

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1989**

**H**

**2**

**HOUSE BILL 961**  
**Committee Substitute Favorable 4/21/89**

Short Title: Health Insurance Costs Study.

(Public)

---

Sponsors:

---

Referred to:

---

March 30, 1989

1                                   A BILL TO BE ENTITLED  
2 AN ACT TO CREATE THE HEALTH INSURANCE COSTS STUDY.

3           Whereas, the costs of health care are and have been for some time increasing  
4 at a rate significantly higher than the cost of living, five hundred forty-one billion  
5 dollars (\$541,000,000,000) in 1988, eleven and two-tenths percent (11.2%) of the Gross  
6 National Product as compared with only six percent (6%) of the Gross National Product  
7 in 1965, and estimated to rise to fifteen percent (15%) of the Gross National Product by  
8 2000; and

9           Whereas, the costs of health care is significantly affecting the cost of doing  
10 business, especially by small businesses with 10 or fewer employees who pay the health  
11 insurance premiums for these smaller groups; and

12           Whereas, all those who pay the health care costs in North Carolina—the  
13 government, corporations, and individuals have experienced an average forty percent  
14 (40%) rate increase in health care insurance premiums; and

15           Whereas, the General Assembly has mandated certain health insurance  
16 coverages and has taken other actions that significantly affect the cost of health  
17 insurance in this State; Now, therefore,

18 The General Assembly of North Carolina enacts:

19           Section 1. The Health Insurance Costs Study Commission is created. The  
20 Commission shall consist of eighteen members:

21           (1) The President Pro Tempore of the Senate shall appoint:

22           a. Three Senators.

- 1                   b.     One representative of a large corporation with more than 200
- 2                    employees.
- 3                   c.     One representative of a small corporation with less than 20
- 4                    employees.
- 5                   d.     One county commissioner.
- 6                   e.     Two public members.
- 7                   f.     One representative of the managed health care industry.
- 8           (2)    The Speaker of the House of Representatives shall appoint:
- 9                   a.     Three Representatives.
- 10                  b.     One representative of an insurance company providing health
- 11                  coverage in this State.
- 12                  c.     Three health care providers to include one physician, one
- 13                  hospital representative, and one other provider.
- 14                  d.     One mayor.
- 15                  e.     One public member.

16           Sec. 2. The President Pro Tempore of the Senate shall designate one Senator  
17 as cochairman and the Speaker of the House of Representatives shall designate one  
18 Representative as cochairman.

19           Sec. 3. The Commission shall consider the problems of providing health  
20 insurance to the citizens of North Carolina including, but not limited to: the different  
21 coverages available; the availability of self-insurance pools and other arrangements to  
22 make health insurance available at reasonable and affordable prices; the adequacy of the  
23 coverage provided in policies offered to employees by businesses in this State; the  
24 availability of insurance for the indigent and noninsured; and how other states are  
25 dealing with the problems surrounding the paying for the health care needs of their  
26 citizens. The Commission may consider expenditures of health care dollars, including  
27 but not limited to physician practice patterns, drug misuse, conflicts of interests,  
28 malpractice issues, health care competition, and consumer overutilization.

29           Sec. 4. The Commission shall submit a final report of its findings and  
30 recommendations to the General Assembly on or before the first day of the 1991  
31 Session of the General Assembly by filing the report with the President Pro Tempore of  
32 the Senate and the Speaker of the House of Representatives. Upon filing its final report,  
33 the Commission shall terminate.

34           Sec. 5. The Commission, while in the discharge of official duties, may  
35 exercise all the powers provided for under the provisions of G.S. 120-19, and G.S. 120-  
36 19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call  
37 of the cochairmen. The Commission may meet in the Legislative Building or the  
38 Legislative Office Building.

39           Sec. 6. Members of the Commission shall receive subsistence and travel  
40 expenses at the rates set forth in G.S. 120-3.1, G.S. 138-5, and G.S. 138-6, as  
41 applicable.

42           Sec. 7. The Commission may contract for professional, clerical, or consultant  
43 services as provided by G.S. 120-32.02. The Legislative Services Commission, through  
44 the Legislative Administrative Officer, shall assign professional staff to assist in the

1 work of the Commission. The House of Representatives' and the Senate's Supervisor of  
2 Clerks shall assign clerical staff to the Commission, upon the direction of the  
3 Legislative Services Commission. The expenses relating to clerical employees shall be  
4 borne by the Commission.

5           Sec. 8. When a vacancy occurs in the membership of the Commission the  
6 vacancy shall be filled by the same appointing officer who made the initial appointment.

7           Sec. 9. All State departments and agencies and local governments and their  
8 subdivisions shall furnish to the Commission on request of the Commission information  
9 in their possession or available to them that is of public record.

10           Sec. 10. There is appropriated from the General Fund to the General  
11 Assembly for fiscal year 1989-90 the sum of twenty-five thousand dollars (\$25,000) and  
12 for fiscal year 1990-91 the sum of twenty-five thousand dollars (\$25,000) for the  
13 expenses of the Commission.

14           Sec. 11. This act shall become effective July 1, 1989.