

March 1, 2001

H 360. HEALTH INSURANCE OMNIBUS CHANGES. *TO EXPRESSLY ALLOW NONBINDING ARBITRATION IN HEALTH INSURANCE POLICIES; CLARIFY THE PREFERRED PROVIDER PLAN LAW; AMEND THE SMALL EMPLOYER RATE GUARANTEE LAW; PROVIDE FOR THE PROMOTION OF ALCOHOL AND NARCOTIC SCREENING AND INTERVENTION; AMEND THE LAW ON NEWBORN AND FOSTER CHILD COVERAGE; PROVIDE FOR SUCCESSOR HEALTH PLAN COVERAGE FOR CONFINEMENT OR PREGNANCY; PROVIDE FOR A HEALTH INSURANCE CONTINUATION ELECTION PERIOD; REQUIRE AN HMO GROUP COVERAGE PREMIUM CHANGE NOTICE; PROVIDE FOR SUCCESSOR HEALTH PLAN COVERAGE FOR CONDITIONS FIRST DIAGNOSED UNDER PREVIOUS COVERAGE; TO EXPAND MEDICARE SUPPLEMENT GUARANTEED ISSUANCE FOR DISABLED PERSONS; TO ALLOW THE INSURANCE COMMISSIONER TO ADOPT TEMPORARY RULES FOR MEDICARE SUPPLEMENT AND LONG-TERM CARE INSURANCE TO IMPLEMENT FEDERAL REQUIREMENTS; AND TO MAKE TECHNICAL CORRECTIONS TO REFLECT REPEALS OF LAWS.* Adds new GS 58-3-35(c), authorizing nonbinding arbitration clauses in health or life insurance policies or annuity contracts and providing that arbitration procedures and rights of parties must be substantially similar to those contained in the NC Supreme Court's rules. Adds new GS 58-51-16, prohibiting conditions or stipulations in accident or health insurance contracts that defeat or avoid coverage when a loss results from the insured's being under the influence of alcohol or a narcotic. Amends GS 58-31-30(b) to require health benefit plans to extend coverage to newborn children without requirements for prior notification, unless there is an additional premium charge to add the child. Amends GS 58-51-110(b) to require coverage of pregnancy or hospital confinement by successor health plans when statutory requirements are met. Amends GS 58-53-10 to provide a minimum 60-day period during which an employee or member of a group plan may elect continuing coverage. Adds new GS 58-67-50(b)(3); requiring health plans for group coverage to guarantee premiums for a period of at least 12 months and to give enrollees 45 days advance written notice of premium changes. Prohibits such plans from individually determining an enrollee's premiums based upon the enrollee's health status. Adds new GS 58-38-30(e), prohibiting group health insurers from excluding preexisting conditions when the condition was first diagnosed or treated while the insured held qualifying previous coverage that covered the condition. Amends GS 58-54-45 to provide disabled persons under the age of 65 who lose managed care coverage with a guaranteed right to purchase Medicare Supplement Plans A and C from any insurer within 63 days of the loss of coverage. Authorizes Medicare supplement plans to develop premium rates specific to disabled population, but prohibits discrimination in pricing when an application is submitted during an open enrollment period or within 63 days after loss of a managed care plan. Adds new GS 58-55-50, authorizing Comm'r of Insurance to adopt temporary rules necessary to conform long-term care policies to federal law. Amends unspecified section of GS Ch. 58, Art. 56 (probably intended GS 58-56-51) to authorize Comm'r of Insurance to receive and use otherwise confidential information in the performance of the Comm'r's duties, and to provide for the protection of that information. Makes additional technical and conforming changes. Effective Oct. 1, 2001.

Intro. by Dockham and Hurley.

Ref. to Insurance	GS 58
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April 24, 2001

H 360. HEALTH INSURANCE OMNIBUS CHANGES. Intro. 3/1/01. House committee substitute makes the following changes to 1st edition. Changes bill's title to *AN ACT TO CLARIFY THE LAW ON STIPULATIONS AS TO JURISDICTION AND LIMITATIONS OF ACTION AND THE PREFERRED PROVIDER PLAN LAW; AMEND THE SMALL EMPLOYER RATE GUARANTEE LAW; PROVIDE FOR THE PROMOTION OF ALCOHOL AND NARCOTIC SCREENING AND INTERVENTION; AMEND THE LAW ON NEWBORN AND FOSTER CHILD COVERAGE; PROVIDE FOR SUCCESSOR HEALTH PLAN COVERAGE FOR CONFINEMENT OR PREGNANCY; PROVIDE FOR A HEALTH INSURANCE CONTINUATION ELECTION PERIOD; REQUIRE AN HMO GROUP COVERAGE PREMIUM CHANGE NOTICE; CLARIFY THE HMO POINT-OF-SERVICE LAW; PROVIDE FOR SUCCESSOR HEALTH PLAN COVERAGE FOR*

CONDITIONS FIRST DIAGNOSED UNDER PREVIOUS COVERAGE; TO EXPAND MEDICARE SUPPLEMENT GUARANTEED INSURANCE FOR DISABLED PERSONS; TO ALLOW THE INSURANCE COMMISSIONER TO ADOPT TEMPORARY RULES FOR MEDICARE SUPPLEMENT AND LONG-TERM CARE INSURANCE TO IMPLEMENT FEDERAL REQUIREMENTS; TO MAKE TECHNICAL CORRECTIONS TO REFLECT REPEALS OF LAWS; TO CLARIFY THE LAWS ON RECONSTRUCTIVE SURGERY NOTICES; AND TO CLARIFY THE LAW ON DEEMER PROVISIONS. (1) Deletes original bill's provision in GS 58-3-35 that no health or life insurance policy or annuity contract could contain a provision depriving an insured or beneficiary of the right to a trial by jury. (2) Deletes from definition of "preferred provider benefit plan" in GS 58-50-56(b) the element of utilization review or quality management program. Makes the same change in the definition of "health benefit plan" in GS 58-191(c). (3) Deletes original bill's provision repealing GS 58-51-15(b)(11) (regarding coverage for intoxicants and narcotics) but adds a new GS 58-51-16 providing that –15(b)(11) does not apply to an accident or health insurance policy that provides hospital, medical or surgical expense coverage. (4) Adds a new provision to GS 58-31-30(b) that every health benefit plan must extend coverage to a foster child without requirements for prior notification unless an additional premium charge to add the foster child is due, in which case coverage is from placement if child is enrolled within 30 days of placement. (5) Amends GS 58-67-35(a)(6) regarding HMO's authority to precertify out-of-plan covered services on the same basis as it pre-certifies in-plan covered services. (6) Adds a provision removing the Nov. 1, 2001 sunset on GS 58-54-45 (regarding the availability of certain standardized Medicare supplement plans. (7) Deletes bill's provisions amending GS 58-56-51. (8) Amends GS 58-51-62, 58-65-96, and 58-67-79 to provide that notice requirements of those sections are met by including the information in the yearly informational packets sent to subscribers or policy holders. (9) Adds new GS 58-3-151 concerning immunity from liability for use of forms deemed to be approved in law.

April 25, 2001

H 360. HEALTH INSURANCE OMNIBUS CHANGES. Intro. 3/1/01. House committee substitute makes the following changes to 2nd edition. Corrects printing error in committee substitute adopted 4/24/01.

July 18, 2001

H 360. HEALTH INSURANCE OMNIBUS CHANGES. Intro. 03/1/01. Senate committee substitute makes the following changes to 3rd edition. Changes title to *AN ACT TO CLARIFY THE LAW ON STIPULATIONS AS TO JURISDICTION AND LIMITATIONS OF ACTION AND THE PREFERRED PROVIDER PLAN LAW; AMEND THE SMALL EMPLOYER RATE GUARANTEE LAW; PROVIDE FOR THE PROMOTION OF ALCOHOL AND NARCOTIC SCREENING AND INTERVENTION; AMEND THE LAW ON NEWBORN AND FOSTER CHILD COVERAGE; PROVIDE FOR SUCCESSOR HEALTH PLAN COVERAGE FOR CONFINEMENT OR PREGNANCY; PROVIDE FOR A HEALTH INSURANCE CONTINUATION ELECTION PERIOD; REQUIRE AN HMO GROUP COVERAGE PREMIUM CHANGE NOTICE; CLARIFY THE HMO POINT-OF-SERVICE LAW; PROVIDE FOR SUCCESSOR HEALTH PLAN COVERAGE FOR CONDITIONS FIRST DIAGNOSED UNDER PREVIOUS COVERAGE; EXPAND MEDICARE SUPPLEMENT GUARANTEED ISSUANCE FOR DISABLED PERSONS; ALLOW THE INSURANCE COMMISSIONER TO ADOPT TEMPORARY RULES FOR MEDICARE SUPPLEMENT AND LONG-TERM CARE INSURANCE TO IMPLEMENT FEDERAL REQUIREMENTS; MAKE TECHNICAL CORRECTIONS TO REFLECT REPEALS OF LAWS; CLARIFY THE LAWS ON RECONSTRUCTIVE SURGERY NOTICES; CLARIFY THE LAW ON DEEMER PROVISIONS; CODIFY A RULE ON CLAIM STATUS UPDATES; MAKE TECHNICAL CHANGES IN MORTGAGE GUARANTY INSURANCE RESERVING LAWS; AUTHORIZE THE ADOPTION OF LIFE AND HEALTH ACTUARIAL RULES; AND CLARIFY LAWS ON LOCAL GOVERNMENT RISK POOLING.* Amends GS 58-3-100(c), effective July 1, 2001, to require the insurer, who has sent to the claimant an acknowledgement that the claim remains under investigation, to send a claim status report to the insured within 45 days after receipt by the insurer of the initial claim and every 45 days thereafter until the claim is paid or denied. Makes technical changes to GS 58-10-130 and GS 58-10-135. Amends GS 58-58-50 to authorize the

Comm'r of Insurance to adopt rules for life insurers for the following matters: (1) reserves for contracts issued by insurers; (2) optional smoker/nonsmoker mortality tables permitted for use in determining minimum reserve liabilities and nonforfeiture benefits; (3) optional blended gender mortality tables permitted for use in determining minimum reserve liabilities and nonforfeiture benefits; and (4) optional tables acceptable for use in determining reserves and minimum cash surrender values and amounts of paid-up nonforfeiture benefits. Permits the Comm'r, in adopting rules under GS 58-51-95(f) and GS 58-67-50(b), to require identification of the types of rating methodologies used by filers and to address other rating issues and actuarial principles. Amends GS 58-23-5 to clarify that that statute is not the sole authority for local governments to jointly purchase insurance or pool retention of their risks and to refer to the authority to do so under GS Ch. 153A and 160A of the General Statutes. Changes new GS 58-51-16 to provide that, except for the payment of benefits for necessary care and treatment of chemical dependency, and except with respect to an accident or health insurance policy that provides hospital, medical and surgical expense coverage, an accident or health insurer is not liable for any loss sustained or contracted in consequence of the insured's being intoxicated or under the influence of any narcotic unless administered on the advice of a physician. Makes changes on newborn and foster child coverage, in GS 58-51-30, also applicable to adopted children.

August 7, 2001

SL 2001-334 (H 360). HEALTH INSURANCE OMNIBUS CHANGES. AN ACT TO CLARIFY THE LAW ON STIPULATIONS AS TO JURISDICTION AND LIMITATIONS OF ACTION AND THE PREFERRED PROVIDER PLAN LAW; AMEND THE SMALL EMPLOYER RATE GUARANTEE LAW; PROVIDE FOR THE PROMOTION OF ALCOHOL AND NARCOTIC SCREENING AND INTERVENTION; AMEND THE LAW ON NEWBORN AND FOSTER CHILD COVERAGE; PROVIDE FOR SUCCESSOR HEALTH PLAN COVERAGE FOR CONFINEMENT OR PREGNANCY; PROVIDE FOR A HEALTH INSURANCE CONTINUATION ELECTION PERIOD; REQUIRE AN HMO GROUP COVERAGE PREMIUM CHANGE NOTICE; CLARIFY THE HMO POINT-OF-SERVICE LAW; PROVIDE FOR SUCCESSOR HEALTH PLAN COVERAGE FOR CONDITIONS FIRST DIAGNOSED UNDER PREVIOUS COVERAGE; EXPAND MEDICARE SUPPLEMENT GUARANTEED ISSUANCE FOR DISABLED PERSONS; ALLOW THE INSURANCE COMMISSIONER TO ADOPT TEMPORARY RULES FOR MEDICARE SUPPLEMENT AND LONG-TERM CARE INSURANCE TO IMPLEMENT FEDERAL REQUIREMENTS; MAKE TECHNICAL CORRECTIONS TO REFLECT REPEALS OF LAWS; CLARIFY THE LAWS ON RECONSTRUCTIVE SURGERY NOTICES; CLARIFY THE LAW ON DEEMER PROVISIONS; CODIFY A RULE ON CLAIM STATUS UPDATES; MAKE TECHNICAL CHANGES IN MORTGAGE GUARANTY INSURANCE RESERVING LAWS; AUTHORIZE THE ADOPTION OF LIFE AND HEALTH ACTUARIAL RULES; AND CLARIFY LAWS ON LOCAL GOVERNMENT RISK POOLING. Summarized in *Daily Bulletin* 3/1/01, 4/24/01, 4/25/01, and 7/18/01. Enacted Aug. 3, 2001. Parts I-X of this act are effective Oct. 1, 2001. Part XV is effective July 1, 2001. The remainder of this act is effective Aug. 3, 2001.