

May 21, 2008

H 2440. APPROPRIATIONS ACT-1. Filed 05/21/08. *TO MODIFY THE CURRENT OPERATIONS AND CAPITAL APPROPRIATIONS ACT OF 2007.*

Blank bill.

Intro. by Michaux.

APPROP

July 17, 2008

H 2440. STATE HEALTH PLAN/SHORTFALL FUNDS (NEW). Filed 5/21/08. House committee substitute deletes the provisions of the 1st edition and replaces it with *AN ACT TO CREATE THE STATE HEALTH PLAN CONTINGENCY ACCOUNT IN THE OFFICE OF STATE BUDGET AND MANAGEMENT AND TO PROVIDE FOR CONTINGENT APPROPRIATIONS AND ALLOCATIONS FROM THE SAVINGS RESERVE ACCOUNT TO THE CONTINGENCY ACCOUNT TO MEET CLAIMS PAYMENT OBLIGATIONS OF THE NORTH CAROLINA STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES FOR THE 2008-2009 FISCAL YEAR.* States that the purpose of the act is to provide funds from the Savings Reserve Account in an amount sufficient to meet the claims payment obligations of the North Carolina State Health Plan for Teachers and State Employees (Plan) in the 2008-09 fiscal year.

Establishes the State Health Plan Contingency Account (Contingency Account) in the Office of State Budget and Management (OSBM). Funds in the Contingency Account are to come from the Savings Reserve Account, not to exceed \$100 million for the 2008-09 fiscal year and are to be allocated only in the amounts and for the purposes authorized in the act. Prohibits the funds in the Contingency Account from exceeding the amount necessary to meet claims payment obligations for the period for which the request for payment is made by the Executive Administrator.

Appropriates the amount needed from the Savings Reserve Account to the Contingency Account upon receipt of a request from the Executive Administrator for funds to meet the Plan's claims payment obligations for the current period. Requires OSBM to transfer the funds from the Contingency Account to the Plan after the Executive Administrator has reported the facts to the Executive Committee of the Committee on Hospital and Medical Benefits supporting the amount of the funds requested. Requires the unobligated balance remaining in the Contingency Account at the end of 2008-09 fiscal year to revert to the Savings Reserve Account.

Requires the Plan's Executive Administrator to present facts supporting the Executive Administrator's request for funds to the Executive Committee of the Committee on Employee Hospital and Medical Benefits upon determining that additional funds are needed to meet immediately pending claims obligations. Requires the Executive Committee to inform OSBM upon the Committee's receipt of the information required from the Executive Administrator.

Requires the Executive Administrator to report quarterly, beginning September 1, 2008, to the House of Representatives and the Senate Appropriations Committees, the Joint Legislative Commission on Governmental Operations, and to the Committee on Hospital and Medical Benefits on the Plan's financial status. Also requires the Executive Administrator to develop a plan for ensuring the Plan's fiscal viability and to limit the impact on Plan benefits.

Requires the Committee on Hospital and Medical Benefits to meet regularly with Plan member organizations to keep them apprised of the Plan's financial status and actions being considered to ensure future financial stability and minimize adverse impact on Plan benefits. Requires the Committee on Hospital and Medical Benefits to keep the legislative appropriations committees apprised of its activities to keep Plan member organizations informed.