



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 287

AMENDMENT NO. 2
(to be filled in by
Principal Clerk)

S287-ALN-68 [v.2]

Page 1 of 2

Comm. Sub. [YES]
Amends Title [NO]
Fifth Edition

Date APR 14 2009, 2009

ADOPTED

Representative Blue

1 moves to amend the bill on page 11, line 43,
2 by inserting between lines 43 and 44, the following:
3

4 **"SECTION 5.(m)** The Director of the Fiscal Research Division of the Legislative
5 Services Office shall prepare a Request for Proposal (RFP) for an independent audit of claims
6 paid by the State Health Plan for Teachers and State Employees. The purpose of the audit is to
7 determine whether savings to the Plan and to Plan members could be achieved if claims
8 payments and processing were more efficiently and effectively administered. The audit shall
9 encompass Plan years beginning in 2005, or earlier, through 2008 and shall look at claims
10 administration and payment under the former Indemnity Plan as compared to the present PPO
11 Plan. In conducting the audit the contracting entity shall identify and make recommendations
12 on all of the following:

- 13 (1) Estimated or actual savings that could be achieved if changes recommended
- 14 by the Auditor were enacted by the General Assembly, and how those
- 15 savings should be allocated to the benefit of Plan members.
- 16 (2) The Governance structure of the Plan and whether it should be under the
- 17 supervision and oversight of the Governor or a State agency.
- 18 (3) The extent to which the failure or inability to share confidential or otherwise
- 19 protected information with the Board of Directors and the General Assembly
- 20 contributes to financial weaknesses in the Plan, and how such data sharing
- 21 should be strengthened.
- 22 (4) The role of the Board of Directors of the Plan and whether the role should be
- 23 strengthened or otherwise changed.
- 24 (5) Past, present and potential areas of over-payments, over-utilization, under-
- 25 utilization, or abuse that contributes to increasing costs of Plan benefits,
- 26 including deductibles, co-payments, dependent premiums, and co-insurance
- 27 maximums.
- 28 (6) Safeguards to ensure the prompt reporting of claims data and trends to the
- 29 actuaries under contract with the Plan and the General Assembly.
- 30 (7) Any other matters the contracting entity believes would be useful in helping
- 31 to strengthen the financial integrity of the Plan and Plan benefits.

32 It is the intent of the General Assembly that savings identified by the independent audit
33 and realized through enactment by the General Assembly, and overpayments identified by the



* S 2 8 7 - A L N - 6 8 - V - 2 *

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 287

AMENDMENT NO. 2
(to be filled in by
Principal Clerk)

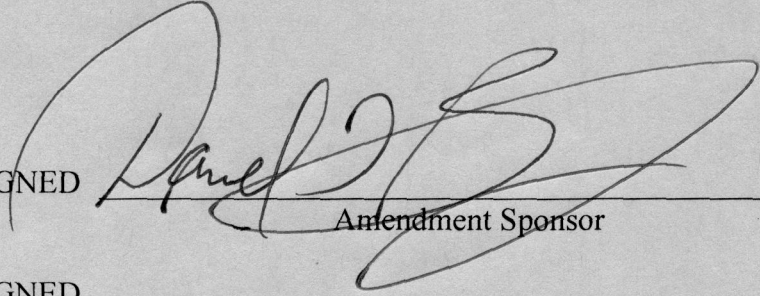
S287-ALN-68 [v.2]

Page 2 of 2

1
2
3
4
5
6
7
8
9
10

audit or by the Plan, will be allocated by the General Assembly to minimize benefit reductions and maintain affordable contributions, deductibles, and co-payments by Plan members and to maintain the fiscal integrity of the Plan itself.

The Director of the Fiscal Research Division shall offer the RFP not later than July 1, 2009. In addition to the requirements of this section, the Director of Fiscal Research may include in the RFP any other matters that in the Director's opinion will produce an audit report in a manner that is most timely and useful to the General Assembly in addressing State Health Plan issues."

SIGNED  _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED 116-0 EV FAILED _____ TABLED _____

APR 14 2009
Denise Weeks

ADOPTED