


MEMORANDUM

TO: Joint Legislative Commission on Governmental Operations

FROM: Wayne Goodwin 
Commissioner of Insurance

DATE: October 7, 2010

RE: Update – Obtaining Funding to Support Implementation of Health Care Reform

The North Carolina Department of Insurance has applied for and received the Premium Review Grant totaling \$1M. The purpose of the initial Premium Review Grant is to explore opportunities to enhance the rate review process.

Also, the Department applied for and received (as of 9/30/10) the Exchange Planning Grant for \$1M. The purpose of the Exchange Grant is to provide funding to allow states to begin the process of planning that is needed for possible implementation of Exchanges and research associated therewith. A copy of the award letter is attached.

We have applied for the Consumer Assistance Program Grant and the expected award amount is \$850,000. The application was due September 10, 2010 and expected notification is on or around October 15, 2010. The purpose of the grant is to establish a consumer assistance program which will provide information assistance and counseling to citizens on health insurance issues and changes as a result of the ACA as well as assist in understanding and enrolling in plans offered by the Health Insurance Exchange. The Consumer Assistance Program will provide advocacy, general information, product education and counseling, and assist with appeals and grievances.

To date, NCDOI has applied for all federal grant opportunities related to healthcare reform that are applicable to the Department. The initial Premium Review Grant, which has been awarded to NC, did not have adequate funds to cover for all required positions or for any furniture or computer equipment. The NC DOI is requesting approval from the Joint Legislative Commission on Governmental Operations for the use of Special Appropriation Funds up to the amounts appropriated by the General Assembly in Section 104, Page J-40. The Special Appropriation Funds are held in reserve at the Office of State Budget and Management, and are to be used for implementation of Section 24.2(a) of Senate Bill 897 for required positions up to \$1,101,293 and for furniture, computer and office equipment up to \$49,400. If other federal grants applicable to NCDOI become available, our agency will apply.

WG: tb