GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

S 1

SENATE BILL 1068

Short Title: Health Insurance Costs Study.	(Public)
Sponsors: Senator Johnson of Wake.	
Referred to: Rules and Operations of the Senate.	

May 1, 1989

A BILL TO BE ENTITLED

AN ACT TO CREATE THE HEALTH INSURANCE COSTS STUDY.

Whereas, the costs of health care are and have been for some time increasing at a rate significantly higher than the cost of living, five hundred forty-one billion dollars (\$541,000,000,000) in 1988, eleven and two-tenths percent (11.2%) of the Gross National Product as compared with only six percent (6%) of the Gross National Product in 1965, and estimated to rise to fifteen percent (15%) of the Gross National Product by 2000; and

Whereas, the costs of health care are significantly affecting the cost of doing business, especially by small businesses with 10 or fewer employees who pay the health insurance premiums for these smaller groups; and

Whereas, all those who pay the health care costs in North Carolina—the government, corporations, and individuals have experienced an average forty percent (40%) rate increase in health care insurance premiums; and

Whereas, the General Assembly has mandated certain health insurance coverages and has taken other actions that significantly affect the cost of health insurance in this State; Now, therefore,

The General Assembly of North Carolina enacts:

1

2

3

4

5

6 7

8

9

10

11 12

13

14 15

16

17 18

19 20

21

22

23

24

Section 1. The Health Insurance Costs Study Commission is created. The Commission shall consist of 18 members:

- (1) The President Pro Tempore of the Senate shall appoint:
 - a. Three Senators.
 - b. One representative of a large corporation with more than 200 employees.

- 1 c. One representative of a small corporation with less than 20 employees.
 - d. One county commissioner.
 - e. Two public members.
 - f. One representative of the managed health care industry.
 - (2) The Speaker of the House of Representatives shall appoint:
 - a. Three Representatives.
 - b. One representative of an insurance company providing health coverage in this State.
 - c. Three health care providers to include one physician, one hospital representative, and one other provider.
 - d. One mayor.
 - e. One public member.
 - Sec. 2. The President Pro Tempore of the Senate shall designate one Senator as cochairman and the Speaker of the House of Representatives shall designate one Representative as cochairman.
 - Sec. 3. The Commission shall consider the problems of providing health insurance to the citizens of North Carolina including, but not limited to: the different coverages available; the availability of self-insurance pools and other arrangements to make health insurance available at reasonable and affordable prices; the adequacy of the coverage provided in policies offered to employees by businesses in this State; the availability of insurance for the indigent and noninsured; and how other states are dealing with the problems surrounding the paying for the health care needs of their citizens. The Commission may consider expenditures of health care dollars, including but not limited to physician practice patterns, drug misuse, conflicts of interests, malpractice issues, health care competition, and consumer overutilization.
 - Sec. 4. The Commission shall submit a final report of its findings and recommendations to the General Assembly on or before the first day of the 1991 Session of the General Assembly by filing the report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives. Upon filing its final report, the Commission shall terminate.
 - Sec. 5. The Commission, while in the discharge of official duties, may exercise all the powers provided for under the provisions of G.S. 120-19, and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call of the cochairmen. The Commission may meet in the Legislative Building or the Legislative Office Building.
 - Sec. 6. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, G.S. 138-5, and G.S. 138-6, as applicable.
 - Sec. 7. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02. The Legislative Services Commission, through the Legislative Administrative Officer, shall assign professional staff to assist in the work of the Commission. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Commission, upon the direction of the

3

4

5 6

7 8

9

10

11

12

- Legislative Services Commission. The expenses relating to clerical employees shall be
 borne by the Commission.
 - Sec. 8. When a vacancy occurs in the membership of the Commission, the vacancy shall be filled by the same appointing officer who made the initial appointment.
 - Sec. 9. All State departments and agencies and local governments and their subdivisions shall furnish to the Commission on request of the Commission information in their possession or available to them that is of public record.
 - Sec. 10. There is appropriated from the General Fund to the General Assembly for fiscal year 1989-90 the sum of twenty-five thousand dollars (\$25,000) and for fiscal year 1990-91 the sum of twenty-five thousand dollars (\$25,000) for the expenses of the Commission.
 - Sec. 11. This act shall become effective July 1, 1989.