

1 the Pool to any of the capital or surplus requirements, if any, otherwise
2 applicable to reinsurers.

3 (8) Employ and fix the compensation of employees.

4 (9) Prepare and distribute certificate of eligibility forms and enrollment
5 instruction forms to insurance producers and to the general public.

6 (10) Provide for reinsurance for the Pool.

7 (11) Issue additional types of health insurance policies to provide optional
8 coverage, including Medicare supplemental insurance coverage.

9 (12) Provide for and employ cost containment measures and requirements
10 including preadmission screening, second surgical opinion, concurrent
11 utilization review, disease management, individual case management, health
12 and wellness programs including a smoking cessation initiative, and other
13 commonly used benefit plan design features for the purpose of making
14 health insurance coverage offered by the Pool more cost-effective.

15 (13) Design, utilize, contract, or otherwise arrange for the delivery of
16 cost-effective health care services, including establishing or contracting with
17 preferred provider organizations, health maintenance organizations, and
18 other limited network provider arrangements.

19 (14) Adopt bylaws, policies, and procedures as may be necessary or convenient
20 for the implementation of this Part and the operation of the Pool."

21 **SECTION 2.** Section 1.4 of S.L. 2007-532 reads as rewritten:

22 "**SECTION 1.4.** Notwithstanding G.S. 58-50-210(a), individuals enrolling in the Pool
23 within ~~six months~~ 12 months of the date that enrollment into the Pool first begins shall be
24 subject to a six-month preexisting condition waiting period."

25 **SECTION 3.** Article 3 of Chapter 58 of the General Statutes is amended by adding
26 a new section to read:

27 "**§ 58-3-276. Notice relating to the North Carolina Health Insurance Risk Pool.**

28 (a) An insurer shall provide a written notice of the existence of the North Carolina
29 Health Insurance Risk Pool to an applicant for individual health insurance coverage upon the
30 insurer making a determination that any of the following apply:

31 (1) The applicant is eligible for coverage by the Pool as provided in
32 G.S. 58-50-195(a)(1) or (2).

33 (2) The applicant is an "eligible individual" as defined in G.S. 58-68-60(b).

34 (3) The applicant is eligible for the credit for health insurance costs under the
35 Trade Adjustment Assistance Reform Act of 2002, section 35 of the Internal
36 Revenue Code of 1986.

37 (b) The notice required in subsection (a) of this section shall be issued to an applicant
38 no later than 10 business days after the insurer reaches a determination under subsection (a) of
39 this section. An insurer may issue a single notice relating to multiple applicants located at a
40 single address provided the notice lists the name of each individual affected separately.

41 (c) The Commissioner may adopt rules to implement this section, including rules
42 establishing the language, content, format, and methods of distribution of the notice required by
43 this section.

44 (d) For purposes of this section:

45 (1) "Applicant" means any person who seeks to contract for individual health
46 insurance coverage, including any dependent for which application is made
47 and about whom an independent underwriting decision is made by an
48 insurer.

49 (2) "Health insurance coverage" is as defined in G.S. 58-50-175(10).

50 (3) "Insurer" is as defined in G.S. 58-50-175(13)."

1 **SECTION 4.** Section 3 of this act applies to applications for health insurance
2 coverage made on or after October 1, 2009. The remainder of this act is effective when it
3 becomes law.