

State & Federal Legislation Update

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The pace for which health care reform legislation is moving through both houses in Congress is picking up speed. As such, NAHU is upping the ante for involvement, asking all members to educate ourselves on these key issues and to communicate to legislators accordingly. A number of action items are currently underway, including in-district meetings, a grassroots campaign, and town hall meetings, so stay tuned for additional information on these fronts. You can always check www.nahu.org for talking points and issue updates.

In terms of state politics, the rush to meet the General Assembly's May 14 crossover deadline, which is when all bills must be out of committee for consideration, was as chaotic and frenetic as anticipated. Below is a summary from our lobbyist Robert Paschal on key issues:

HB 2 – Prohibit Smoking in Certain Public Places passed the Senate, and on Wednesday, the House adopted the Senate changes to the bill by a vote of 62-56. The bill will be sent to the Governor for signing, which she is expected to do.

HB 535 – Health Insurance Coverage/Lymphodema is a mandate which would require health insurance policies to cover the care and treatment of lymphodema. This bill passed third reading on Thursday, and will now move to the House.

HB 813 – Uniform Apportionment of Tort Responsibility - The idea in this legislation is to create a system of comparative fault. Under this bill negligence by a plaintiff that is equal to or greater than the negligence of a defendant would prevent recovery by the plaintiff, and just as importantly, joint and several liability would be abolished. On Wednesday evening, this bill passed second reading by a vote of 67-50, and third reading by a vote of 72-43, and it will be sent on to the Senate. Note that the collateral source rule is not addressed in this bill. The Senate version of this legislation, **SB 679**, did not advance, and we will keep you advised as to the prospect of this legislation emerging from the Senate.

HB 1159 – Insurance Licensing Changes is a Department of Insurance bill. This legislation addresses the electronic filing of licensing applications. This legislation passed third reading in the House on Thursday and will move forward to the Senate.

HB 1297 – Provider Credentialing/Insurers was sent to the floor of the House after receiving favorable reports from both House Health and House Insurance. It relates to the credentialing of health care providers by health benefit plans, and provides that if an insurer has not approved or denied the provider credentialing application form within 60 days of receipt of the completed application, upon receipt of a written request from the applicant, the insurer shall issue a temporary credential to the applicant if the applicant has a valid North Carolina professional or occupational license. The temporary credential would be effective upon

issuance and would remain in effect until the provider's credentialing application is approved or denied by the insurer. This bill will now be sent to the Senate.

HB 1294 – Risk Pool Clarifications would authorize the Risk Pool to provide premium subsidies of up to 300% of federal poverty guidelines if funds are available for this purpose. Rep. Insko amended the bill on the floor on Wednesday evening to add previously agreed to language which extends the abbreviated preexisting condition waiting period for new enrollees for the rest of this calendar year. The amendment was adopted by a vote of 114-1. It would also require insurers to notify applicants for health insurance coverage about the existence of the Pool. The bill as a whole was approved by a vote of 114-0. It will now go to the Senate for further debate.

With respect to the North Carolina Health Insurance High Risk Pool, note that **HB 1392 – Out-of-State Services** safely passed the House and has been sent to the Senate. It gives the Pool authority to negotiate reimbursement rates with providers of out-of-state emergency services.

HB 1485 – Insurance/Health Care Provider Relationship would require that health benefit plans, when seeking recovery of overpayments, must give detailed information to providers to support the claim for recovery. This bill passed second and third readings on Thursday and moves to the Senate.

SB 468 – Authorize Insurance for Former Employees - Sen. Floyd McKissick (D-Durham) introduced this bill, which would authorize counties to provide health insurance benefits to former employees who are not receiving retirement benefits. This proposal passed third reading in the Senate on Thursday and will move to the House.

SB 877 – Health Plan Provider Contracts/Transparency received a favorable report in Senate Commerce this week. It also passed second and third readings in the Senate, and will be sent to the House. This legislation addresses contracts between health benefit plans and health care providers, and requires that all such contracts must contain a “notice contact” provision listing the name and address of the person to whom all correspondence pertaining to the contractual relationship between the parties shall be provided. Proposed contractual amendments with their effective date will have to be circulated. Fees schedules will have to be identified and this legislation would become effective on January 1, 2010.