

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 556
Insurance Committee Substitute Adopted 5/15/13

Short Title: Wind Up High Risk Health Insurance Pool. (Public)

Sponsors:

Referred to:

April 1, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO WIND UP THE NORTH CAROLINA HEALTH INSURANCE RISK POOL.
3 The General Assembly of North Carolina enacts:

4 SECTION 1. Part 6 of Article 50 of Chapter 58 of the General Statutes is amended
5 by adding a new section to read as follows:

6 **"§ 58-50-260. Dissolution of Pool.**

7 (a) Insurance operations of the Pool under this Part shall sunset on January 1, 2014.

8 (b) In order to be handled in the regular course of business, rather than under subsection
9 (f) of this section, all invoices for medical, pharmacy, and any other services provided under
10 this Part must be submitted no later than 90 days after the sunset of insurance operations of the
11 Pool under subsection (a) of this section.

12 (c) In order to be handled in the regular course of business, rather than under subsection
13 (f) of this section, all appeals and grievances under this Part must be submitted no later than 90
14 days after the sunset of insurance operations of the Pool under subsection (a) of this section.

15 (d) On or before September 1, 2013, the Pool shall submit to the Commissioner a plan
16 for dissolution of the Pool. The plan shall address the following:

17 (1) Continuity of care for those participants in the Pool that are inpatient at the
18 time of sunset of insurance operations of the Pool under subsection (a) of
19 this section.

20 (2) Continuation of administrative services following the sunset of the Pool's
21 insurance operations.

22 (3) Closing the Pool's bank and investment accounts.

23 (4) Cessation of premium subsidy programs.

24 (5) Performance and completion by June 30, 2014, of a final audit by the State
25 Auditor and submission of the Pool's annual report to the State.

26 (6) A plan for maintenance of the Pool's books and records pursuant to
27 G.S. 58-56-16 by the Pool's final third-party administrator.

28 (7) Efforts to secure contingency funding should the Pool's operations so
29 require.

30 (8) Final dissolution of the Pool.

31 (9) The deposit and management of funding held in reserve following final
32 dissolution of the Pool to be used in connection with actions by or against
33 the Pool that are timely filed, as provided in subsection (f) of this section.

34 (10) Other matters that the Commissioner may reasonably require.

35 (e) The plan of dissolution for the Pool shall become effective upon approval in writing
36 by the Commissioner. The Commissioner shall approve the plan of dissolution if he or she



1 determines that the plan is suitable to assure the fair, reasonable, and equitable dissolution of
2 the Pool and that the plan complies with subsection (d) of this section.

3 (f) Notwithstanding any longer statute of limitations provided under law for an action,
4 all actions by or against the Pool must be filed on or before one year following the sunset of
5 insurance operations of the Pool under subsection (a) of this section. After final dissolution of
6 the Pool, the Pool's liability for insurance benefits, provider or vendor invoices, and all other
7 matters shall be limited to the reserve amount established under subdivision (9) of subsection
8 (d) of this section, less the costs of resolving the claims by or against the Pool.

9 (g) Any funds in excess of the reserve amount established under subdivision (9) of
10 subsection (d) of this section that remain in the North Carolina Health Insurance Risk Pool
11 Fund at the time of final dissolution shall be paid into the General Fund. After the resolution of
12 timely filed actions against the Pool, any reserve funds remaining in the Risk Pool Fund shall
13 be paid into the General Fund."

14 **SECTION 2.** The sum of one million dollars (\$1,000,000) is appropriated from the
15 General Fund to the North Carolina Health Insurance Risk Pool Fund to be used for the
16 purposes allowed under G.S. 58-50-225 and for the winding up of the North Carolina Health
17 Insurance Risk Pool.

18 **SECTION 3.** G.S. 58-50-225(c) reads as rewritten:

19 "(c) For the purposes of providing the funds necessary to carry out the powers and duties
20 of the Pool, effective July 1, 2008, the Teachers' and State Employees' Comprehensive Major
21 Medical Plan and any successor Plan shall pay an annual surcharge to the North Carolina
22 Health Insurance Risk Pool Fund in the amount of one dollar and fifty cents (\$1.50) per
23 member per year based on enrollment of active employee Plan members and their dependents
24 covered under the Plan. The final surcharge shall be paid to the Pool Fund for the 2013-2014
25 State fiscal year and shall be paid in quarterly installments rather than in one annual payment.
26 Such installments shall be paid to the Pool Fund 60 days after the close of each quarter and
27 shall be due on December 1, 2013, March 1, 2014, June 1, 2014, and September 1, 2014. The
28 Pool shall transfer to the General Fund any funds in excess of the reserve amount established
29 under G.S. 58-50-260(d)(9) that remain in the Pool Fund following the final dissolution of the
30 Pool."

31 **SECTION 4.** Effective January 1, 2015, G.S. 58-50-225(c), as amended by Section
32 3 of this act, is repealed.

33 **SECTION 5.** Effective January 1, 2017, Part 6 of Article 50 of Chapter 58 of the
34 General Statutes is repealed.

35 **SECTION 6.** G.S. 58-3-276 is repealed.

36 **SECTION 7.** Except as otherwise provided, this act is effective when it becomes
37 law.