

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE BILL 487
Second Edition Engrossed 4/15/15
House Committee Substitute Favorable 6/3/15

Short Title: Health Choice Technical Revisions.-AB

(Public)

Sponsors:

Referred to:

March 26, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO UPDATE OUTDATED AND OBSOLETE PROVISIONS IN CHAPTER 108A
3 OF THE GENERAL STATUTES ON THE NC HEALTH CHOICE PROGRAM IN
4 ORDER TO AVOID CONFUSION BY STAKEHOLDERS AND TO INCREASE
5 EFFICIENCIES IN THE ADMINISTRATION OF THE PROGRAM.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 108A-70.18 reads as rewritten:

8 **"§ 108A-70.18. Definitions.**

9 As used in this Part, unless the context clearly requires otherwise, the term:

- 10 (1) "Comprehensive health coverage" means creditable health coverage as
11 defined under Title XXI.
12 (2) "Family income" has the same meaning as used in determining eligibility for
13 the Medical Assistance Program.
14 (3) "FPL" or "federal poverty level" means the federal poverty guidelines
15 established by the United States Department of Health and Human Services,
16 as revised each April 1.
17 (4) "Medical Assistance Program" means the State Medical Assistance Program
18 established under Part 6 of Article 2 of Chapter 108A of the General
19 Statutes.
20 ~~(4a) "Predecessor Plan" means the North Carolina Teachers' and State~~
21 ~~Employees' Comprehensive Major Medical Plan in effect prior to July 1,~~
22 ~~2008.~~
23 (5) "Program" means The Health Insurance Program for Children established in
24 this Part.
25 (6) "State Plan" means the State Child Health Plan for the State Children's
26 Health Insurance Program established under Title XXI.
27 (7) "Title XXI" means Title XXI of the Social Security Act, as added by Pub. L.
28 105-33, 111 Stat. 552, codified in scattered sections of 42 U.S.C.
29 (8) "Uninsured" means the applicant for Program benefits is not covered under
30 any private or employer-sponsored comprehensive health insurance plan on
31 the date of enrollment."

32 **SECTION 2.** G.S. 108A-70.20 reads as rewritten:

33 **"§ 108A-70.20. Program established.**

34 The Health Insurance Program for Children is established. The Program shall be known as
35 North Carolina Health Choice for Children, and it shall be administered by the Department of



1 Health and Human Services in accordance with this Part and as required under Title XXI and
2 related federal rules and regulations. Administration of ~~Program benefits and claims processing~~
3 shall be as ~~provided under Part 5 of Article 3 of Chapter 135 of the General Statutes described~~
4 in 42 C.F.R. 447.45(d)(1)."

5 **SECTION 3.** G.S. 108A-70.20A is repealed.

6 **SECTION 4.** G.S. 108A-70.21 reads as rewritten:

7 "**§ 108A-70.21. Program eligibility; benefits; enrollment fee and other cost-sharing;**
8 **coverage from private plans; purchase of extended coverage.**

9 ...

10 (b1) Payments. – Prescription drug providers shall accept as payment in full, for
11 outpatient prescriptions filled, amounts allowable for prescription drugs under Medicaid. For
12 all other providers, services provided to children enrolled in the Program shall be provided at
13 rates equivalent to one hundred percent (100%) of Medicaid rates, less any co-payments
14 assessed to enrollees under this Part. Payments to NC Health Choice Program providers under
15 this Part shall be paid in full and shall not be subject to cost settlement.

16 ...

17 (e) Cost-Sharing Limitations. – ~~The department~~ Department shall establish maximum
18 annual cost-sharing limits per individual or family, provided that the total annual aggregate
19 cost-sharing, including enrollment fees, with respect to all children in a family receiving
20 benefits under this section shall not exceed five percent (5%) of the family's income for the
21 year involved.

22"

23 **SECTION 5.** G.S. 108A-70.27 reads as rewritten:

24 "**§ 108A-70.27. Data collection; reporting.**

25 (a) The Department shall ensure that the following data are collected, analyzed, and
26 reported in a manner that will most effectively and expeditiously enable the State to evaluate
27 Program goals, objectives, operations, and health outcomes for children:

- 28 (1) Number of applicants for coverage under the Program;
- 29 (2) Number of Program applicants deemed eligible for Medicaid;
- 30 (3) Number of applicants deemed eligible for the Program, by income level, age,
31 and family size;
- 32 (4) Number of applicants deemed ineligible for the Program and the basis for
33 ineligibility;
- 34 (5) Number of applications made at county departments of social services,
35 public health departments, and by mail;
- 36 (6) Total number of children enrolled in the Program to date and for the
37 immediately preceding fiscal year;
- 38 (7) Total number of children enrolled in Medicaid through the Program
39 application process;
- 40 (8) Trends showing the Program's impact on hospital utilization, immunization
41 rates, and other indicators of quality of care, and cost-effectiveness and
42 efficiency;
- 43 (9) Trends relating to the health status of children;
- 44 (10) Other data that would be useful in carrying out the purposes of this Part.

45 (b) Repealed by Session Laws 2013-360, s. 12A.8(e), effective July 1, 2013.

46 (c) The Division of Medical Assistance shall provide to the Department data required
47 under this section that are collected by ~~the Plan~~ this Division. Data shall be reported by ~~the Plan~~
48 the Division of Medical Assistance in sufficient detail to meet federal reporting requirements
49 under Title XXI. ~~The Plan shall report periodically to the Joint Legislative Oversight~~
50 ~~Committee on Health and Human Services claims processing data for the Program and any~~

1 ~~other information the Plan or the Committee deems appropriate and relevant to assist the~~
2 ~~Committee in its review of the Program."~~

3 **SECTION 6.** This act is effective when it becomes law.