

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 436

Short Title: State Health Plan Substantive/AB.

(Public)

Sponsors: Representatives Dockham; and Brawley.

Referred to: Insurance.

March 10, 1997

A BILL TO BE ENTITLED

AN ACT TO MAKE SUBSTANTIVE CHANGES IN THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN.

The General Assembly of North Carolina enacts:

Section 1. (a) G.S. 136-40.6(8)a. reads as rewritten:

"a. Prescription Drugs: The Plan's allowable charges for prescription legend drugs to be used outside of a hospital or skilled nursing facility are ninety percent (90%) of the average wholesale price. A dispensing fee for qualified providers shall be determined by the Executive Administrator and Board of Trustees. The Plan will pay allowable charges for each outpatient prescription drug less a copayment to be paid by each covered individual equal to the provider dispensing fee set by the Executive Administrator and Board of Trustees. A prescription legend drug is defined as an article the label of which, under the Federal Food, Drug, and Cosmetic Act, is required to bear the legend: 'Caution: Federal Law Prohibits Dispensing Without Prescription.' and which has full unrestricted market approval by the Food and Drug Administration for the condition being treated. Such articles may not be sold to or purchased by the public without a prescription

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1 order. Benefits are provided for insulin even though prescription
2 is not required. Coverage is not provided for drugs used for
3 cosmetic purposes or drugs not having full and unrestricted Food
4 and Drug Administration approval for the condition being
5 treated.

6 Benefits for additional indications (off label use) are provided
7 for chemotherapeutic drugs that have received full and
8 unrestricted Food and Drug Administration approval as
9 recognized by one of the following reference compendia: (i)
10 American Medical Association Drug Evaluations; (ii) American
11 Hospital Formulary Service Drug information; or (iii) United
12 States Pharmacopeia Drug information; or peer review medical
13 literature allows an objective conclusion that clinical efficacy has
14 been established, and the drug is no longer
15 experimental/investigational."

16 (b) G.S. 136-40.7(14) reads as rewritten:

17 "(14) Charges for ~~cosmetic surgery—surgery, drugs or treatment for cosmetic~~
18 ~~purposes~~ except that charges for cosmetic surgery or treatment required
19 for correction of damage caused by accidental injury sustained by the
20 covered individual while coverage under this plan is in force on his or
21 her account or to correct congenital deformities or anomalies shall not
22 be excluded if they otherwise qualify as covered medical expenses."

23 Section 2. G.S. 135-39.5 is amended by adding a new subdivision to read:

24 "(23) Implementing a case management program."

25 Section 3. (a) G.S. 135-40.6(1)k. is repealed.

26 (b) G.S. 135-40.6(1)o. reads as rewritten:

27 "o. ~~Children are entitled to benefits for treatment of illnesses or~~
28 ~~congenital defect, incubation or isolette care, and treatment of~~
29 ~~prematurity or postmaturity.~~

30 ~~If the mother is a covered individual, benefits~~ Benefits are
31 provided for ~~the a covered~~ newborn's circumcision and routine
32 nursery care."

33 (c) G.S. 135-40.6(7)c. reads as rewritten:

34 "c. Newborn Care. ~~When a child is eligible at birth, benefits are~~
35 ~~provided for treatment of illness, injury, prematurity, or~~
36 ~~congenital condition as a registered inpatient.~~ When delivery is
37 by Caesarean section, a single consultation allowance will be
38 provided for standby, resuscitation, and infant care in the
39 operating room provided by a doctor other than the operating
40 surgeon.

41 ~~When a mother receives maternity benefits under the Plan for a~~
42 ~~child's delivery, benefits~~ Benefits are provided for examination and

1 supervision of a covered normal newborn ~~infant.~~ infant of an
2 enrolled employee or spouse."

3 Section 4. G.S. 135-40.6A(b)(1) reads as rewritten:

4 "(1) Skilled Nursing Facility ~~Care (after the initial 30 days);~~ Care;"

5 Section 5. G.S. 135-40.6(9)f. reads as rewritten:

6 "f. Eyeglasses or other corrective lenses (except for cataract lenses
7 certified as medically necessary for aphakia persons), hearing
8 aids, braces for teeth, dental plates or bridges or other dental
9 prostheses, air-conditioners, vaporizers, humidifiers, mattresses
10 (other than as supplied with a hospital bed) ~~and specially built~~
11 ~~shoes (other than attached to artificial limbs or orthopedic braces);~~
12 bed);"

13 Section 6. This act becomes effective July 1, 1997.