

CIVITAS INSTITUTE

Legislative Recap

2007 GENERAL ASSEMBLY

Healthcare Legislation Recap: 2007 Session

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The Department of Health & Human Services (DHHS) budget was \$4.6 billion for FY2008 and \$5.1 billion for FY2009. The DHHS budget thus increased by some \$400 million over the previous fiscal year Health & Human Services budget of \$4.2 billion. The DHHS budget also created 198 new positions. After years of wrangling over who is responsible for paying for state and federal unfunded mandates, the state agreed to take over the county share of Medicaid payments. The state also took significant steps toward the implementation of a universal healthcare system by passing a taxpayer-funded health insurance high-risk pool, as well as a program that extends state-funded insurance to children from families who earn as much as \$60,000. Other healthcare highlights include the defeat of a public smoking ban, the repeal of a chiropractic provision pushed into law by then-Speaker Jim Black (D-Mecklenburg), the passage of a mental health coverage mandate, and the defeat of a needle exchange program. Possibly foreshadowing future trends in children's health, legislators also introduced, but did not pass, several bills related to immunization and children's nutrition/obesity. Perhaps most important is that even as the state took on a greater share of Medicaid funding, legislators failed to address the state's skyrocketing Medicaid costs. In this regard, Senator Robert Pittenger's (R-Mecklenburg) bill to allow Medicaid recipients to use private managed care plans (HMOs) to obtain Medicaid coverage is worthy of note.

THE BUDGET (HB 1473/S.L. 2007-323)

- **Medicaid Swap:** The state will assume the county share of Medicaid costs in a plan that is to be phased in over the next three years. Effective October 1, 2007, the county share will be reduced from 15 percent to 11.25 percent and then to 7.5 percent, effective July 1, 2008. The cost to the state will be \$86.2 million (recurring) for FY2008 and \$271.2 million (recurring) for FY2009. In exchange for their Medicaid burden being lifted, counties will transfer ½ cent of their 2 ½ cent sales tax revenues to the state. Low income, rural counties that have a high concentration of Medicaid recipients will benefit most from the swap. In these counties, foregone sales tax revenue will be much less than the Medicaid burden passed along to state taxpayers. Conversely, more urban, affluent counties, such as Wake and Mecklenburg, which have lower rates of Medicaid recipients and a growing sales tax revenue stream, will theoretically lose money from the swap. The budget, however, included a "hold harmless" provision that will use state funds to reimburse those counties that lose money under the new plan. The anticipated Medicaid burden for counties alone was expected to reach \$571 million for FY2008. *See also HB 2004, HB 1016, SB 1040, HB 1140, HB 2030, HB 560, HB 57, SB 1484*
- **Changes to Medicaid:** The budget for the Division of Medical Assistance (DMA), which administers Medicaid and NC Health Choice for the state, increased by \$300 million, going from \$2.6 billion for FY2007 to \$2.9 billion for FY2008. Among other things, the healthcare budget cut more than \$15 million in annual funding for Medicaid, owing to savings derived from a variety of cost-containment activities. The budget also allocated \$10 million in nonrecurring funding for FY2008 and again in FY2009 to reduce transfers from the Medicaid Special Fund to the hospital supplemental payment program. Still, increases far outweighed cuts, with rising Medicaid expenditures continuing to consume more than 60 percent of the total healthcare budget.
- **NC Health Choice:** Even as it expanded state funded healthcare for middle-class families (see Kids Care below), the budget capped NC Health Choice growth at 6 percent annually. NC Health Choice is North Carolina's version of the State Children's Health Insurance Program (SCHIP), a federal program that provides health insurance for children whose families make too much to qualify for Health Check/Medicaid, but whose income does not exceed 200 percent of the federal poverty

level (FPL). The budget expanded spending for the program by \$7.5 million per year, bringing total spending to just under \$60 million annually.

- **NC Kids Care:** The budget appropriated more than \$7 million over two years to provide taxpayer-subsidized insurance for children from families who earn between 200 percent and 300 percent of FPL (as of 2005, half of all families in North Carolina earned up to 300 percent of FPL). In order to enroll in NC Kids Care, children must be ineligible for any form of government-sponsored health insurance, including Medicaid and Medicare. Specifically, the budget granted \$368,000 in FY2007-08 to DHHS to “produce a report that identifies the most cost-efficient and cost-effective method for developing and implementing a program of comprehensive health care benefits for children ages 0 through 18 in families with annual incomes between 200 percent (\$41,300 for a family of four) and 300 percent (\$61,950 for a family of four) of the federal poverty level.” The budget then appropriated \$7 million in FY2008-09 to implement the program.

In August 2007, the Bush administration issued a new rule that requires states to cover 95 percent of low income children (200 percent of federal poverty level) before using federal funding to cover children from families who earn more. Under this new policy, NC Health Choice would have to reach a 95 percent participation rate before the state would be eligible to receive federal funding for NC Kids Care. President Bush has also promised to veto a \$35 billion (Senate) to \$50 billion (House) expansion of the SCHIP program, reminding Congress that the program is supposed to cover low income children only, not serve as a taxpayer-subsidized substitute for private insurance.

It is also worth noting that the final budget dropped language (cf. HB 1476) in an early draft of legislation related to NC Kids Care that would have explicitly required participants to “meet applicable federal citizenship and immigration requirements.”

- **University Cancer Research Fund/Tobacco Tax:** The budget allocated \$25 million in funding for cancer research for FY2008; \$40 million for FY2009; and a minimum of \$50 million annually for FY2010 and thereafter. The newly created University Cancer Research Fund will be a special revenue fund in the Office of the President of the University of North Carolina. Funding is to be derived from the General Fund, but will be supplemented each year by the following sources: 1) \$8 million from the Tobacco Trust Fund; and 2) \$11.4 million in FY2008 and \$16.5 million in FY2009 from an increase in the tobacco tax on products other than cigarettes. The tobacco tax will increase from 3 percent to 10 percent. *See also HB 1026, SB 1208, SB 1088*

- **Mental Health:** The budget ostensibly cut mental health spending in anticipation of the fall 2007 closure of Dorothea Dix Hospital and John Umstead Hospital. In return, however, most of this savings is being used for the fall 2007 opening of the Central Regional Hospital. In addition, the forensic unit beds at Dix are being transferred to Broughton Hospital – at a cost of more than \$10 million over the next two years. The budget also “realigned” funding for mental health. In particular, \$15 million was moved to pay for crisis services and other mental health services, especially for veterans. Developmental Disability Services Funds were also realigned to create 300 additional CAP-MR/DD (Community Alternatives Program for Persons with Mental Retardation/Developmental Disabilities) slots (\$4.5 million annually) and to subsidize long-term employment for persons with mental illness, developmental disabilities and substance abuse addictions. As a result of this realignment, the budget provided \$2 million in nonrecurring funding for the development of early intervention autism programs. Finally, the Legislature appropriated \$2.5 million in 2008 and \$5 million in 2009 to psychiatric hospital utilization pilots. The new budget also requires the secretary of Health & Human Services to report annually to the Fiscal Research Division on expenditures funded by the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services. All in all, the mental health budget increased by \$50.3 million, going from \$662.8 million for FY2007 to \$713.1 million for FY2008.

Other notable new items and increases in the two-year budget include:

- \$9.4 million in nonrecurring funding for FY2008 and FY2009 combined for the purchase and storage of flu antivirals (vaccines);
- \$8.4 million in annual recurring funding to remove 643 children from childcare subsidy waiting lists and to implement childcare rate adjustments;
- \$6.8 million allocation for FY2008 and FY2009 combined to expand Smart Start;
- \$5.8 million in recurring and nonrecurring funding for FY2008 and FY2009 combined to complete and implement a Health Information System;
- \$5.7 million in total recurring funding to assist foster children who want to attend college;
- \$5.0 million in nonrecurring funds to Aid to Community Health Centers;
- \$2.0 million in annual recurring funding for HIV testing and counseling and hepatitis C prevention – in particular, at historically black colleges and universities;
- \$2.0 million in additional funding (annual, recurring) for the North Carolina Breast and Cervical Cancer Control Program;
- \$1.1 million in annual recurring funding for the T.E.A.C.H. early childhood project;
- A \$500,000 increase in nonrecurring funds for FY2008 for the Community-Focused Eliminating Health Disparities Initiative (CFEHDHI) – to bring the total for FY2008 and FY2009 to \$4.5 million; and

- \$275,000 in nonrecurring funding to continue a pilot program aimed at recruiting minority students for pharmacy schools.

Among other things, the healthcare budget also created a Task Force on the Coordination of Children's Services, clarified the duties of local management entities (LMEs), and funded a study of whether such entities can also function as service providers.

LEGISLATION OF NOTE

TAXPAYER-FUNDED HEALTHCARE:

Establish Health Insurance Risk Pool (HB 265/S.L. 2007-532)

Status: Signed by Governor Easley on August 31, 2007

Cost: At least \$20 million annually

Sponsored by Representatives Verla Insko (D-Orange) and Hugh Holliman (D-Davidson), this law created the "North Carolina Health Insurance Risk Pool." The pool is a nonprofit entity that will be run by a board of directors appointed by the governor and top legislative leaders. The pool's board has extensive control over the operation of the pool. Persons eligible for enrollment include residents who have been refused health insurance coverage for health reasons; persons who can only obtain coverage under limited conditions, such as a conditional rider; those who can only obtain coverage at a rate higher than the pool rate (which is to be set at between 150 percent to 200 percent of individual standard rates); persons who qualify as federally defined eligible individuals; and persons with certain medical conditions.

Lifetime benefits are to be capped at "not less than" \$1 million, with "a combined annual limit of up to five thousand dollars (\$5,000) per individual on coinsurance and deductibles." Premium subsidies will also be provided for persons who earn up to 300 percent of FPL. The pool is to be funded via premiums and fees paid by covered persons, as well as a share (estimated at \$14.3 million) of the taxes paid by insurers, health maintenance organizations (HMOs), and other such companies on the collection of gross insurance premiums (cf. G.S. 105-228.5(d)(2)); a \$5 million nonrecurring transfer from the Health and Wellness Trust Fund; and a \$1.50 annual assessment on persons insured by the state health plan (estimated to garner \$700,000). According to bill sponsor Hugh Holliman, the passage of HB 265 marks "the first step to having any kind of comprehensive program to insuring our people." The plan is expected to cover between 9,000 and 14,000 persons, or 1 percent of the state's uninsured population. *See also SB 177, SB 1512, SB 163*

Health Care for All (HB 901)

Status: Referred to House Committee on Rules, Calendar, and Operations of the House

Cost: No fiscal note

Sponsored by Representative Verla Insko (D-Orange), along with 37 other primary and cosponsors, this bill would have officially recognized healthcare as a "fundamental right" for all North Carolinians and accordingly required the General Assembly to "provide by law a plan to ensure that by July 1, 2013, every resident of North Carolina has access to appropriate health care on a regular basis."

Health Care for All Planning Commission (HB 1897)

Status: Referred to House Committee on Ways and Means

Cost: \$100,000 per year

Sponsored by Representative Verla Insko (D-Orange), this bill would have established a commission "to conduct a comprehensive review of the current health care system in North Carolina and make recommendations to the General Assembly on moving from a fragmented system to an integrated system of public and private health care services such that all North Carolinians have access to appropriate health care on a regular basis."

Health Insurance for All Children (HB 1476)

Status: Referred to House Committee on Insurance

Cost: No fiscal note, in excess of \$11.7 million

Sponsored by Representative Verla Insko (D-Orange), this legislation would have extended taxpayer-funded insurance to children from families who are not eligible for Medicaid and SCHIP/NC Health Choice. The legislation was essentially passed as part of the budget, under the NC Kids Care program.

Medicaid Income Limits Level Study (HB 92/SB 110)

Status: HB 92 passed the House and was then referred to the Senate Committee on Appropriations

Cost: No fiscal note

Sponsored by Representative Jennifer Weiss (D-Wake), this legislation would have directed the DHHS to study and propose options for increasing Medicaid income limits. *See also SB 689, HB 1470, SB 176*

Public Health Funds/Aid to Counties (SB 249)

Status: Referred to Senate Committee on Appropriations

Cost: \$50 million

This bill would have allocated \$25 million in FY2008 and \$25 million in FY2009 as General Aid to County funds in order to “improve the delivery of the 10 essential public health services in all counties.” The “10 essential public health services” refers to a list of standards devised by the Centers for Disease Control and Prevention (National Public Health Performance Standards (NPHPS)) that are often used to galvanize local support for a variety of public health initiatives.

CHILDREN’S HEALTH (also see budget above):**Information on Lawful Abandonment (HB 485/SB 1446/S.L. 2007-126)**

Status: HB 485 signed by Governor Easley on June 27, 2007

Cost: No fiscal note

This law requires that children in grades 9 through 12 receive “information annually on the manner in which a parent may lawfully abandon a newborn baby with a responsible person, in accordance with G.S. 7B-500.” See also *Life and Family Issues Recap*

Phase out Mercury in Childhood Vaccines (HB 431)

Status: Passed House and then referred to Senate Health Care Committee

Cost: \$140,000 to \$180,000 annually

This legislation would have required that state-mandated vaccines contain no more than 0.5 micrograms of mercury per 0.5 milliliter dose. In the case of influenza, vaccines administered to pregnant women and children, up to age 35 months, could not contain even trace amounts of thimerosal/mercury, except when no alternatives are available, or in the event of a public health emergency. According to the Fiscal Research Division, the costs associated with the bill would have arisen from the purchase of thimerosal-free influenza vaccine. The influenza vaccine, however, is not currently mandated by the state (except for residents in long-term care facilities). See also *Life and Family Issues Recap*

Vaccine Requirements/School Entry (SB 1018)

Status: Referred to Senate Committee on Health Care

Cost: No fiscal note

Sponsored by Senator Fletcher Hartsell Jr. (R-Cabarrus), this legislation would have repealed the 30-day grace period currently allotted for parents to present proof of immunization for a child enrolled in public school. See also *HB 1694, as well as Life and Family Issues Recap*

Child Health Insurance Tax Credit (SB 1317)

Status: Referred to Senate Committee on Finance

Cost: No fiscal note

Sponsored by Senator Phil Berger (R-Rockingham), this legislation would have created a tax credit for dependents covered by private health insurance plans. In 1998, the General Assembly passed a modest children’s health insurance tax credit as part of the compromise that led to the creation of NC Health Choice. The credit was eliminated in 2001. Similar legislation (SB 1318), also sponsored by Senator Berger, would have extended the credit to taxpayers, along with dependents.

Social-Emotional Curriculum in Public Schools (SB 515)

Status: Referred to Senate Committee on Education/Public Instruction

Cost: No fiscal note

This legislation would have required the state to teach children in grades K through 9 about “personal safety” and “dealing with safe and unsafe touching.” The legislation would also have required schools to teach “violence prevention skills, social competence, empathy training, behavior skills, and anger management training.” See also *Life and Family Issues Recap*

Funds for Autism Early Intervention (HB 609)

Status: Referred to House Committee on Appropriations

Cost: \$4.95 million

This legislation would have appropriated \$4.2 million to create seven model programs on early intervention for autism. The bill also would have allocated \$750,000 to the Autism Society of North Carolina. See also *HB 1420, SB 554*

Medicaid Coverage for Circumcision (HB 644)

Status: Referred to House Committee on Appropriations

Cost: Between \$1.2 million and \$1.4 million

Sponsored by Representative Alma Adams (D-Guilford), this bill would have required taxpayer funding for optional circumcision procedures for newborns eligible for Medicaid. In an attempt to reduce Medicaid costs, the state ceased funding

such procedures in 2001.

Born Alive Infant Protection Act (HB 1774)

Status: Referred to House Committee on Rules, Calendar and Operations

Cost: No fiscal note

This bill would have specified that the legal definition of a person includes “every infant member of the species homo sapiens who is born alive at any stage of development ... regardless of whether the umbilical cord has been cut, and regardless of whether the expulsion or extraction occurs as a result of natural or induced labor, cesarean section, or induced abortion.” See *also Life and Family Issues Recap*

Hold Child Nutrition Services Harmless (HB 227)

Status: Referred to House Appropriations Committee

Cost: \$15 million

This legislation would have appropriated \$15 million for 2007-2008 to “ensure that school food service programs have adequate resources to offer and promote healthy, nutritious food choices to students.”

Support School Nutrition (Joint Resolution 2053)

Status: Referred to House Committee on Rules, Calendar and Operations

Cost: No fiscal note

Sponsored by Representative Susan Fisher (D-Buncombe), this resolution called for the U.S. Congress to amend the 2007 Farm Bill so as to permit preferential selection of locally grown food for school nutrition programs.

MENTAL HEALTH:

Mental Health Equitable Coverage (HB 973/S.L. 2007-268)

Status: Signed by Governor Easley on July 27, 2007

Cost: Estimated to increase consumer insurance premiums by 5 percent to 10 percent; immediate cost to the state via the State Health Plan is estimated at between \$1.83 million to \$2.5 million for the first full year (FY2009)

After years of lobbying by the Mental Health Association in North Carolina (MHA/NC), the General Assembly passed a mental health parity coverage mandate this session. The legislation requires insurance providers to treat mental illnesses as they would any other “physical illness generally.” In particular, insurers must apply the same deductible, copay, and out-of-pocket limits to mental illnesses as defined by the Diagnostic and Statistical Manual of Mental Disorders (DSM). The law also requires equitable durational coverage (i.e., full parity) for the following mental illnesses: bipolar disorder, major depressive disorder, obsessive compulsive disorder, paranoid and other psychotic disorder, schizoaffective disorder, schizophrenia, post-traumatic stress disorder, anorexia nervosa, and bulimia. Coverage for all other mental illnesses is set at a minimum of 30 combined inpatient/outpatient days per year and 30 office visits a year. This law becomes effective on July 1, 2008. See *also SB 1434*

Future Uses of Dorothea Dix Hospital Campus (HB 1644)

Status: Passed the House and then referred to Senate Committee on Rules and Operations

Cost: No fiscal note

This bill would have directed the Legislature to consider creating a “park district” on the Dorothea Dix campus, financed “with a combination of local public revenues and private contributions.” In turn, the district would be used to generate “significant revenues for mental health services throughout the state.” See *also SB 1173*

PUBLIC HEALTH/BEHAVIORAL MODIFICATION:

Smoking in State Govt. Buildings/Prohibition (HB 24/S.L. 2007-193)

Status: Signed by Governor Easley on July 8, 2007

Cost: No fiscal note

This legislation bans smoking in all buildings owned, leased or occupied by the state government. The law also permits local governments to ban or restrict smoking in government buildings, public schools, and public vehicles.

Prohibit Smoking in Public and Work Places (HB 259)

Status: Reported favorably out of House Judiciary I; amended version failed to pass second reading by a vote of 55 (for) to 61 (against)

Cost: No fiscal note

Sponsored by Representative Hugh Holliman (D-Davidson), the original version of this bill would have banned smoking in all places of employment and in all public places – except bars, hotel rooms, private clubs and private residences. An amended version sought to ban smoking in state government buildings and restaurants and to permit local governments to

ban smoking in other public places and places of employment. *See also SB 635, SB 124, HB 347*

Establish Paid Sick Days (HB 1711)

Status: Re-referred to Committee on Commerce, Small Business and Entrepreneurship

Cost: No fiscal note

Sponsored by Representative Alma Adams (D-Guilford), this legislation would have required all employers to provide a minimum of seven paid sick days a year to each employee.

Funds for Eat Smart ... Move More Initiative (HB 618/SB 671)

Status: HB 618 referred to House Appropriations Committee; SB 671 referred to Senate Committee on Appropriations

Cost: \$6 million

This bill would have allocated \$3 million a year in additional state funding to support the "Eat Smart ... Move More" program. According to the legislation, "The purpose of these funds is to promote community environments that support physical activity, healthy lifestyles, and personal well-being." *See also HB 23*

INSURANCE/REGULATORY/LEGAL:

Arbitration/Negligent Healthcare Actions (HB 1671/S.L. 2007-541)

Status: Signed by Governor Easley on August 31, 2007

Cost: No fiscal note

Sponsored by Representative Dr. Bob England (D-Rutherford), this new law creates an arbitration option for personal injury or wrongful death claims arising from alleged negligence in providing healthcare. All parties must agree to enter into arbitration according to terms delineated in the law. The law also stipulates that before any such medical malpractice cases go to court, attorneys must discuss this arbitration option with their clients and formally notify the court that arbitration will not be pursued. The law clarifies that no prior agreement or contract can require a patient and health provider to enter into arbitration under HB 1671.

Penalty Review/LTC Changes (SB 56/S.L. 2007-544)

Status: Signed by Governor Easley on August 31, 2007

Cost: No fiscal note

The original version of this legislation only included provisions to strengthen the penalty review system for long-term care facilities. The House amended the bill to include an expansion of the Health Care Personnel Registry, as well as a proposed system of rating certifications for long-term care facilities. The Health Care Personnel Registry will now list all healthcare personnel working in healthcare facilities who have: 1) been found to have neglected or abused residents; 2) misappropriated property of residents or healthcare facilities; 3) diverted drugs belonging to a patient or healthcare facility, or 4) committed fraud against a patient or client providing healthcare services. The North Carolina Medical Care Commission was also given authority to rate Adult Care Homes. Ratings will be given in a variety of areas, including: admission and discharge procedures, medication management, resident care and services, and resident rights and sanitation. As the Senate did not concur with the House's amendments, a conference committee was appointed. Additional amendments were adopted in committee. *See also HB 94*

Public Health Authority Changes (HB 1132/S.L. 2007-229)

Status: Signed by Governor Easley on July 18, 2007

Cost: No fiscal note

This legislation clarifies that county public health authority boards are local government units and gives such boards the authority to purchase or finance real or personal property. The law also extends per diem reimbursement to public health board members.

Repeal Chiropractic Special Provision (HB 502/S.L. 2007-24)

Status: Signed by Governor Easley on April 25, 2007

Cost: No fiscal note

This legislation repealed a law that required insurance companies to charge equal copays for chiropractic services. The law was repealed in reaction to a confession by former House Speaker Jim Black (D-Mecklenburg) that he received \$25,000 in cash from chiropractors, in exchange for legislative favors. Black inserted the mandate as a special provision into the 2005 budget.

Reenact Chiropractic Provision (HB 1307)

Status: Referred to House Insurance Committee

Cost: No fiscal note

Sponsored by Representative Earline Parmon (D-Forsyth), this bill would have reinstated the law repealed in S.L. 2007-24

(above) by requiring insurance companies to charge copays for chiropractic services that do not exceed the cost of comparable medical treatment provided by a licensed primary care physician.

Clarify Small Business Health Insurance Credit (HB 1531)

Status: Passed the House and then referred to Senate Finance Committee

Cost: No fiscal note

This legislation would have clarified the conditions under which a small employer may claim a health insurance tax credit.

Confidentiality/Competitive Health Care Information (SB 1006/HB 1836)

Status: SB 1006 passed the Senate and was referred to the House Judiciary II Committee; HB 1836 referred to House Committee on Health

Cost: No fiscal note

Sponsored by Tony Rand (D-Cumberland) in the Senate and Dr. Bob England (D-Rutherford) in the House, this legislation would have extended the definition of confidential competitive healthcare information to include “contracts entered into by or on behalf of a public hospital or public hospital authority to purchase a medical practice.” Ordinarily, contracts entered into by public hospitals become part of the public record.

Liability of Purveyors of Food for Obesity (HB 1835)

Status: Committee Substitute Referred to House Judiciary I

Cost: No fiscal note

This bill would have prohibited civil actions against food purveyors filed by persons who are obese or have suffered inordinate weight gain or adverse health “allegedly caused by or allegedly likely to result from long-term consumption of food.” The bill comes in response to several class-action lawsuits that claim that fast-food restaurants, such as McDonalds, are responsible for their customers’ obesity. Similar legislation has been filed at the federal level (cf. HR 2183, S. 1323).

Health Insurance/Infertility Coverage (SB 759)

Status: Referred to Senate Select Committee on Employee Hospital and Medical Benefits

Cost: No fiscal note

This legislation would have created an additional coverage mandate requiring all insurance providers, including the state health plan, to cover the diagnosis and treatment of infertility, including in vitro fertilization (IVF) and gamete (GIFT) and zygote intrafallopian transfers (ZIFT). The coverage would have to be provided under any plan offering maternity benefits. *See also Life and Family Issues Recap*

Prescription Drug Data Confidential (SB 159)

Status: Referred to Senate Committee on Commerce, Small Business and Entrepreneurship

Cost: No fiscal note

This legislation would have prohibited the “license, transfer, use or sale of pharmacy prescription information for commercial purposes.” Along with traditional providers, the bill would have applied equally to mail order and Internet pharmacies.

Consumer Health Freedom Act (HB 1358)

Status: Referred to House Committee on Health

Cost: No fiscal note

This bill sought to make complementary/alternative forms of medical care more accessible by clarifying that the practice of certain forms (acupressure, herbalism, naturopathy, etc.) of such care does not require a license or certificate. *See also HB 451, HB 969, SB 1080*

Study Health Insurance for Chambers of Commerce (HB 1719)

Status: Committee substitute re-referred to House Committee on Rules, Calendar and Operations

Cost: No fiscal note

Sponsored by Representative Pat Hurley (R-Randolph), this bill would have created a joint legislative commission on group health insurance for chambers of commerce. The commission would have been charged with determining whether “allowing trade associations to purchase group health insurance will result in health insurance coverage for small employers at more affordable rates” and then with designing a pilot project to allow select chambers to purchase such insurance.

ADDITIONAL HEALTHCARE LEGISLATION:

Initiatives to Reduce Medicaid Costs (SB 1013)

Status: Referred to Senate Committee on Appropriations

Cost: No fiscal note

Sponsored by Senator Robert Pittenger (R-Mecklenburg), this bill would have required the Division of Medical Assistance branch of the DHHS to create a pilot project aimed at allowing Medicaid recipients to use private managed care plans (HMOs) to obtain Medicaid coverage. The intent of the program would be to permit Medicaid clients “choice in the marketplace and be able to choose customized plans and methods of accessing services.” Florida (cf. SB 838) and South Carolina are currently pursuing similar initiatives that would permit Medicaid recipients to obtain coverage on the private market. *See also SB 1012*

Reenact Long-Term Care Tax Credit (HB 144)

Status: Referred to House Committee on Finance

Cost: Tax savings of \$10 million (FY2008) rising to \$10.8 million by FY2012

This legislation would have reenacted legislation first passed in 1998 (G.S. 105-151.28) that provided a tax credit for the premium costs of long-term care insurance. The General Assembly let the credit expire beginning in 2004. This new legislation would have increased the original credit from 15 percent to 20 percent of the premium costs and would have increased the total maximum credit from \$350 to \$500. *See also SB 355*

Conscience Protection/Health Care Providers (HB 155)

Status: Referred to House Judiciary I

Cost: No fiscal note

This legislation would have amended current law (G.S. 14-45.1(e)) to protect the rights of conscience of pharmacists and other healthcare providers by explicitly recognizing the right not to prescribe or dispense drugs or devices that cause abortion. *See also Life and Family Issues Recap*

Study DNR Form Signatures (SB 685/HB 690)

Status: SB 685 passed the Senate and was then referred to House Judiciary I; HB 690 referred to House Committee on Health

Cost: No fiscal note

Sponsored by Eleanor Kinnaird (D-Orange) in the Senate and Verla Insko (D-Orange) in the House, this legislation would have required DHHS to study the impact of “requiring a written and signed concurrence by the patient’s guardian or representative on a physician’s order form specifying withholding or discontinuing extraordinary means or artificial nutrition or hydration pursuant to G.S. 90-322(b).” *See also Life and Family Issues Recap*

Pseudoephedrine Sales/Electronic Record (SB 946)

Status: Referred to Senate Committee on Commerce, Small Business and Entrepreneurship

Cost: Initial cost of \$450,000 and \$150,000 annually thereafter

This legislation would have required the Commission for Mental Health, Developmental Disabilities and Substance Abuse Services to establish and maintain an electronic purchase log of pseudoephedrine sales and to require retailers of pseudoephedrine products to report consumer sales of those products to the commission. Current law, which went into effect in 2005, requires retailers to keep a written transaction log of the name and address of each purchaser of pseudoephedrine. Pseudoephedrine is a key ingredient in the manufacture of methamphetamine.

Funds for Needle Exchange Programs (SB 917)

Status: Referred to Senate Committee on Appropriations

Cost: \$1.1 million

Sponsored by Senator Martin Nesbitt Jr. (D-Buncombe), this legislation would have allocated \$550,000 per fiscal year for the creation of as many as three community-based needle exchange pilot programs. Each program was to “include case management, outreach, and transportation services, and referrals for housing and medical care.” The bill also would have provided immunity from prosecution to participants, employees, and volunteers involved in the program. Similar legislation appeared in the original House budget (see section 10.27), but was removed by the Senate (see Amendment 1) and was not included in the final budget. *See also HB 400: “Funds for Harm Reduction Programs”*



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