per hearing impaired ear up to \$2,500 per hearing aid every 36 months. Additionally, the State Health Plan would be required to cover the diagnosis and treatment of autism. The House and Senate passed differing versions of this legislation during the 2009 session, and this bill has been sent to conference committee so that House and Senate can iron out the differences between the two versions of this bill.

HB 1704 – Implement Long Term Care Partnership Program would implement a long-term care partnership program, and would ensure that North Carolina's long-term care insurance laws comport with long-term care partnership provisions in the federal Deficit Reduction Act of 2005. Both the Department of Health and Human Services and the Department of Insurance would be heavily involved in implementing and managing this program, and NCAHU's lobbyist Robert Paschal indicates that both strongly support it.

In addition, one new piece of legislation will be required to address recent developments involving **risk pools**. Under the newly enacted federal healthcare legislation, a federal risk pool has been created. It will go into effect on July 1, 2010, and a total of \$5 billion has been appropriated in federal funds to provide coverage under the risk pool. North Carolina's share of these funds will be \$145 million.

Governor Beverly Perdue and Insurance Commissioner Wayne Goodwin have designated North Carolina's High Risk Pool to be the administrator of the federal program, and Michael Keough, Executive Director of Inclusive Health, has been designated as the contact person to work with the federal Department of Health and Human Services to implement and oversee the federal risk pool in North Carolina.

The enabling legislation, which provided various powers to North Carolina's Risk Pool, did not provide the power to administer a federal Risk Pool, therefore, legislation will be needed to add a provision authorizing the North Carolina Risk Pool to serve as administrator for the federal Risk Pool. Representative Verla Insko will introduce the bill to provide the North Carolina pool with the appropriate authority to manage the federal pool.

According to Paschal, "The federal pool will provide greater benefits than the state pool and will cost less, but there is a catch. Eligibility criteria for the federal pool require that individuals go

completely without coverage for six months before being eligible to join the federal pool. There will be no pre-existing condition provision and no limitation on benefits payable during the lifetime of enrollment. Rates will be 100% of the standard risk rate, in contrast to the current rate level of the North Carolina pool, which is 150% of the standard risk rate."