

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 138

Short Title: Amend Health Insurance Risk Pool Statutes. (Public)

Sponsors: Representative Dockham (Primary Sponsor).  
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Insurance.

February 21, 2011

1 A BILL TO BE ENTITLED  
2 AN ACT TO AMEND THE HEALTH INSURANCE RISK POOL STATUTES.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 58-50-180(e)(4a) reads as rewritten:

5 "(e) The Pool shall have the general powers and authority granted under the laws of this  
6 State to health insurers and the specific authority to do all of the following:

7 ...  
8 (4a) Provide premium subsidies ~~if federal grant funds are available~~ for  
9 individuals with incomes up to three hundred percent (300%) of the federal  
10 poverty guidelines ~~and where~~ the Board deems it is fiscally prudent to do so.

11 Premium subsidies may come from the following sources:

12 a. Federal grants made to the Pool for premium subsidies.

13 b. The Pool's own funds, not to exceed the amount of the most recent  
14 year for which the Pool received a federal grant award under  
15 sub-subdivision a. of this subdivision."

16 **SECTION 2.** G.S. 55-50-190(b) is amended by adding a new subdivision to read:

17 "(b) The Pool shall determine the standard risk rate by considering the premium rates  
18 charged by other insurers offering health insurance coverage to individuals. The standard risk  
19 rate shall be established using reasonable actuarial techniques and shall reflect anticipated  
20 experience and expenses for the coverage. Pool rates shall be ~~one hundred fifty percent (150%)~~  
21 ~~to two hundred percent (200%)~~ one hundred twenty-five percent (125%) to one hundred  
22 seventy-five percent (175%) of rates established as applicable for individual standard rates and  
23 shall be adjusted annually, at the time of annual renewal."

24 **SECTION 3.** G.S. 58-50-195(a) is amended by adding a new subdivision to read:

25 "(a) Any individual who is and continues to be a resident of this State is eligible for Pool  
26 coverage if the individual provides evidence of any of the following:

27 ...  
28 (8) The individual is eligible for and has not exhausted current COBRA health  
29 insurance coverage at a rate exceeding the Pool rate and provides evidence  
30 of eligibility for Pool coverage under any of the subdivisions (1) through (4)  
31 of this subsection."

32 **SECTION 4.** G.S. 58-50-210(a) reads as rewritten:

33 "(a) Except as otherwise provided by law, Pool coverage shall exclude charges or  
34 expenses incurred during the first ~~42~~ six months following the effective date of coverage as to  
35 any condition for which medical advice, care, or treatment was recommended or received as to



1 such conditions during the 12-month period immediately preceding the effective date of  
2 coverage, except that no preexisting condition exclusion shall be applied to a federally defined  
3 eligible individual or an individual who is eligible for the Pool because of his or her eligibility  
4 for the credit for health insurance costs under the Trade Adjustment Assistance Reform Act of  
5 2002, section 35 of the Internal Revenue Code of 1986, pursuant to G.S. 58-50-195(a)(6)."

6 **SECTION 5.** This act becomes effective October 1, 2011.