

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**HOUSE BILL 1494**

Short Title: High-Risk Health Insurance Study. (Public)

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Sponsors: Representatives Insko, Bowie, Justus, Allred (Primary Sponsors); Adams and Preston.

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Referred to: Rules, Calendar, and Operations of the House.

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May 17, 2004

A BILL TO BE ENTITLED

1 AN ACT TO ESTABLISH THE STUDY COMMITTEE ON HIGH-RISK HEALTH  
2 INSURANCE POOLS, AS RECOMMENDED BY THE HOUSE SELECT  
3 COMMITTEE ON THE RISING COST OF HEALTH CARE.  
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.(a)** There is established the Study Committee on High-Risk  
7 Health Insurance Pools. The Committee shall study the establishment of a high-risk  
8 health insurance pool regulated by the State in order to make health insurance available  
9 and affordable to individuals who have been denied health insurance coverage due to a  
10 high-risk health condition. In conducting the study, the Committee shall examine  
11 in-depth, the following:

- 12 (1) Key issues relating to regulatory oversight of the high-risk pool.
- 13 (2) Funding sources and methods for start-up expenses of the high-risk  
14 pool.
- 15 (3) Pricing and eligibility for high-risk pool coverage.
- 16 (4) Financing mechanisms that assure ongoing high-risk pool solvency  
17 and affordability of coverage.
- 18 (5) Terms and provisions of high-risk pool coverage.
- 19 (6) The benefits and limitations of high-risk pools in operation in other  
20 states.
- 21 (7) The impact of a high-risk pool on the operations of health insurance  
22 companies resulting from potential risk shifting of the most expensive  
23 policyholders to other insuring entities.

24 **SECTION 1.(b)** The Study Committee on High-Risk Health Insurance Pools  
25 shall consist of 15 members, appointed as follows:

- 26 (1) Six appointed by the General Assembly upon the recommendations of  
27 the Speakers of the House of Representatives.

- 1           (2) Six appointed by the General Assembly upon the recommendation of  
2           the President Pro Tempore of the Senate.  
3           (3) Two appointed by the Governor.  
4           (4) The Commissioner of Insurance, or his designee, shall serve  
5           ex-officio.

6 Members shall serve for two-year terms and may be reappointed for one additional  
7 term. Vacancies in membership shall be filled by the original appointing authority. The  
8 Committee, while in the discharge of its official duties, may exercise all powers  
9 provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The  
10 Committee may contract for professional, clerical, or consultant services as provided by  
11 G.S. 120-32.02.

12           **SECTION 1.(c)** Subject to the approval of the Legislative Services  
13 Commission, the Committee may meet in the Legislative Building or the Legislative  
14 Office Building. The Legislative Services Commission, through the Legislative  
15 Services Officer, shall assign professional staff to assist the Committee in its work. The  
16 House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical  
17 support staff to the Committee, and the expenses relating to clerical employees shall be  
18 borne by the Committee. Members of the Committee shall receive subsistence and  
19 travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

20           **SECTION 1.(d)** The Committee shall report to the 2005 General Assembly  
21 upon its convening, and shall make its final report to the 2006 Regular Session of the  
22 2005 General Assembly upon its convening. Progress and final reports of the  
23 Commission may include recommended legislation. The Committee shall terminate  
24 upon the convening of the 2006 Regular Session of the 2005 General Assembly.

25           **SECTION 2.** Of the funds appropriated to the General Assembly, the  
26 Legislative Services Commission shall allocate funds for the expenses of the Committee  
27 established by this act.

28           **SECTION 3.** This act is effective upon ratification.