

**1998**

**HOUSE  
FINANCE –  
SPECIAL SESSION ON  
CHILD HEALTH CARE  
(CHIP)**

**MINUTES**

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### **HOUSE COMMITTEE ON FINANCE**

**WEDNESDAY, MARCH 25<sup>TH</sup>, 1998**

**2:00 P.M. ROOM 544-LOB**

### **SPECIAL SESSION on CHILD HEALTH CARE**

The House Committee on Finance met on Wednesday, March 25<sup>th</sup>, 1998, at 2:00 p.m. in Room 544-LOB to consider the House Committee Substitute for Senate Bill 2: RITE Care. A silent roll was taken, (roll list denotes members present).

Chairperson Connie Wilson called the meeting to order and welcomed members back to the Special Session Finance meeting.

#### **SB-2- RITE CARE**

Rep. Charlotte Gardner was recognized to explain the bill. Rep. Lanier Cansler made additional comments. Various handouts that were distributed to the members to explain the bill are attached to the minutes.

After the explanation members were recognized for questions. Rep. Nichols spoke on the interpretation of the 6 month waiting period by the Governor. Rep. Gardner responded.

Rep. B. Hunter questioned whether the long-term child care tax credit was eligible according to the Rules for the special session adopted on the House floor on Tuesday. Chairman Wilson advised it was eligible for consideration. Rep. Hunter expressed concern about considering a \$250 million tax credit in this special session. He felt the credit should be considered along with other funding and tax reduction priorities in the short session that will begin in May. He feels the special session should be limited to children's health care issues. Rep. Cansler responded that the credit is part of the children's health care issue. The State must provide a transition from RITE care to private insurance for the working poor. The credit will lessen the cost of private insurance and thus facilitate that transition.

Rep. Hunter asked whether the State could afford this tax credit. Mr. David Crofts, Fiscal Research Division, responded that there is an anticipated surplus of \$255 million in recurring revenues and an anticipated surplus in nonrecurring revenues of \$400 million and could possibly be as much as \$500 million. Since the credit will sunset in two years, Rep. Cansler argued that nonrecurring revenue could be used to fund it if necessary. Rep. Hunter responded that he felt it was irresponsible to address the tax credits in the special session. The funding issues should be addressed in the short session in May. Rep. Gardner responded and explained the philosophy behind the House Committee Substitute and the integral part the tax credits played in it.

Discussion continued with comments made by Rep. Brawley and Rep. Starnes. Rep. Gardner responded again to their comments.

Rep. Hackney asked staff for data on the income level of taxpayers who purchase long-term care insurance. Mr. Richard Bostic, Fiscal Research Division, responded that he did not have that data. Rep. Cansler assured Rep. Hackney that many moderate income taxpayers purchase this insurance. Rep. Cansler also reminded the committee that this part of the bill is identical to House Bill 13, which the House Finance Committee passed during the 1997 session. House Bill 13 is in House appropriations. Rep. Hackney followed-up by asking if this credit will be available to taxpayers who have adjusted gross incomes of \$250,000. Rep. Cansler advised it did and explained the tax rates for higher income families.

Rep. Hackney asked if Sec. Bruton, Department of Human Resources, could speak to the members. Sec. Bruton advised he would not speak on the tax credits portion of the bill. He addressed the health care points of the bill by explaining the differences between the House and Senate versions of the bill.

Rep. Nesbitt asked how many people have private insurance under 200% of poverty. Rep. Cansler and Ms. Carol Shaw, Fiscal Research Division provided information from Dr. Bruton's Task Force report. 254,481 children have private group or individual health insurance. Another 37,066 are covered under CHAMPUS/VA which is the insurance for military dependents. Total of two groups is 291,547. This is for children in families under 200% of FPL.

Rep. Nesbitt sent forth an amendment (copy attached) to remove a clause from the title of the bill concerning the application process under RITE Care because it did not accurately reflect the contents of the bill. Rep. Gardner advised members she was not opposed to the amendment. The vote was taken on the amendment and passed.

Rep. Nesbitt sent forth a second amendment to remove the six month waiting period from the bill. He explained the reasons behind his amendment. Members requested copies of this amendment and it was displaced until copies could be provided. He asked Rep. Gardner about the purpose of the 6 months waiting period and the section in the bill requiring children to be in school to be covered by RITE Care. Rep. Gardner responded.

Rep. Baddour asked about the difficulty of administering a refundable tax credit. Currently, North Carolina does not have any refundable tax credits. Ms. Martha Harris, Bill Drafting, responded that the refundable credit would need extensive auditing to prevent fraud. The bill provides for 10 additional auditors in the Department of Revenue to audit 10% of the returns claiming this credit. Rep. Baddour asked if a spokesperson from DOR could address the members on this issue. Ms. Nancy Pomeranz, Department of Revenue, acknowledged that this would be the first time the Department had ever administered a refundable credit. Rep. Baddour continued with additional comments. Dr. Bruton, Rep. Cansler, and Rep. Gardner responded to his comments.

Copies of Rep. Nesbitt's second amendment were provided to the members and it was brought back before the Committee for discussion. He changed the amendment so that it only changes the title. He explained that by removing the clause from the title, the members would be able to offer amendments concerning the six-month waiting period on the floor if a better alternative could be developed between this afternoon and tomorrow morning. Rep. Cansler and Rep. Gardner spoke against the amendment. Rep. Arnold also urged defeat of the amendment. Discussion continued on the amendment by several members and Rep. Nesbitt spoke again in

favor of his amendment. The vote was taken on Rep. Nesbitt's second amendment and it failed. Division was called. Seventeen members voted in the affirmative, 23 opposed it.

Rep. Berry made a motion for a favorable report for the House Committee Substitute #2, unfavorable to the original House Committee Substitute #1. Chairman Wilson announced that debate would continue before the vote was taken.

Rep. Miller spoke on the bill and expressed concerns about the child health insurance credit. He pointed out that the credit was intended to help offset the cost of the insurance premiums. However, premiums are paid throughout the year while the credit is taken when a return is filed the following year. Rep. Cansler responded that a taxpayer could increase the numbers of exemptions claimed on his W-4, and thus decrease the amount of State income taxes withheld from his salary. This would enable the taxpayer to benefit from the credit during the year.

Rep. Morgan shared his feelings for the bill and spoke in favor.

Rep. Hensley questioned the word "resident" on page 3. Rep. Gardner responded. Rep. Hensley questioned whether the penalty section of the bill, which imposes a felony upon someone who makes fraudulent claims, would cover a health care provider. He then sent forth an amendment he felt would clarify this part of the bill. Rep. Daughtry spoke against the amendment because he felt the definition of the word "person" contained in that section of the bill could include health care providers. The vote was taken on Rep. Hensley's amendment and failed.

Rep. Luebke asked why not target the tax credits to lower-income taxpayers. Rep. Cansler responded. Rep. Luebke followed-up with his comments and concerns.

Rep. Berry called the question. The vote to call the question was taken and passed. Division having been called, there were 20 yeases and 19noes.

The vote was taken on Rep. Berry's motion for a favorable report for HCS#2, as to unfavorable to HCS#1. Voice vote taken and the motion passed.

The meeting adjourned at 4:20 p.m.

  
Rep. Connie Wilson, Presiding Chair

  
Cindy Brooks, Committee Clerk

GENERAL ASSEMBLY OF NORTH CAROLINA  
EXTRA SESSION 1998

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SENATE BILL 2\*  
House Committee Substitute Favorable 3/25/98  
Proposed House Committee Substitute S2-PCS4646

Short Title: RITE Care.

(Public)

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Sponsors:

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Referred to:

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March 24, 1998

1                                   A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH RITE CARE: THE CHILD HEALTH INSURANCE  
3 PROGRAM TO PROVIDE HEALTH INSURANCE FOR CHILDREN UP TO  
4 ONE HUNDRED EIGHTY-FIVE PERCENT OF THE FEDERAL POVERTY  
5 LEVEL AND UNINSURED FOR SIX MONTHS PRIOR TO APPLICATION;  
6 TO PROVIDE ADMINISTRATION OF PROGRAM BENEFITS UNDER THE  
7 NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES'  
8 COMPREHENSIVE MAJOR MEDICAL PLAN; TO AUTHORIZE PROGRAM  
9 ENROLLEES TO PURCHASE EXTENDED OR ADDITIONAL COVERAGE  
10 UNDER THE PROGRAM; TO AUTHORIZE PREMIUMS AND OTHER COST-  
11 SHARING UNDER THE PROGRAM; TO ESTABLISH THE JOINT  
12 LEGISLATIVE OVERSIGHT COMMITTEE ON CHILD HEALTH  
13 INSURANCE; AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN  
14 PURCHASERS OF DEPENDENT HEALTH INSURANCE AND LONG-TERM  
15 CARE INSURANCE.  
16 The General Assembly of North Carolina enacts:  
17                   Section 1. Article 2 of Chapter 108A of the General Statutes is amended  
18 by adding the following new Part to read:  
19                                   "Part 8. Health Insurance for Children.  
20 "§ 108A-70.18. Definitions.  
21 Unless the context clearly requires otherwise, the term:

- (1) 'Comprehensive health coverage' means credible health coverage as defined under Title XXI.
- (2) 'Family income' means the total amount of combined annual income for each member of the household who is legally responsible for support of the child covered under the Program. The total amount of child support received during the prior year shall be included in calculating family income.
- (3) 'FPL' or 'federal poverty level' means the federal poverty guidelines established by the United States Department of Health and Human Services, as revised each April 1.
- (4) 'Program' or 'RITE Care' means the child health insurance program established in this Part.
- (5) 'State Plan' means the State Child Health Plan for the State Children's Health Insurance Program established under Title XXI.
- (6) 'Title XXI' means Title XXI of the Social Security Act, as added by Pub. L. 105-33, 111 Stat. 552, codified in scattered sections of 42 U.S.C. (1997).
- (7) 'Uninsured' means the applicant for RITE Care benefits is and was not covered under any private or employer-sponsored comprehensive health insurance plan at the time of application and for the six months immediately preceding application. If within the six months immediately preceding application a child has lost Medicaid eligibility due to a change in family income or has lost employer-sponsored comprehensive health care coverage due to layoff by the employer or cessation of the employer's business, and no other employer-sponsored comprehensive health care coverage is available to the family, then the child is deemed uninsured for purposes of eligibility for RITE Care benefits.

**"§ 108A-70.19. Short title; purpose; no entitlement.**

This act may be cited as 'RITE Care: The Child Health Insurance Program Act of 1998.' The purpose of this Part is to provide health insurance coverage to uninsured low-income children who are residents of this State. Coverage shall be provided from State and federal funds and other funds appropriated for this purpose. Nothing in this Part shall be construed as obligating the General Assembly to appropriate funds for 'RITE Care' or as entitling any person to coverage under 'RITE Care.'

**"§ 108A-70.20. Program established.**

'RITE Care: The Child Health Insurance Program' is established. RITE Care shall be administered by the Department of Health and Human Services in accordance with this Part. Administration of RITE Care benefits and claims processing shall be as provided under Part 5 of Article 3 of Chapter 135 of the General Statutes.

**"§ 108A-70.21. Program eligibility; benefits; premiums and other cost-sharing; coverage from private plans; purchase of extended or additional coverage.**

(a) Eligibility. -- In order to be eligible for benefits under RITE Care, children must:

- 1           (1)   Be under the age of 19 and, if high-school age, be enrolled in high  
2           school;  
3           (2)   Be ineligible for Medicaid, Medicare, or other federal government-  
4           sponsored health insurance;  
5           (3)   Be uninsured;  
6           (4)   Be in a family that meets the following family income  
7           requirements:  
8               a.   Children age one year through five years whose family  
9               income is from one hundred thirty-four percent (134%)  
10              through one hundred eighty-five percent (185%) of the  
11              federal poverty level; and  
12              b.   Children age six years through eighteen years whose family  
13              income is from one hundred one percent (101%) through  
14              one hundred eighty-five percent (185%) of the federal  
15              poverty level;  
16           (5)   Be a resident of this State; and  
17           (6)   Have paid the Program premium required under this Part.  
18       Proof of family income and residency, and declaration of uninsured status shall be  
19       provided by the applicant at the time of application for RITE Care coverage.  
20       If a responsible parent is under a court order to provide medical support or  
21       maintain health insurance for a child and has failed to comply with the court order,  
22       then the child is deemed uninsured for purposes of determining eligibility for RITE  
23       Care benefits if the following conditions are met at the time of application:  
24           (1)   The custodial parent shows proof of subsequent legal action taken  
25           to enforce the order to obtain medical support or health insurance,  
26           and  
27           (2)   There is no other government- or employer-sponsored  
28           comprehensive health insurance available to cover the child.  
29       If medical support or health insurance is provided to the child after enrollment  
30       and prior to the expiration of the eligibility period for which the child is enrolled in  
31       RITE Care, then the child is deemed to be insured and ineligible for continued  
32       coverage under RITE Care. The custodial parent has a duty to notify the  
33       Department within 10 days of receipt of medical support or health insurance, and the  
34       Department, upon receipt of notice, shall disenroll the child from RITE Care. As  
35       used in this paragraph, the term 'responsible parent' means a person who is under a  
36       court order to pay child support.  
37       Except as otherwise provided in this section, eligibility shall be continuous for one  
38       year. At the end of each year, applicants may reapply for Program benefits. If, at the  
39       time of reapplication, the Department verifies that the applicant has not paid part or  
40       all of the premiums due for prior year coverage, then the applicant is not eligible for  
41       coverage until the past-due premiums have been paid in full. The amount owed for  
42       unpaid premiums shall be adjusted to apply only to the period for which coverage  
43       was provided.

1 It shall be the duty of enrollees in the Program to promptly inform the Department  
2 of any change in the enrollee's family income, residency, or uninsured status  
3 occurring during the period of enrollment.

4 (b) Benefits. -- Except as otherwise provided for eligibility, premiums, deductibles,  
5 copayments, and other cost-sharing charges, health benefits coverage provided to  
6 children eligible under RITE Care shall be equivalent to coverage provided for  
7 dependents under the North Carolina Teachers' and State Employees'  
8 Comprehensive Major Medical Plan, including optional prepaid plans.

9 Prescription drug providers shall accept as payment in full for outpatient  
10 prescriptions filled ninety percent (90%) of the average wholesale price for the  
11 prescription drug or the amounts published by the Health Care Financing  
12 Administration plus a dispensing fee not to exceed the amount authorized under  
13 subsection (d)(2) of this section. All other health care providers providing services  
14 to Program enrollees shall accept as payment in full for services rendered the  
15 maximum allowable charges under the North Carolina Teachers' and State  
16 Employees' Comprehensive Major Medical Plan for services less any copayments  
17 assessed to enrollees under this Part.

18 (c) Premiums. -- There shall be no premium for RITE Care coverage for enrollees  
19 whose family income is less than one hundred thirty-four percent (134%) of the  
20 federal poverty level. The premium for RITE Care coverage for enrollees whose  
21 family income is at or above one hundred thirty-four percent (134%) of the federal  
22 poverty level shall be according to the following schedule:

<u>Family Income</u>	<u>Monthly Premium</u>
<u>134%-150% FPL</u>	<u>\$5.00 per child with a maximum</u> <u>monthly premium of \$15.00 for three or</u> <u>more children.</u>
<u>151%-185% FPL</u>	<u>\$10.00 per child with a maximum</u> <u>monthly premium of \$28.00 for three or</u> <u>more children.</u>

30 Premiums shall be collected by and payable to the Department in monthly  
31 installments. The Department shall adopt rules for the efficient collection of  
32 premiums. The rules shall provide maximum flexibility for the payment of premiums  
33 by enrollees. The Department may contract with private business to provide  
34 premium collection and payment services.

35 (d) Cost-Sharing. -- There shall be no deductibles, copayments, or other cost-  
36 sharing charges for families covered under RITE Care whose family income is at or  
37 below one hundred fifty percent (150%) of the federal poverty level. Families  
38 covered under RITE Care whose family income is above one hundred fifty percent  
39 (150%) of the federal poverty level shall be responsible for copayments to providers  
40 as follows:

- 41 (1) Five dollars (\$5.00) per child for each visit to a physician or clinic,  
42 except that there shall be no copayment required for well-baby,  
43 well-child, or age-appropriate immunization services;

1           (2) Six dollars (\$6.00) dispensing fee for each outpatient prescription  
2           drug purchased.

3           (3) Twenty dollars (\$20.00) for each emergency room visit unless:  
4                 a. The child is admitted to the hospital, or  
5                 b. No other reasonable care was available as determined  
6                 by the Claims Processing Contractor of the North  
7                 Carolina Teachers' and State Employees'  
8                 Comprehensive Major Medical Plan.

9           Copayments required under this subsection for prescription drugs apply only to  
10 prescription drugs prescribed on an outpatient basis.

11           The Department shall ensure that the total annual aggregate cost-sharing, including  
12 premiums, with respect to all children in a family receiving RITE Care benefits under  
13 this Part shall not exceed five percent (5%) of the family's income for the year  
14 involved.

15           (e) Coverage From Private Plans. -- The Department shall, from funds  
16 appropriated for RITE Care, pay the cost for dependent coverage provided under a  
17 private insurance plan for persons eligible for coverage under RITE Care if all of the  
18 following conditions are met:

19                 (1) The person eligible for RITE Care coverage requests to obtain  
20 dependent coverage from a private insurer in lieu of coverage  
21 under RITE Care and shows proof that coverage under the private  
22 plan selected meets the requirements of this subsection;  
23                 (2) The dependent coverage under the private plan is actuarially  
24 equivalent to the coverage provided under RITE Care;  
25                 (3) The cost of dependent coverage under the private plan is the same  
26 as or less than the cost of coverage under RITE Care; and  
27                 (4) The total annual aggregate cost-sharing, including premiums, paid  
28 by the enrollee under the private plan for all dependents covered  
29 by the plan, do not exceed five percent (5%) of the enrollee's  
30 family income for the year involved.

31           The Department may reimburse an enrollee for private coverage under this  
32 subsection upon a showing of proof that the dependent coverage is in effect for the  
33 period for which the enrollee is eligible for RITE Care.

34           (f) Purchase of Extended Coverage. -- An enrollee in RITE Care who loses  
35 eligibility due to an increase in family income above one hundred eighty-five percent  
36 (185%) of the federal poverty level and up to and including two hundred percent  
37 (200%) of the federal poverty level, may purchase at full premium cost continued  
38 coverage under RITE Care for a period not to exceed one year beginning on the date  
39 the enrollee becomes ineligible under the income requirements for the Program. The  
40 same benefits, copayments, and other conditions of enrollment under RITE Care shall  
41 apply to extended coverage purchased under this subsection.

42           (g) Option to Purchase Additional Benefits. -- An enrollee in RITE Care may  
43 purchase, on a fully contributory basis, optional coverage for dental, vision, and

1 hearing services. The Department shall select coverage options for enrollees that  
2 offer the best benefit package at the most reasonable cost.

3 (h) No State Funds for Voluntary Participation. -- No State or federal funds shall  
4 be used to cover, subsidize, or otherwise offset the cost of coverage obtained under  
5 subsection (f) or (g) of this section.

6 **"§ 108A-70.22. Coverage for children with special needs.**

7 (a) Definition. -- As used in this section, the term 'children with special needs' or  
8 'special needs child' means children who are enrolled in RITE Care and who have or  
9 are at elevated risk for (biologic or acquired) chronic physical, developmental,  
10 behavioral, or emotional conditions and who also require health and related (but not  
11 educational and not recreational) services of a type and amount not usually required  
12 by children of the same age.

13 (b) Eligibility for Special Needs Coverage. -- In order to be eligible for coverage  
14 under this section a special needs child must be a child who is enrolled in RITE  
15 Care. A child with special needs shall, to the extent funds are available for coverage  
16 under this section, be eligible for coverage for services that are necessary to enable  
17 the child to remain in the child's home as an alternative to institutionalization, and  
18 that are not covered under RITE Care. The level of and reimbursement for services  
19 for special needs children under this section shall be the same as available for special  
20 needs children under the Medical Assistance Program as authorized in the Current  
21 Operations Appropriations Act.

22 (c) Evaluation Required. -- No funds may be expended for coverage under this  
23 section unless the Department has made a determination that coverage for the  
24 services is not available under RITE Care. The Department shall conduct an  
25 evaluation of each RITE Care enrollee requesting special needs coverage to  
26 determine eligibility under this section.

27 (d) The Department may adopt rules for eligibility for coverage under this section.

28 **"§ 108A-70.23. Claims processing; payments.**

29 (a) The North Carolina Teachers' and State Employees' Comprehensive Major  
30 Medical Plan shall be responsible for the administration and processing of claims for  
31 benefits under the Program, as provided under Part 5 of Article 3 of Chapter 135 of  
32 the General Statutes.

33 (b) The Department shall, from premiums collected, from State and federal  
34 appropriations, and from any other funds made available for this purpose, make  
35 payments to the North Carolina Teachers' and State Employees' Comprehensive  
36 Major Medical Plan as determined by the Plan for its administration, claims  
37 processing, and other services authorized to provide coverage to children eligible for  
38 benefits under this Part.

39 **"§ 108A-70.24. State Plan for Children's Health Insurance Program.**

40 The Department shall develop and submit a State Plan to implement 'RITE Care:  
41 the Child Health Insurance Program' authorized under this Part to the federal  
42 government as application for federal funds under Title XXI. The State Plan  
43 submitted under this Part shall be developed by the Department only as authorized  
44 by and in accordance with this Part. No provision in the State Plan submitted under

1 this Part may expand or otherwise alter the scope or purpose of RITE Care from that  
2 authorized under this Part. The Department shall include in the State Plan submitted  
3 only those items required by this Part and required by the federal government to  
4 qualify for federal funds under Title XXI and necessary to secure the State's federal  
5 fund allotment for the applicable fiscal period. The Department shall not amend the  
6 State Plan nor submit any amendments thereto to the federal government for review  
7 or approval without the specific approval of the General Assembly.

8 "§ 108A-70.25. Application process; outreach efforts; appeals.

9 (a) Application. -- The Department shall use an application form for RITE Care  
10 that is concise, relatively easy for the applicant to comprehend and complete, and  
11 only as lengthy as necessary for identifying applicants, determining eligibility for  
12 RITE Care or Medicaid, and providing information to applicants on requirements for  
13 application submission and proof of eligibility. Application forms shall be obtainable  
14 from public health departments and county departments of social services.  
15 Applications shall be processed by the county department of social services and may  
16 be submitted by mail. The Department may adopt rules for the submission and  
17 processing of applications and for securing the proof of eligibility for benefits under  
18 this Part.

19 The application form for RITE Care shall have printed on it or attached to it a  
20 notice stating substantially: 'RITE Care: A Child Health Insurance Program' is a  
21 federally funded program that may be discontinued if federal funds are not provided  
22 for its continuation. Applicants who lose health care coverage under RITE Care  
23 because the program has ended may not be able to obtain coverage from a private  
24 insurer because of health conditions arising while covered under RITE Care.  
25 Applicants are encouraged, therefore, to obtain private health insurance as soon as  
26 possible.

27 (b) Outreach Efforts. -- The Department shall adopt procedures governing  
28 outreach activities at the State and local level to ensure that RITE Care is adequately  
29 publicized statewide and to comply with federal outreach requirements. The  
30 Department shall make information about the Program available through the Internet,  
31 and shall explore the feasibility of securing a 24-hour toll-free telephone number for  
32 purposes of enhancing outreach and access to program information. In developing  
33 outreach procedures, the Department shall establish system linkages to ensure the  
34 collaboration and coordination of expertise, funding streams, delivery systems, and  
35 other appropriate resources and activities between and among RITE Care and such  
36 ongoing programs and efforts as:

37 WIC Program

38 Maternal and Child Health Block Grant

39 Children's Special Health Services

40 Smart Start.

41 Head Start.

42 The Department may seek private and federal grant funds for outreach activities.  
43 The Department shall also seek the participation of the private sector in providing

1 no-cost or low-cost avenues for publicizing RITE Care in local communities and  
2 statewide.

3 (c) A person who is dissatisfied with the action of a county department of social  
4 services with respect to the determination of initial, continuing, or renewed eligibility  
5 for benefits under the Program may appeal the action in accordance with G.S. 108A-  
6 79.

7 **"§ 108A-70.26. Data collection; reporting.**

8 (a) The Department shall ensure that the following data is collected, analyzed, and  
9 reported in a manner that will most effectively and expeditiously enable the State to  
10 evaluate Program goals, objectives, operations, and health outcomes for children:

- 11 (1) Number of applicants for coverage under the Program;
- 12 (2) Number of RITE Care applicants deemed eligible for Medicaid;
- 13 (3) Number of applicants deemed eligible for RITE Care, by income  
14 level, age, family size;
- 15 (4) Number of applicants deemed ineligible for RITE Care and the  
16 basis for ineligibility;
- 17 (5) Number of applications made at county departments of social  
18 services, public health departments, and by mail;
- 19 (6) Total number of children enrolled in RITE Care to date and for  
20 the immediately preceding fiscal year;
- 21 (7) Total number of children enrolled in Medicaid through the  
22 Program application process;
- 23 (8) Trends showing the Program's impact on hospital utilization,  
24 immunization rates, and other indicators of quality of care, and  
25 cost-effectiveness and efficiency;
- 26 (9) Trends relating to the health status of children;
- 27 (10) Other data that would be useful in carrying out the purposes of  
28 this Part.

29 (b) The Department shall report annually to the Joint Legislative Oversight  
30 Committee on Child Health Insurance the following information:

- 31 (1) Data collected as required under subsection (a) of this section and  
32 an analysis thereof giving trends and projections for continued  
33 Program funding;
- 34 (2) Program areas working most effectively and least effectively;
- 35 (3) Performance measures used to ensure Program quality, fiscal  
36 integrity, ease of access, and appropriate utilization of preventive  
37 and medical care;
- 38 (4) Effectiveness of system linkages in addressing access, quality of  
39 care, and Program efficiency;
- 40 (5) Recommended changes in the Program necessary to improve  
41 Program efficiency and effectiveness;
- 42 (6) Any other information requested by the Committee pertinent to  
43 the provision of health insurance for children and the  
44 implementation of RITE Care.

1 The Department shall provide a copy of the report to the members of the Joint  
2 Appropriations Subcommittee on Health and Human Services.

3 "§ 108A-70.27. Fraudulent misrepresentation.

4 (a) It shall be unlawful for any person to knowingly and willfully, and with intent  
5 to defraud, make or cause to be made a false statement or representation of a  
6 material fact in an application for coverage under this Part or intended for use in  
7 determining eligibility for coverage.

8 (b) It shall be unlawful for any applicant, recipient or person acting on behalf of  
9 the applicant or recipient to knowingly and willfully, and with intent to defraud,  
10 conceal or fail to disclose any condition, fact, or event affecting the applicant's or  
11 recipient's initial or continued eligibility to receive coverage or benefits under this  
12 Part.

13 (c) It is unlawful for any person knowingly, willingly, and with intent to defraud,  
14 to obtain or attempt to obtain, or to assist, aid, or abet another person, either directly  
15 or indirectly, to obtain money, services, or any other thing of value to which the  
16 person is not entitled as a recipient under this Part, or otherwise to deliberately  
17 misuse a Program identification card. This misuse includes the sale, alteration, or  
18 lending of the Program identification card to others for services and the use of the  
19 card by someone other than the recipient to receive or attempt to receive RITE Care  
20 program coverage for services rendered to that individual.

21 Proof of intent to defraud does not require proof of intent to defraud any  
22 particular person.

23 (d) A person who violates a provision of this section shall be guilty of a Class I  
24 felony.

25 (e) For purposes of this section the word 'person' includes any natural person,  
26 association, consortium, corporation, body politic, partnership, or other group, entity,  
27 or organization."

28 Section 2. Legislative oversight committee. (a) There is established the  
29 Joint Legislative Oversight Committee on Child Health Insurance. The powers and  
30 duties of the Committee shall be to:

- 31 (1) Monitor the implementation of RITE Care: The Child Health  
32 Insurance Program established under this act;  
33 (2) Review reports from the Department of Health and Human  
34 Services, the North Carolina Teachers' and State Employees'  
35 Comprehensive Major Medical Plan, and other government and  
36 public and private sector agencies and organizations on the  
37 implementation of RITE Care and other child health insurance  
38 initiatives; and  
39 (3) Make recommendations to the General Assembly regarding RITE  
40 Care and other issues relating to child health and health insurance  
41 coverage for children.

42 (b) The Speaker of the House of Representative shall appoint to the  
43 Committee six members of the House of Representatives, one of whom shall be

1 appointed cochair, and the President Pro Tempore of the Senate shall appoint six  
2 members of the Senate, one of whom shall be appointed cochair.

3 Section 3. (a) Division II of Article 4 of Chapter 105 of the General  
4 Statutes is amended by adding a new section to read:

5 "**§ 105-151.27. Credit for child health insurance.**

6 (a) Credit. -- A taxpayer is allowed a credit against the tax imposed by this  
7 Division equal to one-third of the taxpayer's child health insurance premium paid  
8 during the taxable year. The credit may not exceed five percent (5%) of the  
9 taxpayer's adjusted gross income (AGI), as calculated under the Code, for the taxable  
10 year. A nonresident or part-year resident who claims the credit allowed by this  
11 section shall reduce the amount of the credit by multiplying it by the fraction  
12 calculated under G.S. 105-134.5(b) or (c), as appropriate. In order to claim a credit  
13 under this section, a taxpayer must provide any information required by the Secretary  
14 to establish the taxpayer's eligibility for the credit and the amount of the credit.

15 (b) Definitions. -- The following definitions apply in this section:

16 (1) Child health insurance premium. -- The amount paid by the  
17 taxpayer for insurance coverage of the taxpayer's dependent  
18 children under a private or employer-sponsored comprehensive  
19 health insurance plan and the amount paid to purchase extended  
20 coverage under the RITE Care Program pursuant to G.S. 108A-  
21 70.21. The term does not include, however, amounts deducted  
22 from or not included in the taxpayer's gross income for the taxable  
23 year.

24 (2) Dependent child. -- A child under the age of 19 for whom the  
25 taxpayer is allowed to deduct a personal exemption under section  
26 151(c)(1)(B) of the Code for the taxable year.

27 (c) Credit Refundable. -- If the credit allowed by this section exceeds the amount  
28 of tax imposed by this Division for the taxable year reduced by the sum of all credits  
29 allowable, the Secretary shall refund the excess to the taxpayer. The refundable  
30 excess is governed by the provisions governing a refund of an overpayment by the  
31 taxpayer of the tax imposed in this Division. In computing the amount of tax against  
32 which multiple credits are allowed, nonrefundable credits are subtracted before  
33 refundable credits."

34 (b) G.S. 105-160.3(b) is amended by adding a new subdivision to read:

35 "(4) G.S. 105-151.27. Credit for child health insurance."

36 (c) The Department of Revenue shall withhold from collections under  
37 Division II of Article 4 of Chapter 105 of the General Statutes for the 1999-2000  
38 fiscal year the amount necessary to reimburse it for its additional costs of printing,  
39 postage, programming, and administration directly attributable to this act. It is the  
40 intent of the General Assembly to appropriate funds to the Department of Revenue  
41 for the 1999-2001 fiscal biennium to cover the costs of auditing ten percent (10%) of  
42 the tax credits claimed under this section. These costs include salary, benefits, and  
43 work space for 10 auditors and two clerical support positions. It is also the intent of  
44 the General Assembly to appropriate funds to the Department of Revenue for the

1 1999-2000 fiscal year for the one-time programming costs required for the credit  
2 authorized by this section.

3 (d) This section is effective for taxable years beginning on or after  
4 January 1, 1999, and expires for taxable years beginning on or after January 1, 2001.

5 (e) This section becomes effective only if the United States Secretary for  
6 Health and Human Services approves the State Plan to implement RITE Care: A  
7 Child Health Insurance Program established under this act.

8 Section 3.1. (a) Chapter 105 of the General Statutes is amended by  
9 adding a new section to read:

10 **"§ 105-151.28. Credit for premiums paid on long-term care insurance.**

11 (a) Credit. -- An individual is allowed, as a credit against the tax imposed by this  
12 Division, an amount equal to fifteen percent (15%) of the premium costs paid during  
13 the taxable year on a qualified long-term care insurance contract that offers coverage  
14 to either the individual, the individual's spouse, or a dependent for whom the  
15 individual was allowed to deduct a personal exemption under section 151(c)(1)(A) of  
16 the Code for the taxable year. The credit allowed by this section may not exceed  
17 three hundred fifty dollars (\$350.00) for each qualified long-term care insurance  
18 contract for which a credit is claimed. A nonresident or part-year resident who  
19 claims the credit allowed by this subsection shall reduce the amount of the credit by  
20 multiplying it by the fraction calculated under G.S. 105-134.5(b) or (c), as  
21 appropriate.

22 (b) Definition. -- For purposes of this section, the term 'qualified long-term care  
23 insurance contract' has the same meaning as defined in section 7702B of the Code.

24 (c) Credit Refundable. -- If the credit allowed by this section exceeds the amount  
25 of tax imposed by this Division for the taxable year reduced by the sum of all credits  
26 allowable, the Secretary shall refund the excess to the taxpayer. The refundable  
27 excess is governed by the provisions governing a refund of an overpayment by the  
28 taxpayer of the tax imposed in this Division. In computing the amount of tax against  
29 which multiple credits are allowed, nonrefundable credits are subtracted before  
30 refundable credits."

31 (b) G.S. 105-160.3(b) is amended by adding a new subdivision to read:

32 "(4) G.S. 105-151.28. Credit for long-term care insurance."

33 (c) The Legislative Research Commission shall study the effectiveness of  
34 the credit enacted by this act. The Department of Revenue shall provide the  
35 Commission data on the usage of this credit, including profiles of taxpayer categories  
36 using the credit. The Division of Aging, Department of Human Resources, shall  
37 provide the Commission data on the effect of the credit on the State's Medicaid costs.  
38 The Commission shall report its findings and recommendations to the 2001 General  
39 Assembly.

40 (d) This section is effective for taxable years beginning on or after  
41 January 1, 1999, and expires for taxable years beginning on or after January 1, 2001.

42 Section 4. (a) Article 3 of Chapter 135 of the General Statutes is  
43 amended by adding the following new Part to read:

44 **"Part 5. Child Health Insurance Program.**

1 "§ 135-42. Undertaking.

2 (a) The State of North Carolina undertakes to make available a child health  
3 insurance program (hereinafter called the 'Program') to provide comprehensive  
4 major medical coverage to low-income, uninsured children who are residents of this  
5 State and who meet the eligibility requirements established for the Program under  
6 Part 8 of Article 2 of Chapter 108A of the General Statutes. The Executive  
7 Administrator and Board of Trustees of the North Carolina Teachers' and State  
8 Employees' Comprehensive Major Medical Plan (hereinafter called the 'Plan') shall  
9 administer the Program under this Part and shall carry out their duties and  
10 responsibilities in accordance with Parts 2 and 3 of this Article and with applicable  
11 provisions of Part 8 of Article 2 of Chapter 108A.

12 (b) The benefits provided under the Program shall be equivalent to and made  
13 available through the Plan pursuant to Articles 2 and 3 of this Chapter and  
14 administered by the Plan's Executive Administrator and Board of Trustees. To the  
15 extent there is a conflict between the provisions of Part 8 of Article 2 of Chapter  
16 108A and Part 3 of this Article pertaining to eligibility, premiums, deductibles,  
17 copayments, and other cost-sharing charges, the provisions of Part 8 of Article 2 of  
18 Chapter 108A shall control. In administering the benefits provided by this Part, the  
19 Executive Administrator and Board of Trustees shall have the same type of powers  
20 and duties that are provided under Part 3 of this Article for hospital and medical  
21 benefits.

22 (c) The benefits authorized by this Part are available only to children who are  
23 residents of this State and who meet the eligibility requirements established for the  
24 Program under Part 8 of Article 2 of Chapter 108A of the General Statutes.

25 "§ 135-42.1. Right to alter, amend, or repeal.

26 The General Assembly reserves the right to alter, amend, or repeal this Part."

27 (b) G.S. 135-38(c) reads as rewritten:

28 "(c) The Committee shall review programs of hospital, medical and related care  
29 provided by Part 3 and Part 5 of this Article and programs of long-term care benefits  
30 provided by Part 4 of this Article as recommended by the Executive Administrator  
31 and Board of Trustees of the Plan. The Executive Administrator and the Board of  
32 Trustees shall provide the Committee with any information or assistance requested by  
33 the Committee in performing its duties under this Article. The Committee shall meet  
34 not less than once each quarter to review the actions of the Executive Administrator  
35 and Board of Trustees. At each meeting, the Executive Administrator shall report to  
36 the Committee on any administrative and medical policies which have been issued as  
37 rules and regulations in accordance with G.S. 135-39.8, and on any benefit denials,  
38 resulting from the policies, which have been appealed to the Board of Trustees."

39 (c) G.S. 135-39.5 is amended by adding a new subdivision to read:

40 "(23) Implementing and administering a program of child health  
41 insurance benefits pursuant to Part 5 of this Article."

42 (d) G.S. 135-39.6 is amended by adding the following subsection to read:

43 "(d) Separate and apart from the special funds authorized by subsections (a) and  
44 (b) of this section, there shall be a Child Health Insurance Fund. All appropriations,

1 allocations, or any other receipts, including earnings on investments, occurring or  
2 arising in connection with benefits provided under the Child Health Insurance  
3 Program shall be deposited into the Child Health Insurance Fund. Disbursements  
4 from the Child Health Insurance Fund shall include any and all amounts required to  
5 pay the benefits and administrative costs of the Child Health Insurance Program as  
6 may be determined by the Executive Administrator and Board of Trustees."

7 (e) G.S. 135-39.6A is amended by adding the following subsection to  
8 read:

9 "(c) The Executive Administrator and Board of Trustees shall establish premium  
10 rates for benefits provided under Part 5 of this Article. The Department of Health  
11 and Human Services shall, from premiums collected, from State and federal  
12 appropriations, and from any other funds made available for the Child Health  
13 Insurance Program established under Part 8 of Article 2 of Chapter 108A of the  
14 General Statutes, make payments to the North Carolina Teachers' and State  
15 Employees' Comprehensive Major Medical Plan as determined by the Plan for its  
16 administration, claims processing, and other services authorized to provide coverage  
17 to children eligible for benefits provided under Part 5 of this Article."

18 (f) G.S. 135-39.8 reads as rewritten:

19 "**§ 135-39.8. Rules and regulations.**

20 The Executive Administrator and Board of Trustees may issue rules and  
21 regulations to implement Parts ~~2, 3, and 4~~ 2, 3, 4, and 5 of this Article. Rules and  
22 regulations of the Board of Trustees shall remain in effect until amended or repealed  
23 by the Executive Administrator and Board of Trustees. The Executive Administrator  
24 and Board of Trustees shall provide a written description of the rules and regulations  
25 issued under this section to all employing units, all health benefit representatives, the  
26 oversight team provided for in G.S. 135-39.3, all relevant health care providers  
27 affected by a rule or regulation, and to any other parties requesting a written  
28 description and approved by the Executive Administrator and Board of Trustees to  
29 receive a description on a timely basis."

30 (g) The title of Chapter 135 of the General Statutes reads as rewritten:

31 "Retirement System for Teachers and State Employees; Social ~~Security~~. Security;  
32 Child Health Insurance Program."

33 (h) The title of Article 3 of Chapter 135 of the General Statutes reads as  
34 rewritten:

35 "Other Teacher, Employee ~~Benefits~~. Benefits;  
36 Child Health Benefits."

37 Section 5. In order to ensure that health insurance coverage provided to  
38 children from public funds is not duplicative of coverage provided to the same  
39 children pursuant to court orders for medical support or health insurance, the  
40 Department of Health and Human Services shall develop a plan for collecting and  
41 retrieving data from child support orders filed by the clerks of court of this State.  
42 The purpose of the plan shall be to enable the Department to readily identify  
43 children covered by support orders and also covered under private health insurance,  
44 or eligible for coverage under the State Medicaid Program or the State Child Health

1 Insurance Program. No later than October 1, 1998, the Department shall report on  
2 the development of this plan to the Joint Legislative Oversight Committee on Child  
3 Health Insurance.

4           Section 6. (a) There is appropriated from the General Fund to the  
5 Department of Health and Human Services the sum of twelve million three hundred  
6 seven thousand three hundred twelve dollars (\$12,307,312) for the 1998-99 fiscal year  
7 to be used for the State Child Health Insurance Program established under this act  
8 and under Title XXI of the Social Security Act, as added by Pub. L. 105-33, 111 Stat.  
9 552. The Office of State Budget and Management shall include in the proposed  
10 continuation budget the amount of State funds necessary for Program implementation  
11 for the budgeted fiscal year but not more than the amount necessary to draw down  
12 the maximum amount of federal funds available to the State for the budgeted fiscal  
13 year for the Child Health Insurance Program under Title XXI of the Social Security  
14 Act, as added by Pub. L. 105-33, 111 Stat. 552.

15           (b) Special needs funds. Of the funds available to the Department of  
16 Health and Human Services for health insurance coverage for children enrolled in  
17 RITE Care, the sum of fifteen million dollars (\$15,000,000) shall be deposited into  
18 the Children's Special Health Services Fund in the Department of Health and  
19 Human Services to provide coverage for special needs children in accordance with  
20 G.S. 108A-70.22 as enacted in this act.

21           (c) No State funds appropriated under this act may be expended for any  
22 purpose other than as provided under this act for the implementation of the State  
23 Child Health Insurance Program established under this act and approved by the  
24 United States Secretary of Health and Human Services under Title XXI of the Social  
25 Security Act, as added by Pub. L. 105-33, 111 Stat. 552.

26           (d) Funds appropriated under this section and not expended or obligated  
27 in the 1998-99 fiscal year shall revert to the General Fund on June 30, 1999.

28           Section 7. The Department of Health and Human Services shall apply to  
29 the Health Care Financing Administration for an 1115(b) Medicaid waiver to allow  
30 the State to make ineligible for Medicaid a person who is covered under a private or  
31 employer-sponsored comprehensive health care insurance plan.

32           Section 8. Section 6 of this act becomes effective July 1, 1998. Health  
33 insurance coverage provided to children under the Child Health Insurance Program  
34 established under this act shall become effective no earlier than October 1, 1998. The  
35 remainder of this act is effective when it becomes law and expires on June 30 of the  
36 State fiscal year for which federal funds appropriated to the State under Title XXI of  
37 the Social Security Act amount to less than seventy percent (70%) of total prior year  
38 expenditures for the Child Health Insurance Program established under this act  
39 pursuant to Title XXI of the Social Security Act, as added by Pub. L. 105-33, 111  
40 Stat. 552.

GENERAL ASSEMBLY OF NORTH CAROLINA  
EXTRA SESSION 1998

S

D-2

SENATE BILL 2\*  
Proposed Committee Substitute S2-PCS4645

Short Title: RITE Care.

(Public)

Sponsors:

Referred to:

March 24, 1998

- 1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH RITE CARE: THE CHILD HEALTH INSURANCE  
3 PROGRAM TO PROVIDE HEALTH INSURANCE FOR CHILDREN UP TO  
4 ONE HUNDRED EIGHTY-FIVE PERCENT OF THE FEDERAL POVERTY  
5 LEVEL AND UNINSURED FOR SIX MONTHS PRIOR TO APPLICATION;  
6 TO PROVIDE ADMINISTRATION OF PROGRAM BENEFITS UNDER THE  
7 NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES'  
8 COMPREHENSIVE MAJOR MEDICAL PLAN; TO REQUIRE THAT  
9 APPLICATION BE MADE AT LOCAL HEALTH DEPARTMENTS AND  
10 COUNTY DEPARTMENTS OF SOCIAL SERVICES; TO AUTHORIZE  
11 PROGRAM ENROLLEES TO PURCHASE EXTENDED OR ADDITIONAL  
12 COVERAGE UNDER THE PROGRAM; TO AUTHORIZE PREMIUMS AND  
13 OTHER COST-SHARING UNDER THE PROGRAM; TO ESTABLISH THE  
14 JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CHILD HEALTH  
15 INSURANCE; AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN  
16 PURCHASERS OF DEPENDENT HEALTH INSURANCE AND LONG-TERM  
17 CARE INSURANCE.  
18 The General Assembly of North Carolina enacts:  
19 Section 1. Article 2 of Chapter 108A of the General Statutes is amended  
20 by adding the following new Part to read:  
21 "Part 8. Health Insurance for Children.  
22 "§ 108A-70.18. Definitions.  
23 Unless the context clearly requires otherwise, the term:

- (1) 'Comprehensive health coverage' means credible health coverage as defined under Title XXI.
- (2) 'Family income' means the total amount of combined annual income for each member of the household who is legally responsible for support of the child covered under the Program. The total amount of child support received during the prior year shall be included in calculating family income.
- (3) 'FPL' or 'federal poverty level' means the federal poverty guidelines established by the United States Department of Health and Human Services, as revised each April 1.
- (4) 'Program' or 'RITE Care' means the child health insurance program established in this Part.
- (5) 'State Plan' means the State Child Health Plan for the State Children's Health Insurance Program established under Title XXI.
- (6) 'Title XXI' means Title XXI of the Social Security Act, as added by Pub. L. 105-33, 111 Stat. 552, codified in scattered sections of 42 U.S.C. (1997).
- (7) 'Uninsured' means the applicant for RITE Care benefits is and was not covered under any private or employer-sponsored comprehensive health insurance plan at the time of application and for the six months immediately preceding application. If within the six months immediately preceding application a child has lost Medicaid eligibility due to a change in family income or has lost employer-sponsored comprehensive health care coverage due to layoff by the employer or cessation of the employer's business, and no other employer-sponsored comprehensive health care coverage is available to the family, then the child is deemed uninsured for purposes of eligibility for RITE Care benefits.

**"§ 108A-70.19. Short title; purpose; no entitlement.**

This act may be cited as 'RITE Care: The Child Health Insurance Program Act of 1998.' The purpose of this Part is to provide health insurance coverage to uninsured low-income children who are residents of this State. Coverage shall be provided from State and federal funds and other funds appropriated for this purpose. Nothing in this Part shall be construed as obligating the General Assembly to appropriate funds for 'RITE Care' or as entitling any person to coverage under 'RITE Care.'

**"§ 108A-70.20. Program established.**

'RITE Care: The Child Health Insurance Program' is established. RITE Care shall be administered by the Department of Health and Human Services in accordance with this Part. Administration of RITE Care benefits and claims processing shall be as provided under Part 5 of Article 3 of Chapter 135 of the General Statutes.

**"§ 108A-70.21. Program eligibility; benefits; premiums and other cost-sharing; coverage from private plans; purchase of extended or additional coverage.**

(a) Eligibility. -- In order to be eligible for benefits under RITE Care, children must:

- 1           (1) Be under the age of 19 and, if high-school age, be enrolled in high
- 2 school;
- 3           (2) Be ineligible for Medicaid, Medicare, or other federal government-
- 4 sponsored health insurance;
- 5           (3) Be uninsured;
- 6           (4) Be in a family that meets the following family income
- 7 requirements:
- 8           a. Children age one year through five years whose family
- 9 income is from one hundred thirty-four percent (134%)
- 10 through one hundred eighty-five percent (185%) of the
- 11 federal poverty level; and
- 12           b. Children age six years through eighteen years whose family
- 13 income is from one hundred one percent (101%) through
- 14 one hundred eighty-five percent (185%) of the federal
- 15 poverty level;
- 16           (5) Be a resident of this State; and
- 17           (6) Have paid the Program premium required under this Part.

18 Proof of family income and residency, and declaration of uninsured status shall be

19 provided by the applicant at the time of application for RITE Care coverage.

20 If a responsible parent is under a court order to provide medical support or

21 maintain health insurance for a child and has failed to comply with the court order,

22 then the child is deemed uninsured for purposes of determining eligibility for RITE

23 Care benefits if the following conditions are met at the time of application:

- 24           (1) The custodial parent shows proof of subsequent legal action taken
- 25 to enforce the order to obtain medical support or health insurance,
- 26 and
- 27           (2) There is no other government- or employer-sponsored
- 28 comprehensive health insurance available to cover the child.

29 If medical support or health insurance is provided to the child after enrollment

30 and prior to the expiration of the eligibility period for which the child is enrolled in

31 RITE Care, then the child is deemed to be insured and ineligible for continued

32 coverage under RITE Care. The custodial parent has a duty to notify the

33 Department within 10 days of receipt of medical support or health insurance, and the

34 Department, upon receipt of notice, shall disenroll the child from RITE Care. As

35 used in this paragraph, the term 'responsible parent' means a person who is under a

36 court order to pay child support.

37 Except as otherwise provided in this section, eligibility shall be continuous for one

38 year. At the end of each year, applicants may reapply for Program benefits. If, at the

39 time of reapplication, the Department verifies that the applicant has not paid part or

40 all of the premiums due for prior year coverage, then the applicant is not eligible for

41 coverage until the past-due premiums have been paid in full. The amount owed for

42 unpaid premiums shall be adjusted to apply only to the period for which coverage

43 was provided.

It shall be the duty of enrollees in the Program to promptly inform the Department of any change in the enrollee's family income, residency, or uninsured status occurring during the period of enrollment.

(b) Benefits. -- Except as otherwise provided for eligibility, premiums, deductibles, copayments, and other cost-sharing charges, health benefits coverage provided to children eligible under RITE Care shall be equivalent to coverage provided for dependents under the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan, including optional prepaid plans.

Prescription drug providers shall accept as payment in full for outpatient prescriptions filled ninety percent (90%) of the average wholesale price for the prescription drug or the amounts published by the Health Care Financing Administration plus a dispensing fee not to exceed the amount authorized under subsection (d)(2) of this section. All other health care providers providing services to Program enrollees shall accept as payment in full for services rendered the maximum allowable charges under the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan for services less any copayments assessed to enrollees under this Part.

(c) Premiums. -- There shall be no premium for RITE Care coverage for enrollees whose family income is less than one hundred thirty-four percent (134%) of the federal poverty level. The premium for RITE Care coverage for enrollees whose family income is at or above one hundred thirty-four percent (134%) of the federal poverty level shall be according to the following schedule:

<u>Family Income</u>	<u>Monthly Premium</u>
<u>134%-150% FPL</u>	<u>\$5.00 per child with a maximum monthly premium of \$15.00 for three or more children.</u>
<u>151%-185% FPL</u>	<u>\$10.00 per child with a maximum monthly premium of \$28.00 for three or more children.</u>

Premiums shall be collected by and payable to the Department in monthly installments. The Department shall adopt rules for the efficient collection of premiums. The rules shall provide maximum flexibility for the payment of premiums by enrollees. The Department may contract with private business to provide premium collection and payment services.

(d) Cost-Sharing. -- There shall be no deductibles, copayments, or other cost-sharing charges for families covered under RITE Care whose family income is at or below one hundred fifty percent (150%) of the federal poverty level. Families covered under RITE Care whose family income is above one hundred fifty percent (150%) of the federal poverty level shall be responsible for copayments to providers as follows:

- (1) Five dollars (\$5.00) per child for each visit to a physician or clinic, except that there shall be no copayment required for well-baby, well-child, or age-appropriate immunization services;

1           (2)   Six dollars (\$6.00) dispensing fee for each outpatient prescription  
2           drug purchased.

3           (3)   Twenty dollars (\$20.00) for each emergency room visit unless:  
4                   a.   The child is admitted to the hospital, or  
5                   b.   No other reasonable care was available as determined  
6                       by the Claims Processing Contractor of the North  
7                       Carolina Teachers' and State Employees'  
8                       Comprehensive Major Medical Plan.

9   Copayments required under this subsection for prescription drugs apply only to  
10 prescription drugs prescribed on an outpatient basis.

11   The Department shall ensure that the total annual aggregate cost-sharing, including  
12 premiums, with respect to all children in a family receiving RITE Care benefits under  
13 this Part shall not exceed five percent (5%) of the family's income for the year  
14 involved.

15   (e) Coverage From Private Plans. -- The Department shall, from funds  
16 appropriated for RITE Care, pay the cost for dependent coverage provided under a  
17 private insurance plan for persons eligible for coverage under RITE Care if all of the  
18 following conditions are met:

19           (1)   The person eligible for RITE Care coverage requests to obtain  
20 dependent coverage from a private insurer in lieu of coverage  
21 under RITE Care and shows proof that coverage under the private  
22 plan selected meets the requirements of this subsection;

23           (2)   The dependent coverage under the private plan is actuarially  
24 equivalent to the coverage provided under RITE Care;

25           (3)   The cost of dependent coverage under the private plan is the same  
26 as or less than the cost of coverage under RITE Care; and

27           (4)   The total annual aggregate cost-sharing, including premiums, paid  
28 by the enrollee under the private plan for all dependents covered  
29 by the plan, do not exceed five percent (5%) of the enrollee's  
30 family income for the year involved.

31   The Department may reimburse an enrollee for private coverage under this  
32 subsection upon a showing of proof that the dependent coverage is in effect for the  
33 period for which the enrollee is eligible for RITE Care.

34   (f) Purchase of Extended Coverage. -- An enrollee in RITE Care who loses  
35 eligibility due to an increase in family income above one hundred eighty-five percent  
36 (185%) of the federal poverty level and up to and including two hundred percent  
37 (200%) of the federal poverty level, may purchase at full premium cost continued  
38 coverage under RITE Care for a period not to exceed one year beginning on the date  
39 the enrollee becomes ineligible under the income requirements for the Program. The  
40 same benefits, copayments, and other conditions of enrollment under RITE Care shall  
41 apply to extended coverage purchased under this subsection.

42   (g) Option to Purchase Additional Benefits. -- An enrollee in RITE Care may  
43 purchase, on a fully contributory basis, optional coverage for dental, vision, and

1 hearing services. The Department shall select coverage options for enrollees that  
2 offer the best benefit package at the most reasonable cost.

3 (h) No State Funds for Voluntary Participation. -- No State or federal funds shall  
4 be used to cover, subsidize, or otherwise offset the cost of coverage obtained under  
5 subsection (f) or (g) of this section.

6 **"§ 108A-70.22. Coverage for children with special needs.**

7 (a) Definition. -- As used in this section, the term 'children with special needs' or  
8 'special needs child' means children who are enrolled in RITE Care and who have or  
9 are at elevated risk for (biologic or acquired) chronic physical, developmental,  
10 behavioral, or emotional conditions and who also require health and related (but not  
11 educational and not recreational) services of a type and amount not usually required  
12 by children of the same age.

13 (b) Eligibility for Special Needs Coverage. -- In order to be eligible for coverage  
14 under this section a special needs child must be a child who is enrolled in RITE  
15 Care. A child with special needs shall, to the extent funds are available for coverage  
16 under this section, be eligible for coverage for services that are necessary to enable  
17 the child to remain in the child's home as an alternative to institutionalization, and  
18 that are not covered under RITE Care. The level of and reimbursement for services  
19 for special needs children under this section shall be the same as available for special  
20 needs children under the Medical Assistance Program as authorized in the Current  
21 Operations Appropriations Act.

22 (c) Evaluation Required. -- No funds may be expended for coverage under this  
23 section unless the Department has made a determination that coverage for the  
24 services is not available under RITE Care. The Department shall conduct an  
25 evaluation of each RITE Care enrollee requesting special needs coverage to  
26 determine eligibility under this section.

27 (d) The Department may adopt rules for eligibility for coverage under this section.

28 **"§ 108A-70.23. Claims processing; payments.**

29 (a) The North Carolina Teachers' and State Employees' Comprehensive Major  
30 Medical Plan shall be responsible for the administration and processing of claims for  
31 benefits under the Program, as provided under Part 5 of Article 3 of Chapter 135 of  
32 the General Statutes.

33 (b) The Department shall, from premiums collected, from State and federal  
34 appropriations, and from any other funds made available for this purpose, make  
35 payments to the North Carolina Teachers' and State Employees' Comprehensive  
36 Major Medical Plan as determined by the Plan for its administration, claims  
37 processing, and other services authorized to provide coverage to children eligible for  
38 benefits under this Part.

39 **"§ 108A-70.24. State Plan for Children's Health Insurance Program.**

40 The Department shall develop and submit a State Plan to implement 'RITE Care:  
41 the Child Health Insurance Program' authorized under this Part to the federal  
42 government as application for federal funds under Title XXI. The State Plan  
43 submitted under this Part shall be developed by the Department only as authorized  
44 by and in accordance with this Part. No provision in the State Plan submitted under

1 this Part may expand or otherwise alter the scope or purpose of RITE Care from that  
2 authorized under this Part. The Department shall include in the State Plan submitted  
3 only those items required by this Part and required by the federal government to  
4 qualify for federal funds under Title XXI and necessary to secure the State's federal  
5 fund allotment for the applicable fiscal period. The Department shall not amend the  
6 State Plan nor submit any amendments thereto to the federal government for review  
7 or approval without the specific approval of the General Assembly.

8 **"§ 108A-70.25. Application process; outreach efforts; appeals.**

9 (a) Application. -- The Department shall use an application form for RITE Care  
10 that is concise, relatively easy for the applicant to comprehend and complete, and  
11 only as lengthy as necessary for identifying applicants, determining eligibility for  
12 RITE Care or Medicaid, and providing information to applicants on requirements for  
13 application submission and proof of eligibility. Application forms shall be obtainable  
14 from public health departments and county departments of social services.  
15 Applications shall be processed by the county department of social services and may  
16 be submitted by mail. The Department may adopt rules for the submission and  
17 processing of applications and for securing the proof of eligibility for benefits under  
18 this Part.

19 The application form for RITE Care shall have printed on it or attached to it a  
20 notice stating substantially: 'RITE Care: A Child Health Insurance Program' is a  
21 federally funded program that may be discontinued if federal funds are not provided  
22 for its continuation. Applicants who lose health care coverage under RITE Care  
23 because the program has ended may not be able to obtain coverage from a private  
24 insurer because of health conditions arising while covered under RITE Care.  
25 Applicants are encouraged, therefore, to obtain private health insurance as soon as  
26 possible.

27 (b) Outreach Efforts. -- The Department shall adopt procedures governing  
28 outreach activities at the State and local level to ensure that RITE Care is adequately  
29 publicized statewide and to comply with federal outreach requirements. The  
30 Department shall make information about the Program available through the Internet,  
31 and shall explore the feasibility of securing a 24-hour toll-free telephone number for  
32 purposes of enhancing outreach and access to program information. In developing  
33 outreach procedures, the Department shall establish system linkages to ensure the  
34 collaboration and coordination of expertise, funding streams, delivery systems, and  
35 other appropriate resources and activities between and among RITE Care and such  
36 ongoing programs and efforts as:

37 WIC Program

38 Maternal and Child Health Block Grant

39 Children's Special Health Services

40 Smart Start.

41 Head Start.

42 The Department may seek private and federal grant funds for outreach activities.

43 The Department shall also seek the participation of the private sector in providing

1 no-cost or low-cost avenues for publicizing RITE Care in local communities and  
2 statewide.

3 (c) A person who is dissatisfied with the action of a county department of social  
4 services with respect to the determination of initial, continuing, or renewed eligibility  
5 for benefits under the Program may appeal the action in accordance with G.S. 108A-  
6 79.

7 **"§ 108A-70.26. Data collection; reporting.**

8 (a) The Department shall ensure that the following data is collected, analyzed, and  
9 reported in a manner that will most effectively and expeditiously enable the State to  
10 evaluate Program goals, objectives, operations, and health outcomes for children:

- 11 (1) Number of applicants for coverage under the Program;
- 12 (2) Number of RITE Care applicants deemed eligible for Medicaid;
- 13 (3) Number of applicants deemed eligible for RITE Care, by income  
14 level, age, family size;
- 15 (4) Number of applicants deemed ineligible for RITE Care and the  
16 basis for ineligibility;
- 17 (5) Number of applications made at county departments of social  
18 services, public health departments, and by mail;
- 19 (6) Total number of children enrolled in RITE Care to date and for  
20 the immediately preceding fiscal year;
- 21 (7) Total number of children enrolled in Medicaid through the  
22 Program application process;
- 23 (8) Trends showing the Program's impact on hospital utilization,  
24 immunization rates, and other indicators of quality of care, and  
25 cost-effectiveness and efficiency;
- 26 (9) Trends relating to the health status of children;
- 27 (10) Other data that would be useful in carrying out the purposes of  
28 this Part.

29 (b) The Department shall report annually to the Joint Legislative Oversight  
30 Committee on Child Health Insurance the following information:

- 31 (1) Data collected as required under subsection (a) of this section and  
32 an analysis thereof giving trends and projections for continued  
33 Program funding;
- 34 (2) Program areas working most effectively and least effectively;
- 35 (3) Performance measures used to ensure Program quality, fiscal  
36 integrity, ease of access, and appropriate utilization of preventive  
37 and medical care;
- 38 (4) Effectiveness of system linkages in addressing access, quality of  
39 care, and Program efficiency;
- 40 (5) Recommended changes in the Program necessary to improve  
41 Program efficiency and effectiveness;
- 42 (6) Any other information requested by the Committee pertinent to  
43 the provision of health insurance for children and the  
44 implementation of RITE Care.

1 The Department shall provide a copy of the report to the members of the Joint  
2 Appropriations Subcommittee on Health and Human Services.

3 "§ 108A-70.27. Fraudulent misrepresentation.

4 (a) It shall be unlawful for any person to knowingly and willfully, and with intent  
5 to defraud, make or cause to be made a false statement or representation of a  
6 material fact in an application for coverage under this Part or intended for use in  
7 determining eligibility for coverage.

8 (b) It shall be unlawful for any applicant, recipient or person acting on behalf of  
9 the applicant or recipient to knowingly and willfully, and with intent to defraud,  
10 conceal or fail to disclose any condition, fact, or event affecting the applicant's or  
11 recipient's initial or continued eligibility to receive coverage or benefits under this  
12 Part.

13 (c) It is unlawful for any person knowingly, willingly, and with intent to defraud,  
14 to obtain or attempt to obtain, or to assist, aid, or abet another person, either directly  
15 or indirectly, to obtain money, services, or any other thing of value to which the  
16 person is not entitled as a recipient under this Part, or otherwise to deliberately  
17 misuse a Program identification card. This misuse includes the sale, alteration, or  
18 lending of the Program identification card to others for services and the use of the  
19 card by someone other than the recipient to receive or attempt to receive RITE Care  
20 program coverage for services rendered to that individual.

21 Proof of intent to defraud does not require proof of intent to defraud any  
22 particular person.

23 (d) A person who violates a provision of this section shall be guilty of a Class I  
24 felony.

25 (e) For purposes of this section the word 'person' includes any natural person,  
26 association, consortium, corporation, body politic, partnership, or other group, entity,  
27 or organization."

28 Section 2. Legislative oversight committee. (a) There is established the  
29 Joint Legislative Oversight Committee on Child Health Insurance. The powers and  
30 duties of the Committee shall be to:

31 (1) Monitor the implementation of RITE Care: The Child Health  
32 Insurance Program established under this act;

33 (2) Review reports from the Department of Health and Human  
34 Services, the North Carolina Teachers' and State Employees'  
35 Comprehensive Major Medical Plan, and other government and  
36 public and private sector agencies and organizations on the  
37 implementation of RITE Care and other child health insurance  
38 initiatives; and

39 (3) Make recommendations to the General Assembly regarding RITE  
40 Care and other issues relating to child health and health insurance  
41 coverage for children.

42 (b) The Speaker of the House of Representative shall appoint to the  
43 Committee six members of the House of Representatives, one of whom shall be

1 appointed cochair, and the President Pro Tempore of the Senate shall appoint six  
2 members of the Senate, one of whom shall be appointed cochair.

3 Section 3. (a) Division II of Article 4 of Chapter 105 of the General  
4 Statutes is amended by adding a new section to read:

5 "§ 105-151.27. Credit for child health insurance.

6 (a) Credit. -- A taxpayer is allowed a credit against the tax imposed by this  
7 Division equal to one-third of the taxpayer's child health insurance premium paid  
8 during the taxable year. The credit may not exceed five percent (5%) of the  
9 taxpayer's adjusted gross income (AGI), as calculated under the Code, for the taxable  
10 year. A nonresident or part-year resident who claims the credit allowed by this  
11 section shall reduce the amount of the credit by multiplying it by the fraction  
12 calculated under G.S. 105-134.5(b) or (c), as appropriate. In order to claim a credit  
13 under this section, a taxpayer must provide any information required by the Secretary  
14 to establish the taxpayer's eligibility for the credit and the amount of the credit.

15 (b) Definitions. -- The following definitions apply in this section:

16 (1) Child health insurance premium. -- The amount paid by the  
17 taxpayer for insurance coverage of the taxpayer's dependent  
18 children under a private or employer-sponsored comprehensive  
19 health insurance plan and the amount paid to purchase extended  
20 coverage under the RITE Care Program pursuant to G.S. 108A-  
21 70.21. The term does not include, however, amounts deducted  
22 from or not included in the taxpayer's gross income for the taxable  
23 year.

24 (2) Dependent child. -- A child under the age of 19 for whom the  
25 taxpayer is allowed to deduct a personal exemption under section  
26 151(c)(1)(B) of the Code for the taxable year.

27 (c) Credit Refundable. -- If the credit allowed by this section exceeds the amount  
28 of tax imposed by this Division for the taxable year reduced by the sum of all credits  
29 allowable, the Secretary shall refund the excess to the taxpayer. The refundable  
30 excess is governed by the provisions governing a refund of an overpayment by the  
31 taxpayer of the tax imposed in this Division. In computing the amount of tax against  
32 which multiple credits are allowed, nonrefundable credits are subtracted before  
33 refundable credits."

34 (b) G.S. 105-160.3(b) is amended by adding a new subdivision to read:

35 "(4) G.S. 105-151.27. Credit for child health insurance."

36 (c) The Department of Revenue shall withhold from collections under  
37 Division II of Article 4 of Chapter 105 of the General Statutes for the 1999-2000  
38 fiscal year the amount necessary to reimburse it for its additional costs of printing,  
39 postage, programming, and administration directly attributable to this act. It is the  
40 intent of the General Assembly to appropriate funds to the Department of Revenue  
41 for the 1999-2001 fiscal biennium to cover the costs of auditing ten percent (10%) of  
42 the tax credits claimed under this section. These costs include salary, benefits, and  
43 work space for 10 auditors and two clerical support positions. It is also the intent of  
44 the General Assembly to appropriate funds to the Department of Revenue for the

1 1999-2000 fiscal year for the one-time programming costs required for the credit  
2 authorized by this section.

3 (d) This section is effective for taxable years beginning on or after  
4 January 1, 1999, and expires for taxable years beginning on or after January 1, 2001.

5 (e) This section becomes effective only if the United States Secretary for  
6 Health and Human Services approves the State Plan to implement RITE Care: A  
7 Child Health Insurance Program established under this act.

8 Section 3.1. (a) Chapter 105 of the General Statutes is amended by  
9 adding a new section to read:

10 **"§ 105-151.28. Credit for premiums paid on long-term care insurance.**

11 (a) Credit. -- An individual is allowed, as a credit against the tax imposed by this  
12 Division, an amount equal to fifteen percent (15%) of the premium costs paid during  
13 the taxable year on a qualified long-term care insurance contract that offers coverage  
14 to either the individual, the individual's spouse, or a dependent for whom the  
15 individual was allowed to deduct a personal exemption under section 151(c)(1)(A) of  
16 the Code for the taxable year. The credit allowed by this section may not exceed  
17 three hundred fifty dollars (\$350.00) for each qualified long-term care insurance  
18 contract for which a credit is claimed. A nonresident or part-year resident who  
19 claims the credit allowed by this subsection shall reduce the amount of the credit by  
20 multiplying it by the fraction calculated under G.S. 105-134.5(b) or (c), as  
21 appropriate.

22 (b) Definition. -- For purposes of this section, the term 'qualified long-term care  
23 insurance contract' has the same meaning as defined in section 7702B of the Code.

24 (c) Credit Refundable. -- If the credit allowed by this section exceeds the amount  
25 of tax imposed by this Division for the taxable year reduced by the sum of all credits  
26 allowable, the Secretary shall refund the excess to the taxpayer. The refundable  
27 excess is governed by the provisions governing a refund of an overpayment by the  
28 taxpayer of the tax imposed in this Division. In computing the amount of tax against  
29 which multiple credits are allowed, nonrefundable credits are subtracted before  
30 refundable credits."

31 (b) G.S. 105-160.3(b) is amended by adding a new subdivision to read:

32 "(4) G.S. 105-151.28. Credit for long-term care insurance."

33 (c) The Legislative Research Commission shall study the effectiveness of  
34 the credit enacted by this act. The Department of Revenue shall provide the  
35 Commission data on the usage of this credit, including profiles of taxpayer categories  
36 using the credit. The Division of Aging, Department of Human Resources, shall  
37 provide the Commission data on the effect of the credit on the State's Medicaid costs.  
38 The Commission shall report its findings and recommendations to the 2001 General  
39 Assembly.

40 (d) This section is effective for taxable years beginning on or after  
41 January 1, 1999, and expires for taxable years beginning on or after January 1, 2001.

42 Section 4. (a) Article 3 of Chapter 135 of the General Statutes is  
43 amended by adding the following new Part to read:

44 **"Part 5. Child Health Insurance Program.**

1 "§ 135-42. Undertaking.

2 (a) The State of North Carolina undertakes to make available a child health  
3 insurance program (hereinafter called the 'Program') to provide comprehensive  
4 major medical coverage to low-income, uninsured children who are residents of this  
5 State and who meet the eligibility requirements established for the Program under  
6 Part 8 of Article 2 of Chapter 108A of the General Statutes. The Executive  
7 Administrator and Board of Trustees of the North Carolina Teachers' and State  
8 Employees' Comprehensive Major Medical Plan (hereinafter called the 'Plan') shall  
9 administer the Program under this Part and shall carry out their duties and  
10 responsibilities in accordance with Parts 2 and 3 of this Article and with applicable  
11 provisions of Part 8 of Article 2 of Chapter 108A.

12 (b) The benefits provided under the Program shall be equivalent to and made  
13 available through the Plan pursuant to Articles 2 and 3 of this Chapter and  
14 administered by the Plan's Executive Administrator and Board of Trustees. To the  
15 extent there is a conflict between the provisions of Part 8 of Article 2 of Chapter  
16 108A and Part 3 of this Article pertaining to eligibility, premiums, deductibles,  
17 copayments, and other cost-sharing charges, the provisions of Part 8 of Article 2 of  
18 Chapter 108A shall control. In administering the benefits provided by this Part, the  
19 Executive Administrator and Board of Trustees shall have the same type of powers  
20 and duties that are provided under Part 3 of this Article for hospital and medical  
21 benefits.

22 (c) The benefits authorized by this Part are available only to children who are  
23 residents of this State and who meet the eligibility requirements established for the  
24 Program under Part 8 of Article 2 of Chapter 108A of the General Statutes.

25 "§ 135-42.1. Right to alter, amend, or repeal.

26 The General Assembly reserves the right to alter, amend, or repeal this Part."

27 (b) G.S. 135-38(c) reads as rewritten:

28 "(c) The Committee shall review programs of hospital, medical and related care  
29 provided by Part 3 and Part 5 of this Article and programs of long-term care benefits  
30 provided by Part 4 of this Article as recommended by the Executive Administrator  
31 and Board of Trustees of the Plan. The Executive Administrator and the Board of  
32 Trustees shall provide the Committee with any information or assistance requested by  
33 the Committee in performing its duties under this Article. The Committee shall meet  
34 not less than once each quarter to review the actions of the Executive Administrator  
35 and Board of Trustees. At each meeting, the Executive Administrator shall report to  
36 the Committee on any administrative and medical policies which have been issued as  
37 rules and regulations in accordance with G.S. 135-39.8, and on any benefit denials,  
38 resulting from the policies, which have been appealed to the Board of Trustees."

39 (c) G.S. 135-39.5 is amended by adding a new subdivision to read:

40 "(23) Implementing and administering a program of child health  
41 insurance benefits pursuant to Part 5 of this Article."

42 (d) G.S. 135-39.6 is amended by adding the following subsection to read:

43 "(d) Separate and apart from the special funds authorized by subsections (a) and  
44 (b) of this section, there shall be a Child Health Insurance Fund. All appropriations,

1 allocations, or any other receipts, including earnings on investments, occurring or  
2 arising in connection with benefits provided under the Child Health Insurance  
3 Program shall be deposited into the Child Health Insurance Fund. Disbursements  
4 from the Child Health Insurance Fund shall include any and all amounts required to  
5 pay the benefits and administrative costs of the Child Health Insurance Program as  
6 may be determined by the Executive Administrator and Board of Trustees."

7 (e) G.S. 135-39.6A is amended by adding the following subsection to  
8 read:

9 "(c) The Executive Administrator and Board of Trustees shall establish premium  
10 rates for benefits provided under Part 5 of this Article. The Department of Health  
11 and Human Services shall, from premiums collected, from State and federal  
12 appropriations, and from any other funds made available for the Child Health  
13 Insurance Program established under Part 8 of Article 2 of Chapter 108A of the  
14 General Statutes, make payments to the North Carolina Teachers' and State  
15 Employees' Comprehensive Major Medical Plan as determined by the Plan for its  
16 administration, claims processing, and other services authorized to provide coverage  
17 to children eligible for benefits provided under Part 5 of this Article."

18 (f) G.S. 135-39.8 reads as rewritten:

19 "**§ 135-39.8. Rules and regulations.**

20 The Executive Administrator and Board of Trustees may issue rules and  
21 regulations to implement Parts ~~2, 3, and 4~~ 2, 3, 4, and 5 of this Article. Rules and  
22 regulations of the Board of Trustees shall remain in effect until amended or repealed  
23 by the Executive Administrator and Board of Trustees. The Executive Administrator  
24 and Board of Trustees shall provide a written description of the rules and regulations  
25 issued under this section to all employing units, all health benefit representatives, the  
26 oversight team provided for in G.S. 135-39.3, all relevant health care providers  
27 affected by a rule or regulation, and to any other parties requesting a written  
28 description and approved by the Executive Administrator and Board of Trustees to  
29 receive a description on a timely basis."

30 (g) The title of Chapter 135 of the General Statutes reads as rewritten:

31 "Retirement System for Teachers and State Employees; Social ~~Security~~. Security;  
32 Child Health Insurance Program."

33 (h) The title of Article 3 of Chapter 135 of the General Statutes reads as  
34 rewritten:

35 "Other Teacher, Employee ~~Benefits~~. Benefits;  
36 Child Health Benefits."

37 Section 5. In order to ensure that health insurance coverage provided to  
38 children from public funds is not duplicative of coverage provided to the same  
39 children pursuant to court orders for medical support or health insurance, the  
40 Department of Health and Human Services shall develop a plan for collecting and  
41 retrieving data from child support orders filed by the clerks of court of this State.  
42 The purpose of the plan shall be to enable the Department to readily identify  
43 children covered by support orders and also covered under private health insurance,  
44 or eligible for coverage under the State Medicaid Program or the State Child Health

1 Insurance Program. No later than October 1, 1998, the Department shall report on  
2 the development of this plan to the Joint Legislative Oversight Committee on Child  
3 Health Insurance.

4       Section 6. (a) There is appropriated from the General Fund to the  
5 Department of Health and Human Services the sum of twelve million three hundred  
6 seven thousand three hundred twelve dollars (\$12,307,312) for the 1998-99 fiscal year  
7 to be used for the State Child Health Insurance Program established under this act  
8 and under Title XXI of the Social Security Act, as added by Pub. L. 105-33, 111 Stat.  
9 552. The Office of State Budget and Management shall include in the proposed  
10 continuation budget the amount of State funds necessary for Program implementation  
11 for the budgeted fiscal year but not more than the amount necessary to draw down  
12 the maximum amount of federal funds available to the State for the budgeted fiscal  
13 year for the Child Health Insurance Program under Title XXI of the Social Security  
14 Act, as added by Pub. L. 105-33, 111 Stat. 552.

15       (b) Special needs funds. Of the funds available to the Department of  
16 Health and Human Services for health insurance coverage for children enrolled in  
17 RITE Care, the sum of fifteen million dollars (\$15,000,000) shall be deposited into  
18 the Children's Special Health Services Fund in the Department of Health and  
19 Human Services to provide coverage for special needs children in accordance with  
20 G.S. 108A-70.22 as enacted in this act.

21       (c) No State funds appropriated under this act may be expended for any  
22 purpose other than as provided under this act for the implementation of the State  
23 Child Health Insurance Program established under this act and approved by the  
24 United States Secretary of Health and Human Services under Title XXI of the Social  
25 Security Act, as added by Pub. L. 105-33, 111 Stat. 552.

26       (d) Funds appropriated under this section and not expended or obligated  
27 in the 1998-99 fiscal year shall revert to the General Fund on June 30, 1999.

28       Section 7. The Department of Health and Human Services shall apply to  
29 the Health Care Financing Administration for an 1115(b) Medicaid waiver to allow  
30 the State to make ineligible for Medicaid a person who is covered under a private or  
31 employer-sponsored comprehensive health care insurance plan.

32       Section 8. Section 6 of this act becomes effective July 1, 1998. Health  
33 insurance coverage provided to children under the Child Health Insurance Program  
34 established under this act shall become effective no earlier than October 1, 1998. The  
35 remainder of this act is effective when it becomes law and expires on June 30 of the  
36 State fiscal year for which federal funds appropriated to the State under Title XXI of  
37 the Social Security Act amount to less than seventy percent (70%) of total prior year  
38 expenditures for the Child Health Insurance Program established under this act  
39 pursuant to Title XXI of the Social Security Act, as added by Pub. L. 105-33, 111  
40 Stat. 552.

**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** Proposed House Committee Substitute for Senate Bill 2 (Extraordinary Session)

**SHORT TITLE:** RITE Care

**SPONSOR(S):**

**FISCAL IMPACT**

Yes (X)      No ( )      No Estimate Available ( )

(Smillion)

FY 1998-99    FY 1999-00    FY 2000-01    FY 2001-02    FY2002-03

**REVENUES**

General Fund

Child Health Insurance Credit                      (\$218.6)                      (\$229.3)

Long Term Care Credit                                      (\$31.8)                      (\$36.7)

**EXPENDITURES**

**A. Health & Human Services**

Total Expenditures                      \$50,203,759    \$84,097,343    \$88,690,262    \$93,543,171    \$98,671,098

Federal Funds                              \$35,321,603    \$59,175,390    \$62,361,270    \$65,703,329    \$69,236,446

**State Funds**                              **\$12,307,312    \$20,780,549    \$22,104,760    \$23,531,126    \$25,039,761**

Premiums                                      \$ 2,574,844    \$ 4,141,232    \$ 4,224,232    \$ 4,308,717    \$ 4,394,891

**POSITIONS:**                                      (7)                      (7)                      (7)                      (7)                      (7)

**B. Corrections & Judicial**

**No Fiscal Impact**

**PRINCIPAL DEPARTMENT(S) &  
PROGRAM(S) AFFECTED:**

Department of Health and Human Services

County Departments of Social Services

State Employees Health Plan

Department of Revenue

**EFFECTIVE DATE:** Appropriations for this Act are Effective July 1, 1998. Health insurance coverage provided to children under this Act is effective no earlier than October 1, 1998. The Child Health Insurance Tax Credit and the Long Term Care Insurance tax Credit are effective for taxable years beginning on or after January 1, 1999 and expire for taxable years beginning on or after January 1, 2001.

## **BILL SUMMARY:**

This legislation establishes RITE Care: The Children's Health Insurance Program Act of 1998 which will provide comprehensive health insurance coverage to uninsured low-income children who are residents of this state. This program is not an entitlement and nothing in the Act shall be construed as obligating the General Assembly to appropriate funds for this Program. The Program will be administered by the Department of Health and Human Services. Claims processing and benefits administration shall be provided by Executive Administrator and Board of Trustees of the N. C. State Employees' Health Plan.

Eligibility for the program is as follows:

- (1) Be under the age of 19 and enrolled in high school;
- (2) Be ineligible for other government sponsored health insurance;
- (3) Be uninsured for six months prior to application;
- (4) Be in a family that meets the following income requirements:
  - a. Children age one through five years in families with incomes from 133% to 185% of the federal poverty level; and
  - b. Children age six through eighteen years in families with incomes from 100% to 185% of the federal poverty level;
- (5) Be a state resident; and
- (6) Paid required premium.

Benefits under this Program are the same as those provided by the N. C. Teachers and State Employees' Health Plan..

Premiums are required under RITE Care. No premiums for families at or below 133% of the federal poverty level (FPL). Premiums are as follows:

134% - 150% FPL	\$5/per child/per month with a \$15 per month family limit..
151% - 185% FPL	\$10/per child/per month with a \$28 per month family limit.

There are no deductibles or copayments for families with incomes below or at 150% of the federal poverty level. Families with incomes above 150% of the federal poverty level shall be responsible for copayments authorized in the legislation. Cost-sharing shall not exceed 5% of family income.

Private providers may provide coverage under RITE Care if the provider meets the requirements established in the legislation. RITE Care enrollees who lose RITE Care coverage due to an increase in income may purchase extended RITE Care coverage at full premium cost. Extended coverage is not longer than one year. RITE Care enrollees may purchase, at full cost to the enrollee, additional coverage for dental, vision, and hearing services. No state or federal funds may be used to offset cost of extended or optional additional coverage.

Provides additional coverage for children with special needs through a special fund. Children eligible for additional coverage must be enrolled in RITE Care and be a "special needs child" as defined. Services paid for out of these funds must be ones which are not covered under RITE Care. Services are limited to those provided under the Medicaid program and the purchase of services must be at the Medicaid rate.

The Department is authorized to submit a State Plan in accordance with this act. No amendments to the State Plan are allowed without General Assembly approval.

The legislation specifies requirements for application, outreach efforts, data collection, and reporting. Provides for a penalty for fraudulent misrepresentation which tracks Medicaid and Food Stamp fraud provisions. Establishes the Joint Legislative Oversight Committee on Child Health Insurance to provide legislative oversight.

Authorizes two tax credits:

1. Tax credit for premiums paid by persons who purchase dependent health coverage
2. Tax credit for premiums paid by persons who purchase long term care insurance

Appropriates funds to support the RITE Care program. The Office of State Budget and Management shall include in the proposed continuation budget the amount of State funds necessary for Program implementation, but not more than the amount necessary to draw down the maximum amount of available federal funds budget for the RITE Care program.

## **ASSUMPTIONS AND METHODOLOGY:**

### **A. Children's Health Insurance Program**

In 1997, Title XXI of the Social Security Act or the State Children's Health Insurance Program (CHIP) was established by the U.S. Congress to provide health insurance to uninsured children. Federal funding for the program is provided through fiscal year 2007-08. North Carolina's federal allotment is estimated to be \$79.5 million for 1998-99 through 2001-02, \$58.6 million for 2002-03 through 2004-05, \$76.6 million for 2005-06 through 2006-07, and \$94.5 million for 2007-08. Federal funds remain available for three years. Since North Carolina can roll forward unexpended federal funds, this fiscal note assumes that adequate federal funding will be available to fund this program over the ten year period even though federal fund availability is significantly reduced in years 2002-03 through 2004-05.

**The estimates in this fiscal note which impact the N. C. State Employees Health Plan were developed by the Fiscal Research Division, and these estimates are subject to change based on actuarial notes which have been requested in accordance with GS 120-114 and the rules of the North Carolina Senate and House of Representatives.**

The following assumptions and methodology were used to estimate the cost of the RITE Care program for the first five years beginning with 1998-99:

1. **Eligible Children:** Assumes that the estimated number of eligible children -- who are uninsured, below the age of 19 and enrolled in high school, not eligible for government sponsored health insurance, and in families with incomes at or below 185% of the federal poverty level -- for 1998-99 is 64,427 and that the number of estimated eligible children will increase by 2% each year in future years. Assumes that RITE Care will serve 100% of the eligible children. The 1998-99 estimate of children is based on data from the Current Population Survey which has been adjusted for 1998-99.
2. **Annual Cost Per Child:** The RITE Care program provides comprehensive health insurance coverage which is identical to the coverage provided under the N. C. Teachers and State Employees Health Plan except that cost-sharing requirements have been modified to meet the limits established under federal law. The estimated annual cost per child is \$876.64 for children in families with incomes at or below 150% of the federal poverty level and \$854.04 for children in families with incomes between 151% and 185% of the federal poverty level. These rates take into consideration the copayments required under the proposed legislation. The rate for children in families with incomes at or below 150% of the federal poverty level is higher because it assumes the Health Plan will cover dispensing fees for pharmacies. These rates are based on 1996-97 date-paid claims information for an average of some 70,500 dependent children enrolled in the N. C. Teachers and State Employees' Health Plan during the year. Assumes that the annual cost per child will increase 4% each year in future years.

The cost for the N. C. Teachers and State Employees Health Plan to administer the benefits provided under the RITE Care program and to establish appropriate claims reserves has been included in the annual cost per child and is considered a program cost and not an administrative cost. Federal rules allow the reimbursement rates associated with the payments for health insurance coverage to include administrative costs of entities providing child health assistance for the State. These administrative costs included in the child health assistance reimbursement rates are not considered State administrative expenditures and do not count toward the 10 percent limit discussed in assumption #12.

3. **Coverage for Children with Special Needs:** Assumes that the coverage for special needs children will be provided through a separate \$20,000,000 fund. Assumes that funding for the coverage for children with special needs will increase 4% a year in future years to cover increased costs.
4. **Eligible Months and Payment Months:** Assumes that the enrollment of children will be phased in over a six month period in 1998-99 (33% in October, 67% by November, 77% by December, 87% by January, 97% by February, and 100% by March). The assumed phasing of enrollment results in 7.61 eligible months for 1998-99. Assumes that there will be lag of one month between eligibility determination and payment of claims which results in 6.61 payment months for 1998-99. Assumes 12 months of eligibility and claims payment for each year in future years.

5. **Total Services Cost:** The cost of providing services for enrolled children is determined by multiplying the estimated number of enrolled children times cost per month times the number of payment months for each year.
6. **Premiums:** Assumes no premiums are charged to families with incomes below 133% of the federal poverty level. Assumes that the average family participating in the RITE Care program has two children. Assumes the average premium charged to families with incomes between 133% and 150% of the federal poverty level will be \$10 per month or \$120 per year. Assumes the average premium charged to families with incomes between 150% and 185% of the federal poverty level will be \$20 per month or \$240 per year. Assumes that the premiums remain at the same level during the five years covered by this fiscal note. Premium collections are adjusted each year to cover the 2% annual increase in the number of children served under RITE Care.

Assumes the cost of collecting premiums from families will be contracted out at a cost of \$2 per month per family or \$24 annually. The estimate for premium collections is based on information provided by Blue Cross/Blue Shield of North Carolina documenting their cost for collecting premiums from individuals.

7. **Eligibility Determination:** Assumes that eligibility determination will be done by county departments of social services because federal law requires that uninsured children who are eligible for Medicaid must be served through Medicaid and not the CHIP program. County departments of social services are currently responsible for determining Medicaid eligibility. While the counties will be responsible for doing determination, they will not be responsible for the cost.

The Department of Health and Human Services has estimated that the average time to do mail-in and interview applications is 1.01 hours with an estimated cost of \$37.34 per hour. Based on experience with the Medically Indigent Children's Medicaid program, assumes that 87.6% of the applications will be approved or a ratio of 1.14. The total cost for eligibility determination is determined by multiplying \$37.34 times 1.14 times the estimated number of children enrolled. Assumes that eligibility determination costs will increase 5% each year in future years.

8. **Start-Up Costs:** Assumes \$500,000 in start-up costs for one-time systems modifications to the State's EIS system which is used to determine eligibility.
9. **Staffing:** Assumes that the Division of Medical Assistance will need two staff positions to monitor eligibility determination and premium collection. Assumes five additional staff positions will be needed by the Department of Health and Human Services to administer the funding provided for coverage for children with special needs. These positions will determine eligibility for special needs coverage and determine when services will be paid out of the fund set aside for children with special needs.

10. **Outreach:** Assumes that 1998-99 outreach expenditures for the RITE Care will be \$500,000 to fund a campaign to encourage families to participate in the new program. Assumes outreach expenditures can decrease to \$250,000 per year in future years after the first year campaign is completed.

11. **Federal Financial Participation Rates:** Title XXI of the Social Security Act provides funding for the CHIP program established by the proposed legislation by using an enhanced federal matching rate. The enhanced matching rate is equal to the state's existing federal medicaid matching rate plus 30% of the state share. North Carolina's enhanced federal matching rate for 1998-99 is 74.16% with a state share of 25.84%. Historically, the federal medicaid match rate for North Carolina has decreased each year and it is assumed that these decreases will continue. The following matching rates are assumed in this fiscal note:

	<u>Federal</u>	<u>State</u>
1998-99	74.16%	25.84%
1999-00	74.01%	25.99%
2000-01	73.83%	26.17%
2001-02	73.63%	26.37%
2002-03	73.44%	26.56%

The enhanced matching rate applies to all program costs, administration, and outreach for the RITE Care program.

Under federal law, premiums and other cost sharing cannot be used to provide the state match to draw down federal funds. Federal law requires that any cost sharing funds must be deducted from total program cost before the federal and state matching requirements are determined. This requirement reduces the amount of federal and state funds required to support the RITE Care program because part of the cost of the program is covered by premiums. This fiscal note applies this federal requirement when determining the federal and state funding required to support the RITE Care program.

Even though the level of federal funds supporting the RITE Care program is reduced by this requirement, the federal funds will continue to be available for three years and will help cover the programs funding needs during 2002-03 through 2006-07 when federal funding for the program is reduced. In addition, the funds collected from premiums will allow the RITE Care program to expand beyond the combined federal and state funding in future years without increasing state appropriations because part of the program will be covered by premium collections.

11. **Federal 10% Cap on Administration and Outreach:** Federal legislation limits cost-sharing for administration and outreach for the RITE Care program to 10% of the program expenditures each year. The estimated administrative costs for RITE Care do not exceed the cap during the five year period discussed in this fiscal note and it is assumed that the cap will not be reach in future years.

13. **Effective Date:** Expenditures for 1998-99 have been adjusted to reflect the October 1, 1998 start date. Future years' expenditures are annualized.

**B. Judicial Department**

The proposed fraudulent penalties outlined in this bill are similar to existing penalties in G.S.108A-64 which covers medicaid fraud representation. Since these penalties cover similar populations, the Fiscal Research Division believes that the most reliable way of determining the fiscal impact of this bill would be to review the number of defendants charged and sentenced to criminal penalties under G.S.108A-64.

Currently, the Judicial Department does not have a specific code for offenses relating to medicaid fraud representation. This indicates a small number of offenses since "offense codes" are established only when the number of offenses is significant (usually more than 100 offenses). The Judicial Department believes that the few additional cases which may result from this legislation could be absorbed within existing court resources.

**C. Department of Correction**

Based on this finding, the Sentencing Commission does not expect that the proposed changes would have any significant impact on prison populations. The Sentencing Commission estimates, for example, that if 10 individuals were convicted of these offenses per year approximately 1 or 2 additional inmates would be added to the prison population. If there were as many as 25 convictions no more than 3 to 5 additional inmates would be added to the prison system. It is anticipated that the vast majority of individuals would be incarcerated as a result of probation revocations. This very small increase in incarcerated individuals could be absorbed within existing Department of Correction resources.

**D. Tax Credit for Child Health Insurance**

**This section creates an individual income tax credit for child health insurance. The credit is one-third of the premium paid during the taxable year for a child under the age of 19, but may not exceed 5% of the taxpayer's adjusted gross income. Taxpayers who have their health insurance premiums deducted from their income before it is taxed do not qualify for the credit. It is estimated that this tax credit will produce a revenue loss of \$218.6 million in FY 1999-00.**

**Premiums**

Using 1995-96 Current Population Survey data from the US Census Bureau, the staff of the Task Force on Child Health Insurance estimated **1,156,050** children under age 18 were insured by group or private health insurance in 1997. Based on data from the Teachers', State Employees' and Retirees' Health Benefit Plan, there are 1.6 children per health insurance policy. Of primary families with children, 77.2% are married couples and 22.8% are head of households.

The National Research Corporation performed a Health Care Market Guide survey in 1996 of selected Metropolitan Statistical Areas (MSAs). The metropolitan areas surveyed covered 52% of the state's population and found the following health insurance coverage:

Fee For Service (FFS)	26.8%
Preferred Provider Organization (PPO)	35.3%
Point of Service (POS)	3.4%
Health Maintenance Organization (HMO)	34.5%

Assuming this data is representative of the state and that these coverage rates are the same for the state's insured children, the number of children per plan are as follows:

Fee For Service (FFS)	309,821
Preferred Provider Organization (PPO)	408,086
Point of Service (POS)	39,306
Health Maintenance Organization (HMO)	<u>398,837</u>
	1,156,050

The Teachers', State Employees' and Retirees' Health Benefit Plan is used to estimate the premiums paid for children. A state employee may choose to cover one or more children under an Employee/Child(ren) option in the Comprehensive Major Medical Plan or in one of 12 HMOs. To cover one or more children in the Major Medical Plan, a hybrid FFS/PPO, a state employee pays \$90.12 per month. Sam Byrd of the Legislature's Fiscal Research Division recommends increasing this premium by 30% to get a standard private market rate of \$117.16 per month for FFS and PPO plans. To cover one or more children in one of the state approved HMOs, the state employee pays an average rate of \$125.14 per month above the amount he or she would pay for individual coverage. The HMO rate is also assumed for POS plans.

The annual premium prices for 1998 are as follows:

FFS/PPO	\$117.16/mo X 12 = \$1,405.92/yr
HMO/POS	\$125.14/mo X 12 = \$1,501.68/yr

The Congressional Budget Office projects that employment-based health insurance premiums will experience inflationary increases of 5.2% in 1999 and 4.9% in 2000. These inflationary rates are used to project annual premium amounts in fiscal years 1999-00 and 2000-01 as shown below.

	<u>FY 1999-00</u>	<u>FY 2000-01</u>
FFS/PPO	\$1,479.03	\$1,551.50
HMO/POS	\$1,579.77	\$1,657.17

### Tax Credit Eligibility

Shown below is a breakdown of North Carolina employees by employment type. Employment data for small and large firms and for public employees is provided by the Employment Security Commission for 1996. The number of self-employed is derived from 1996 national data from the Small Business Administration.

Self Employed	226,402	6.1%
Small Firm (<100)	1,571,536	42.2%
Large Firm (>100)	1,352,731	36.4%
Government	<u>570,000</u>	<u>15.3%</u>
	3,720,669	100.0%

The chart below assumes the 1,156,049 children now insured by individual or group coverage can be grouped according their parents' employment type. Those taxpayers that have pre-tax payroll deduction of their health insurance premium under IRC Section 125 cafeteria plans or under the self-employed health insurance deduction are not eligible for this tax credit. The Bureau of Labor Statistics (BLS) reported in 1994 that 22% of the firms with less than 100 employees use Section 125 plans for health insurance premiums. A 1995 BLS study found that 55% of the firms with more than 100 employees offered Section 125 cafeteria benefits. According to a state health plan administrator, approximately 99% of those enrolled in the Teachers', State Employees' and Retirees' Health Benefit Plan take advantage of pre-tax deduction of their health insurance premium. Based on data from the Small Business Administration and on 1995 individual income tax returns, approximately 26.6% of the self-employed take advantage of the deduction of health insurance costs for self-employed individuals.

According to the chart below, 40.2% of the parents now paying health insurance premiums for their children and receiving an income tax deduction will not receive the proposed credit.

<u>Employer Type</u>	<u>% of</u> <u>Insured</u>	<u># of</u> <u>Insured</u>	<u>Percent in</u> <u>Pre-Tax</u> <u>Plan</u>	<u>Number</u> <u>in State</u> <u>Health Plan</u>	<u>Not</u> <u>Eligible</u> <u>for Credit</u>	<u>Eligible</u> <u>for</u> <u>Credit</u>
Self Employed	6.1%	70,519	26.6%		18,758	51,761
Small Firms (<100 employees)	42.2%	487,853	22.0%		107,328	380,525
Large Firms (>100 employees)	36.4%	420,802	55.0%		231,441	189,361
Government	15.3%	<u>176,875</u>		106,821	<u>106,821</u>	<u>70,054</u>
		1,156,049			464,348	691,701

### **Tax Credit - Married Couples**

Approximately 77.2% of the privately insured children live in married couple households. These insured children are divided among income groups based on Current Population Survey data. Since the average insurance policy covers 1.6 children per family, the income groups represent federal poverty guidelines for a family of 4. The income amount on each column assumes an average family income for the parents of the children. The premium amount is the 1999 estimate divided by 1/3. The AGI cap of 5% is shown, but it has no impact on the credit amount. The credit multiplied by the number of policies is shown in the bottom three rows. The total credit amount for married couples is \$168,787,489.

Federal Poverty Level		<u>&lt;100%</u>	<u>100 to 200%</u>	<u>200 to 399%</u>	<u>400%+</u>
Age 0 -18 Insured Eligible		31,597	120,668	317,457	221,980
Income Level		<u>\$16,450</u>	<u>\$32,900</u>	<u>\$65,800</u>	<u>\$65,800</u>
Married couples	77.2%	24,393	93,156	245,077	171,369
Policies ( 1.6 kids per)		15,246	58,222	153,173	107,105
FFS/PPO policies	62.1%	9,467	36,156	95,120	66,512
HMO/POS policies	37.9%	5,778	22,066	58,053	40,593
5% AGI	5%	\$823	\$1,645	\$3,290	\$3,290
FFS/PPO 1/3 premium	\$493	\$493	\$493	\$493	\$493
HMO/POS 1/3 premium	\$527	\$527	\$527	\$527	\$527
FFS/PPO		\$4,667,559	\$17,825,270	\$46,895,257	\$32,791,241
HMO/POS		<u>\$3,042,666</u>	<u>\$11,619,850</u>	<u>\$30,569,851</u>	<u>\$21,375,794</u>
Married Couple		\$7,710,225	\$29,445,120	\$77,465,108	\$54,167,036
<b>Credit - Married Couples</b>					<b>\$168,787,489</b>

### **Tax Credit - Head of Household**

Approximately 22.8% of the insured children in families live in single head of households. These insured children are divided among income groups based on Current Population Survey data. Since the average insurance policy covers 1.6 children per family, the income groups represent federal poverty guidelines for a family of 3. The income amount on each column assumes an average income for the parent of the children. The premium amount is the 1999 estimate divided by 1/3. The AGI cap of 5% is shown, but it has no impact on the credit amount. The credit multiplied by the number of policies is shown in the bottom three rows. The total credit amount for head of households is \$49,849,155.

Federal Poverty Level		<u>&lt;100%</u>	<u>100 to 200%</u>	<u>200 to 399%</u>	<u>400%+</u>
Age 0 -18 Insured Eligible		31,597	120,668	317,457	221,980
Income Level		<u>\$13,650</u>	<u>\$27,300</u>	<u>\$54,600</u>	<u>\$54,600</u>
Head of Household	22.8%	7,204	27,512	72,380	50,611
Policies (1.6 kids per)		4,503	17,195	45,238	31,632
FFS/PPO	62.1%	2,796	10,678	28,093	19,644
HMO/POS	37.9%	1,706	6,517	17,145	11,989
5% AGI	5%	\$683	\$1,365	\$2,730	\$2,730
FFS/PPO 1/3 premium	\$493	\$493	\$493	\$493	\$493
HMO/POS 1/3 premium	\$527	\$527	\$527	\$527	\$527
FFS/PPO		\$1,378,502	\$5,264,458	\$13,849,895	\$9,684,460
HMO/POS		<u>\$898,611</u>	<u>\$3,431,769</u>	<u>\$9,028,401</u>	<u>\$6,313,058</u>
Head of Household		\$2,277,113	\$8,696,227	\$22,878,296	\$15,997,518
Total - Head of Household				\$49,849,155	

### **Summary**

The tax credit is effective for the 1999 tax year. Since taxpayers will file their 1999 returns in the year 2000, the fiscal impact will be in FY 1999-00. The total credit given married couples and head of households in FY1999-00 is \$218,636,644. This credit will produce an equivalent loss in the General Fund for FY 1999-00. The General Fund revenue loss in FY 2000-01 is \$229,349,740 due to 4.9% inflation in the premium amounts in the year 2000.

### **E. Tax Credit for Long Term Care Insurance**

This section provides an individual income tax credit equal to 15% of the premium paid each year on long term care insurance. The credit is capped at \$350 per policy. The tax credit is available for tax years 1999 and 2000 only.

The base data for this fiscal note comes from the National Association of Insurance Commissioners' 1995 Long Term Care Insurance Experience Report. In 1995, North Carolina had 77,503 citizens with long term care insurance. These insured persons paid premiums that averaged \$1,535.

An official with the Technical Services Group in the Department of Insurance recommended calculating the growth in the number of policies at 10% a year and the growth rate for premiums at 5% a year. The projected high growth in policies is prompted by the passage of the Health Accountability and Portability Act of 1996. The act qualified long term care insurance premiums as a deductible medical expense on individual income taxes. The federal act also allowed employers to offer long term care insurance as an untaxed benefit. The premium rate increase of 5% is the actual change from 1994 to 1995 and is believed to be an acceptable rate for the near future.

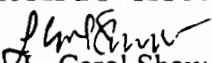
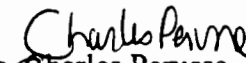
The cost of the tax credit is calculated below.

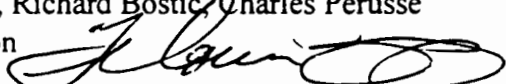
	<u>Avg Premium</u>	<u>Avg Tax Credit</u>	<u>Number of Policies</u>	<u>Estimated Cost</u>
1995	\$ 1,535	\$230	77,503	\$17,845,066
1996	\$ 1,612	\$242	85,253	\$20,611,051
1997	\$ 1,692	\$254	93,779	\$23,805,764
1998	\$ 1,777	\$267	103,156	\$27,495,657
1999	\$ 1,866	\$280	113,472	\$31,757,484
2000	\$ 1,959	\$294	124,819	\$36,679,894

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION**

733-4910

**PREPARED BY:**  L. Carol Shaw, Richard Bostic,  Charles Perusse

**APPROVED BY:** Tom Covington 

**DATE:** 3-24-98

**EXPLANATION OF SENATE BILL 2 (EXTRA SESSION):**

***RITE Care***

***(House Committee Substitute)***

**TO:** House Finance Committee  
**FROM:** Cindy Avrette, Committee Counsel  
**DATE:** March 25, 1998  
**SPONSOR:** Senator Rand

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The House Committee Substitute for **Senate Bill 2 of the 1998 Extra Session** contains two individual income tax credits:

- A credit for child health insurance.
- A credit for long-term care insurance.

**Credit for child health insurance.**

Section 3 of the bill allows a refundable State individual income tax credit for health insurance premiums paid for coverage of dependent children. The amount of the credit is equal to one-third of the taxpayer's child health insurance premium paid, not to exceed 5% of the taxpayer's adjusted gross income for the taxable year.

**Credit for long-term care insurance.**

Section 4 of the bill allows a refundable State individual income tax credit for long-term care insurance premiums paid for coverage of the taxpayer, the taxpayer's spouse, or a dependent of the taxpayer. The amount of the credit is equal to 15% of the premium paid each year on long term care insurance. The credit may not exceed \$350 for each policy for which the credit is claimed.

Under current law, premiums paid on long term care insurance contracts are treated as deductible medical expenses. Under the medical expense itemized deduction, unreimbursed medical expenses may be deducted to the extent that the expenses exceed 7.5% of adjusted gross income. To the extent a taxpayer is able to deduct from federal taxable income the premiums paid for long-term care insurance, this credit will offer a limited double benefit.

A long-term care insurance policy is one that provides only coverage of long term care services and that meets the following requirements:

1. Is guaranteed renewable.
2. Does not provide for a cash surrender value.
3. Provides that refunds and dividends may only be used to reduce future premiums or to increase future benefit.
4. Does not pay or reimburse expenses which are reimbursable under Medicare.
5. Satisfies consumer protection laws.

**PROPOSED HOUSE COMMITTEE SUBSTITUTE - SB2**  
**RITE Care: The Child Health Insurance Program**  
(S2-PCS4645)  
March 25, 1998

	<u>Bill pg.#</u>
<b><u>Eligibility</u></b>	
185% FPL	3
Under age 19 (enrolled in high school)	2
Uninsured (6 month look-back)	2
Ineligible for Medicaid	3
Resident	3
Premium paid for prior year coverage	3
Continuous for one year; duty to report changes in residency, income, insured status	3
<b><u>Benefits</u></b>	4
Except for premiums/cost-sharing, equivalent to benefits provided under State Employees' Health Plan	
<b><u>Premiums</u></b>	4
No premiums for families at or below 133% FPL.	
134-150%                      \$5/per child/per month. \$15/mo. Max.	
151-185F                     \$10/per child/per month. \$28/mo. Max	
<b><u>Cost-sharing</u></b>	4
No cost sharing at or below 150% FPL.	
Above 150%: \$5/per child for each physician visit	
\$6/per child for each prescription filled	
\$20/per emergency room visit unless hospitalized	
Cost-sharing capped at 5% of aggregate family income for all children	
<b><u>Private plans may provide coverage under RITE Care</u></b>	5
RITE Care enrollee may opt for private coverage if:	
Private Provider meets requirements	
Private plan is actuarially equivalent to RITE Care coverage	
Cost of private plan is equal to or less than RITE Care	
Cost-sharing under private plan does not exceed 5% of enrollee's annual family income	
<b><u>Option to purchase extended coverage</u></b>	5
RITE Care enrollee who loses RITE Care eligibility due to increase in income may purchase extended RITE Care coverage at full premium cost. Extended coverage is not longer than 1 year.	

**Option to purchase additional benefits**

5

RITE Care enrollee may purchase, at full cost to the enrollee, additional coverage for dental, vision, and hearing services.

**No State funds for options.**

6

No State or federal funds may be used to cover, subsidize, or otherwise offset cost of extended or additional coverage.

**Coverage for Children with Special Needs**

6

Separate fund to provide coverage for children with special needs  
Child must be enrolled in RITE Care, be a "special needs child" as defined, and coverage only for items not covered under RITE Care.

**Administration/Claims processing**

6, 12

Administration of benefits and claims processing shall be undertaken by Executive Administrator and Board of Trustees of the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan.

**State Plan**

6

DHHS submits plan in accordance with this act. No amendments to State Plan without General Assembly approval.

**Application; outreach; data collection; reporting**

7

Requirements for application, outreach efforts, data collection, reporting.

**Fraudulent misrepresentation**

9

Class I felony for fraudulent misrepresentation. Tracks Medicaid and food stamp fraud provisions.

**Legislative oversight**

9

Establishes Jt. Legislative Oversight Committee on Child Health Insurance.

**Tax Credits**

10

Tax credits for premiums paid by purchasers of dependent health coverage, and for purchase of long-term care insurance

**Plan to avoid duplication of Medicaid/private coverage**

13

**DHHS to apply for Medicaid waiver**

14

Directs DHHS to apply for Medicaid waiver to make ineligible for Medicaid a person covered under a private or employer plan.

**Appropriations provisions**

14

\$12,307,312 for State match; \$15,000,000 for special needs.

## RITE CARE PROPOSAL

	1998-99	1999-00	2000-01	2001-02	2002-03
Estimated Eligibles <150% FPL	36,764	37,499	38,249	39,014	39,795
Average Cost per Eligible < 150% FPL	\$ 878.64	\$ 913.79	\$ 950.34	\$ 988.35	\$ 1,027.88
Estimated Eligibles >150% FPL	27,663	28,216	28,781	29,356	29,943
Average Cost per Eligible>150% FPL	\$ 854.04	\$ 888.20	\$ 923.73	\$ 960.68	\$ 999.11
 RITE Care Coverage	 \$ 30,806,803	 \$ 59,328,029	 \$ 62,935,174	 \$ 66,761,632	 \$ 70,820,739
Children Special Health Needs Fund	\$ 15,000,000	\$ 20,800,000	\$ 21,632,000	\$ 22,497,280	\$ 23,397,171
<b>Total Program Cost</b>	<b>\$ 45,806,803</b>	<b>\$ 80,128,029</b>	<b>\$ 84,567,174</b>	<b>\$ 89,258,912</b>	<b>\$ 94,217,911</b>
 <b>Administration</b>					
Eligibility Determination	\$ 2,742,503	\$ 2,879,628	\$ 3,023,609	\$ 3,174,790	\$ 3,333,529
DMA Administration	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Outreach	\$ 500,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Premium Collection Administration	\$ 304,453	\$ 489,686	\$ 499,479	\$ 509,469	\$ 519,658
EIS System Changes	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Children's Special Health Needs Admin.	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
 <b>Total Administration</b>	 \$ 4,396,956	 \$ 3,969,314	 \$ 4,123,089	 \$ 4,284,259	 \$ 4,453,188
 <b>Total Rite Care Cost</b>	 \$ 50,203,759	 \$ 84,097,343	 \$ 88,690,262	 \$ 93,543,171	 \$ 98,671,098
 <b>Funding Sources</b>					
Federal	\$ 35,321,603	\$ 59,175,390	\$ 62,361,270	\$ 65,703,329	\$ 69,236,446
State	\$ 12,307,312	\$ 20,780,549	\$ 22,104,760	\$ 23,531,126	\$ 25,039,761
Premiums	\$ 2,574,844	\$ 4,141,404	\$ 4,224,232	\$ 4,308,717	\$ 4,394,891

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**1997 COMMITTEE REPORT  
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Gray, Brawley, Dixon, C. Wilson** for the Committee on **Finance**.

*House*  
☒ Committee Substitute for

S.B. 2 A BILL TO BE ENTITLED AN ACT TO ESTABLISH RITE CARE: THE CHILD HEALTH INSURANCE PROGRAM TO PROVIDE HEALTH INSURANCE FOR CHILDREN UP TO ONE HUNDRED EIGHTY-FIVE PERCENT OF THE FEDERAL POVERTY LEVEL AND UNINSURED FOR SIX MONTHS PRIOR TO APPLICATION; TO PROVIDE ADMINISTRATION OF PROGRAM BENEFITS UNDER THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN; TO REQUIRE THAT APPLICATION BE MADE AT LOCAL HEALTH DEPARTMENTS AND COUNTY DEPARTMENTS OF SOCIAL SERVICES; TO AUTHORIZE PROGRAM ENROLLEES TO PURCHASE EXTENDED OR ADDITIONAL COVERAGE UNDER THE PROGRAM; TO AUTHORIZE PREMIUMS AND OTHER COST-SHARING UNDER THE PROGRAM; TO ESTABLISH THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CHILD HEALTH INSURANCE; AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN PURCHASERS OF DEPENDENT HEALTH INSURANCE AND LONG-TERM CARE INSURANCE.

- ☐ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on  
☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on ☐ Appropriations ☐ Finance ☐
- ☒ With a favorable report as to *House* committee substitute bill (# 2), ☒ which changes the title, unfavorable as to original bill *House* (Committee Substitute Bill # 1), ~~(and recommendation that the committee substitute bill # ) be re-referred to the Committee on )~~
- ☐ With a favorable report as to House committee substitute bill (# ), ☐ which changes the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. \_\_\_\_\_

H. B. No. \_\_\_\_\_

S. B. No. 2

DATE 3-25-98

Amendment No. \_\_\_\_\_

(to be filled in by  
Principal Clerk)

COMMITTEE SUBSTITUTE 4645

(Rep.) Neelbott  
Sen. )

1 moves to amend the bill on page 1, line 8-10

2 (✓) WHICH CHANGES THE TITLE

3 by rewriting the lines to read: "COMPREHENSIVE

4 MAJOR MEDICAL PLAN; TO AUTHORIZE".

5 \_\_\_\_\_

6 \_\_\_\_\_

7 \_\_\_\_\_

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18 \_\_\_\_\_

19 \_\_\_\_\_

SIGNED Martin Neelbott

ADOPTED ✓ FAILED \_\_\_\_\_ TABLED \_\_\_\_\_

## NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. \_\_\_\_\_

H. B. No. ~~RES~~ \_\_\_\_\_DATE 3/25/98S. B. No. ~~RES SB 2 2~~ \_\_\_\_\_

Amendment No. \_\_\_\_\_

COMMITTEE SUBSTITUTE ~~SB 2~~ 4645(to be filled in by  
Principal Clerk)

Rep.) \_\_\_\_\_

Sen.) \_\_\_\_\_

Hensley1 moves to amend the bill on page 9, line 14

2 ( ) WHICH CHANGES THE TITLE

3 by inserting after the word "person" the4 following phrase: "or health care provider"5  
6 and further, on line 8 by inserting7 after the word "applicant," the following8 phrase: "health care provider,"9  
10 and further, on line 13 after the word11 "person" the following phrase:12 "or health care provider"

13 \_\_\_\_\_

14 \_\_\_\_\_

15 \_\_\_\_\_

16 \_\_\_\_\_

17 \_\_\_\_\_

18 \_\_\_\_\_

19 \_\_\_\_\_

SIGNED \_\_\_\_\_

R. J. HensleyADOPTED \_\_\_\_\_ FAILED X TABLED \_\_\_\_\_

(Please type or use ballpoint pen)

EDITION No. \_\_\_\_\_

H. B. No. \_\_\_\_\_

DATE 3-15-98S. B. No. 2

Amendment No. \_\_\_\_\_

COMMITTEE SUBSTITUTE 4645(to be filled in by  
Principal Clerk)

(Rep.)

Sen.)

Nesbitt1 moves to amend the bill on page 1, line 5

2 (✓) WHICH CHANGES THE TITLE

3 by deleting the line and inserting in lieu4 thereof the word "LEVEL"; and

5

6 further moves to amend the bill on page 2, line 187 by deleting the words "and was"; and

8

9 further moves to amend the bill on page 2, lines 20 2110 through 28 by deleting the lines; and

11

12 further moves to amend the bill on page 2, line 2013 by deleting the words "application and" and14 substituting the word "application."

15

16

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19

SIGNED \_\_\_\_\_

ADOPTED \_\_\_\_\_

FAILED \_\_\_\_\_

TABLED \_\_\_\_\_

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

*Never discussed*

EDITION No. \_\_\_\_\_

H. B. No. \_\_\_\_\_

DATE 3-25

S. B. No. 2

Amendment No. \_\_\_\_\_

(to be filled in by  
Principal Clerk)

COMMITTEE SUBSTITUTE 4645

(Rep. ) Nesbitt  
Sen. ) \_\_\_\_\_

1 moves to amend the bill on page 3, line 5 1-2

2 ( ) WHICH CHANGES THE TITLE

3 by rewriting the lines to read: "(1) Be under the age of 19;"

4 \_\_\_\_\_

5 \_\_\_\_\_

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18 \_\_\_\_\_

19 \_\_\_\_\_

SIGNED *Nesbitt*

ADOPTED \_\_\_\_\_ FAILED \_\_\_\_\_ TABLED \_\_\_\_\_

## VISITOR REGISTRATION SHEET

Special

3-25-98

Session

Name of Committee

Date

WV ✓

Finance

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Jane Coffey	Speaker's Office
Adam Searing	NC Health Access Coalition
Bill Wilson	NCAE
Chris Fitzsimon	Common Sense Foundation
Paula Wolf	Covenant w/NC's Children
Pat Yancy	APPEND C / SC SL
Roz Sawloff	RS Government Services
Eugene Hawthorne	NCHHA
John E. Bowditch	Zeb Alley - P.A.
Anne Case	NCRMA
John Rustin	NCFPC
Don Duncan	WCSR

## VISITOR REGISTRATION SHEET

Name of Committee

Finance

3/25/98

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

JOHN SAXON

106-UNZ

Franklin D. [unclear]

Governor's office

Nancy Pomeranz

DOR

Ruth Seawell

"

William L. Spencer

"

Annette Ethridge

Gov's Office

Willie Riddick

DOR

Larry King

Council For Children Charlotte

Liz Jordak

Mental Health Assoc. of Mecklenburg Co.  
Charlotte, NC

Don Carrington

John Locke Foundation

[Signature]

Sargol Halshum Jan Firm

DAVE BRUN

DHHS

# VISITOR REGISTRATION SHEET

Finance  
Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Mills	
Richard Rumbly	Gov. Office
Dennis Patterson	APE
Tom Morrow	Spent
Betsy H. Jones	BRC, INC
Paul Offenberg	DOR
John Bridgeman, Gastonia	CANDIDATE FOR NC HOUSE, 76 <sup>th</sup> DIST COLWELL BANKER BRIDGEMAN & ASSOC
Tom VITALL, INC	DHHS
Beryl E. Wade	Gov
Guenter K. Kuhn	Eggs
Henry Jones	Attorney - Raleigh
Army Fullbright	Hunter & Williams

## VISITOR REGISTRATION SHEET

Name of Committee

Finance

Date

3/25/98

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Debra Ross

ACLU

Tony Mecra

Student - UNC - Chapel Hill

Steve Shaba

Jordan Price Hall Bay &amp; Jones



## ATTENDANCE

## Finance

(Name of Committee)

[illegible]

**1997**

**HOUSE  
HUMAN RESOURCES**

**MINUTES**

# **House Human Resources Committee**

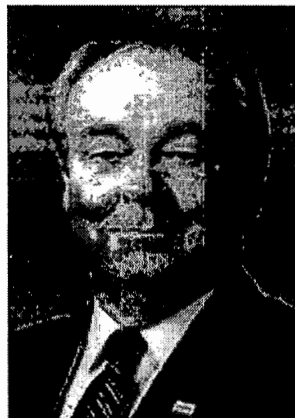
**1997-98 Session**



**Henry Aldridge**  
**Co-Chair**



**Julia C. Howard**  
**Co-Chair**



**Liston B. Ramsey**  
**Ranking Minority**  
**Member**

# House Human Resources Committee

1997-98 Session

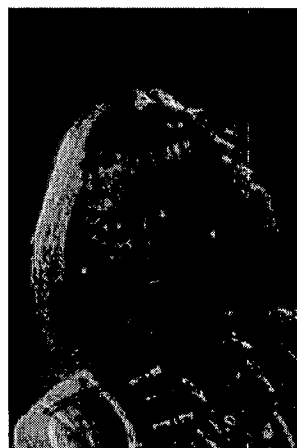
## Members



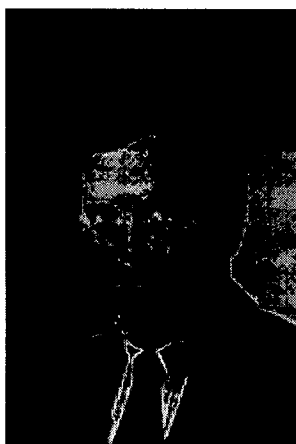
Alma. S. Adams



Joanne W. Bowie



Debbie A. Clary



Billy J. Creech



Arlie F. Culp



W. Pete Cunningham



Beverly M. Earle



Ruth M. Easterling



Theresa Esposito

# House Human Resources Committee

1997-98 Session

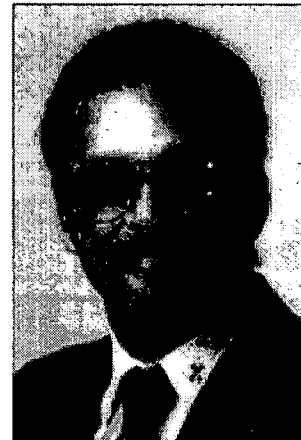
## Members



Charlotte A. Gardner



Jim Guley



Howard J. Hunter, Jr.



Verla C. Insko



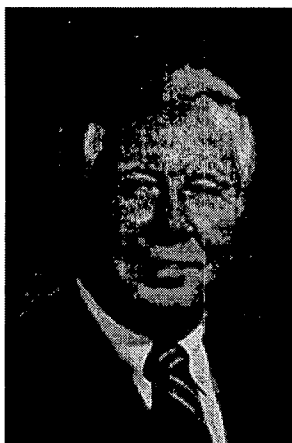
Bill Ives



Mary E. McAllister



Martin L. Nesbitt, Jr.



John M. Rayfield



Nurham Warwick

# **House Human Resources Committee**

**1997-98 Session**

## **Members**



Cynthia B. Watson



Gene Wilson



Larry Womble

**HUMAN RESOURCES COMMITTEE**

<b>MEMBER</b>	<b>PHONE #</b>	<b>ROOM #</b>	<b>SEAT #</b>
Adams, Alma S.	3-5902	542	103
Aldridge, M. W. "Henry"	3-5958	640	39
Bowie, Joanne W.	3-5853	1206	26
Clary, Debbie A.	5-3011	418B	75
Creech, Billy James	3-5829	635	42
Culp, Arlie F.	3-5865	1010	62
Cunningham, W. Pete	3-5755	607	92
Earle, Beverly M.	5-4466	602	95
Easterling, Ruth M.	3-5786	606	79
Esposito, Theresa H.	5-2530	634	5
Gardner, Charlotte A.	5-3017	417B	7
Gulley, Jim	3-5860	1307	98
Howard, Julia Craven	3-5904	1021	8
Hunter, Howard J., Jr.	3-2962	613	68
Insko, Verla C.	3-5800	1319	112
Ives, Bill	3-5784	633	90
McAllister, Mary E.	3-5706	603	70
Nesbitt, Martin L., Jr.	5-0873	1213	118
Ramsey, Liston B.	3-5606	2217	48
Rayfield, John M.	5-3009	418C	97
Warwick, Nurham	3-5886	1015	113
Watson, Cynthia B.	5-3015	417C	19
Wilson, Gene	3-7727	1109	52
Womble, Larry	3-5751	540	105

# HOUSE OF REPRESENTATIVES

## 1997 COMMITTEE SCHEDULE

*Mattis  
Schuler* ✓

TIME	TUESDAY		WEDNESDAY		THURSDAY	
	COMMITTEE	ROOM NO.	COMMITTEE	ROOM NO.	COMMITTEE	ROOM NO.
8:30 A.M.	<b>APPROPRIATIONS</b> 643 • Education 421 • General Government 425 • Human Resources 424 • Justice & Public Safety 612 • Natural & Economic Resources 605 • Transportation 1327 <b>FINANCE</b> 544		<b>APPROPRIATIONS</b> 643 • Education 421 • General Government 425 • Human Resources 424 • Justice & Public Safety 612 • Natural & Economic Resources 605 • Transportation 1327 <b>FINANCE</b> 544		<b>APPROPRIATIONS</b> 643 • Education 421 • General Government 425 • Human Resources 424 • Justice & Public Safety 612 • Natural & Economic Resources 605 • Transportation 1327 <b>FINANCE</b> 544	
10:00 A.M.	<b>AGRICULTURE</b> 1425 <b>JUDICIARY I</b> 1327 <b>JUDICIARY II</b> 421		<b>COMMERCE</b> 643 • Business & Labor 425 • Financial Institutions 612 • Public Utilities 544 • Travel & Tourism 415		<b>JUDICIARY I</b> 1327 <b>JUDICIARY II</b> 421 <b>STATE GOVERNMENT</b> 544 • Mil., Vets. & Ind. Affs. 1425 • State Pks., Fac. & Prop. 415	
11:00 A.M.	<b>EDUCATION</b> 544 • Comm. Colleges 424 • Preschool, Elementary & Secondary Education 1327 • Universities 1425 <b>HUMAN RESOURCES</b> 643 • Aging 612 • Families 605 <b>LOCAL &amp; REGIONAL GOVERNMENT I</b> 415		<b>ELECTION LAW &amp; CAMPAIGN REFORM</b> 1327 <b>LOCAL &amp; REGIONAL GOVERNMENT II</b> 1425 <b>PUBLIC EMPLOYEES</b> 415 <b>TRANSPORTATION</b> 643		<b>EDUCATION</b> 544 • Comm. Colleges 424 • Preschool, Elementary & Secondary Education 1327 • Universities 1425 <b>HUMAN RESOURCES</b> 643 • Aging 612 • Families 605	
12:00 noon	<b>APPROPRIATIONS</b> • Capital & Budget 643  <b>FINANCE</b> • Local, Regional & State Revenues 415		<b>ENVIRONMENT</b> 643 <b>WAYS &amp; MEANS</b> 1327		<b>INSURANCE</b> 643 • Health 612 <b>TECHNOLOGY</b> 415 <b>WELFARE REFORM</b> 1327	

The following committees will meet upon call of the Chair:

2/11/97

Rules, Calendar, and Operations of the House

Ethics

Pensions and Retirement

Congressional Redistricting

UNC Board of Governors

Afternoon sessions of Committees



# ATTENDANCE

## HUMAN RESOURCES

(Name of Committee)

730 11

DATES	2/20	2/25	2/27	3/4	3/6	3/25	3/27	4/1	4/8	4/10	4/15	4/17	4/22	4/23
Rep. Aldridge, Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Howard, Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Ramsey, RMM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Adams	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Bowie		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Clary	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Creech		✓		✓	✓	✓	EA	✓	✓	✓	✓	✓	✓	✓
Rep. Culp	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Cunningham	✓		✓		✓		✓	✓	✓	✓	✓	✓	✓	✓
Rep. Earle	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Easterling	✓	✓	✓			✓		✓	✓	✓	✓	✓	✓	✓
Rep. Esposito	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Gardner	✓	✓	✓	✓	✓	EA	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Hunter		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Insko	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Rep. Ives	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. McAllister					✓	✓		✓	✓		✓	✓	✓	✓
Rep. Nesbitt	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Rayfield	E.A.	E.A.	✓	E.A.	✓	✓	EA	EA	✓	EA	EA	✓	✓	✓
Rep. Warwick	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Watson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Wilson, G.	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Rep. Womble	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Gully													✓	✓

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13

NORTH CAROLINA GENERAL ASSEMBLY  
COMMITTEE SUMMARY REPORT

1997-98 Regular Session

HOUSE: HUMAN RESOURCES

Valid Through 9-SEP-1997

BILL	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	IN DATE	OUT DATE
H 28	BAKER	DSS BOARD CHANGE	*R -CH. SL 97-0135	02-04-97	02-26-97
H 73=	GOODWIN	REDUCE COUNTY SHARE PAYMENTS	*H -RE-REF COM ON APPROP	02-10-97	04-03-97
H 77	HOWARD	DISSOLVE CERTAIN MENTAL HEALTH AUTH.	R -CH. SL 97-0007	02-10-97	02-20-97
H 81=	CLARY	RESIDENCY REQ/SPECIAL ASSISTANCE	*R -CH. SL 97-0210	02-10-97	03-06-97
H 81=	CLARY	RESIDENCY REQ/SPECIAL ASSISTANCE	*R -CH. SL 97-0210	04-22-97	
H 110=	EARLE	ADULT CARE/NURSING HOME PENALTIES	*H -CAL PURSUANT RULE 36 (A)	02-12-97	04-21-97
H 143=	WILSON G	ADULT CARE HOMES ANNUAL REPORTING	*R -CH. SL 97-0073	02-13-97	03-05-97
H 143=	WILSON G	ADULT CARE HOMES ANNUAL REPORTING	*R -CH. SL 97-0073	04-15-97	
H 145=	NICHOLS	DAY CARE PLAYGROUND EQUIPMENT	*H -CAL PURSUANT RULE 36 (A)	02-13-97	03-11-97
H 151=	EASTERLING	CHILD FATALITY TASK FORCE RECORDS	H -RE-REF COM ON JUDICII	02-13-97	03-11-97
H 152=	EASTERLING	CHILD ABUSE REPORT PENALTY	H -RE-REF COM ON JUDICII	02-13-97	04-16-97
H 153=	EASTERLING	DEPENDENT JUVENILE DEFINITION	R -CH. SL 97-0113	02-13-97	03-18-97
H 166=	ALDRIDGE	PHYSICAL FITNESS ACT FUNDS	*H -RE-REF COM ON APPROP	02-13-97	05-07-97
H 167=	ALDRIDGE	HEART DISEASE DATA FUNDS	H -RE-REF COM ON APPROP	02-13-97	05-06-97
H 171=	EARLE	STRIKE OUT STROKE FUNDS	H -RE-REF COM ON APPROP	02-13-97	05-06-97
H 185=	MITCHELL	AMEND FAMILY CARE HOME REPORTING	H -ASSIGNED TO HR-FAM	02-17-97	
H 186=	MITCHELL	FOSTER CARE CRIMINAL CK. CORRECTION	S -REF TO COM ON CH&HUMRS	02-17-97	03-18-97
H 213	NICHOLS	CONTROL OF CO. BDS./HUMAN SERVICES	H -REF TO COM ON HR	02-17-97	
H 235=	EASTERLING	INCREASE FEE FOR BIRTH/DEATH CERT.	H -REF TO COM ON HR	02-17-97	
H 303	ALDRIDGE	BAN PARTIAL-BIRTH ABORTIONS	*S -REF TO COM ON CH&HUMRS	02-24-97	04-24-97
H 327	MITCHELL	AREA MENTAL HEALTH BD./APPT.	S -REF TO COM ON CH&HUMRS	02-26-97	03-27-97
H 456=	DOCKHAM	REG DEEDS - NO ABUSE INFO.	R -CH. SL 97-0136	03-10-97	04-24-97
H 464	ALEXANDER	ENHANCE CHILD CARE	*H -RE-REF COM ON HR	04-24-97	
H 469=	TALLENT	PERMIT FEES	*R -CH. SL 97-0479	03-10-97	04-15-97
H 478=	BADDOUR	HEALTH TO DHR/DEHNR NAME CHANGE	H -REF TO COM ON HR	03-10-97	
H 536	WILSON C	ABORTION/RIGHT TO KNOW	*S -REF TO COM ON CH&HUMRS	03-18-97	04-24-97
H 564	GARDNER	SUPERVISING DENTAL HYGIENISTS	*S -REF TO COM ON CH&HUMRS	03-20-97	04-15-97
H 576=	WRIGHT	NEEDLE EXCHANGE PILOT PROGRAM	H -REF TO COM ON HR	03-20-97	
H 682	GARDNER	HOME CARE/PHARMACY SERVICES	H -ASSIGNED TO HR-FAM	03-31-97	
H 896	GARDNER	CHILD WELFARE CHANGES	*R -CH. SL 97-0390	04-08-97	04-24-97

NOTES- = AFTER BILL NUMBER SHOWS THAT BILL IS IDENTICAL, AS INTRODUCED, TO ANOTHER BILL.

\* AFTER NUMBERS INDICATES THAT TEXT OF BILL WAS ALTERED BY ACTION ON THE BILL.

BOLDDED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

NORTH CAROLINA GENERAL ASSEMBLY  
COMMITTEE SUMMARY REPORT  
HOUSE: HUMAN RESOURCES

1997-98 Regular Session

Valid Through 9-SEP-1997

BILL	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	IN DATE	OUT DATE
H 897	MCCOMAS	NURSING/REST HOME ADV. COMM.APPTS.	*R -CH. SL 97-0176	04-08-97	04-30-97
H 929	MORRIS	DOMESTIC VIOLENCE CHANGES-2	*S -REF TO COM ON JUDIC	04-14-97	04-16-97
H 948	GARDNER	PHARMACY REHABILITATION PROGRAM	R -CH. SL 97-0177	04-15-97	04-29-97
H 949=	GARDNER	IMPROVE CHILD PROTECTION/RECORDS	*R -CH. SL 97-0459	04-15-97	04-29-97
H1007	MOORE	CHILDHOOD LEAD EXPOSURE CONTROL-2	H -REF TO COM ON HR	04-21-97	
H1016=	EARLE	DAY CARE FRAUD COLLECTIONS	H -REF TO COM ON HR	04-21-97	
H1029	BOWIE	DENTAL EXAMINATION PILOT PROGRAM	H -RE-REF COM ON RULES	04-21-97	04-24-97
H1030	MOSLEY	CRIM.RECORD CHECKS/CLERK OF COURT	H -REF TO COM ON HR	04-21-97	
H1062	BERRY	CHILD SUPPORT/HEALTH COVERAGE	*S -REF TO COM ON PENSIONS	04-21-97	04-30-97
H1065	DAVIS D	PARENTAL RIGHTS & CHILD PROTECT ACT	H -ASSIGNED TO HR-FAM	04-21-97	
H1102	BRAWLEY	NEIGHBOR CHILD CARE LAW	H -ASSIGNED TO HR-FAM	04-21-97	
H1112	NESBITT	SURROGATE CONSENT/HEALTH CARE	H -REF TO COM ON HR	04-21-97	
H1116	BOYD-MCINTYRE	MEDICAL RESEARCH/INCLUDE WOMEN	H -REF TO COM ON HR	04-21-97	
H1130	BOYD-MCINTYRE	PROTECT HEALTH CARE WHISTLEBLOWERS	H -REF TO COM ON HR	04-21-97	
H1206	ALLRED	ADOPTION REGISTRY	H -REF TO COM ON HR	05-05-97	
S 53=	DANNELLY	ADULT CARE/NURSING HOME PENALTIES	*R -CH. SL 97-0431	04-30-97	07-17-97
S 168	HOYLE	INCREASE NURSES FEES	*R -CH. SL 97-0384	04-16-97	07-03-97
S 304=	ODOM	DAY CARE FRAUD COLLECTIONS	H -REF TO COM ON HR	04-29-97	
S 332	LUCAS	FOSTER CARE TRAINING	H -REF TO COM ON HR	04-08-97	
S 346	DANNELLY	JUVENILE GUARDIANS	*H -REF TO COM ON HR	04-15-97	
S 350	SOLES	SUPPLEMENTAL INSURANCE BENEFITS	*H -REF TO COM ON HR	04-02-97	
* S 383=	PERDUE	HEALTH TO DHR/DEHNR NAME CHANGE	*H -REF TO COM ON HR	04-15-97	
S 445	RAND	ALLOW NURSING INTERSTATE COMPACTS	S -PRES. TO GOV. 08-29	04-29-97	08-21-97
S 476=	PERDUE	OSTEOPOROSIS TASK FORCE	*H -REF TO COM ON HR	06-11-97	
S 479=	LUCAS	REG. DEEDS-NO ABUSE INFO	H -REF TO COM ON HR	04-22-97	
S 626	FORRESTER	OFFICE OF WOMEN'S HEALTH	*R -CH. SL 97-0172	04-30-97	05-20-97
S 636	HARTSELL	PUBLIC HEALTH AUTHORITY ACT	*S -PRES. TO GOV. 08-29	05-01-97	07-17-97
S 712	REEVES	SUBSTANCE ABUSE SPECIALISTS	*S -PRES. TO GOV. 08-29	06-09-97	08-21-97
S 786	MARTIN W	VOC. REHAB. SUBROGATION CHANGE	H -REF TO COM ON HR	04-30-97	
S 806	CONDER	CHILDHOOD LEAD EXPOSURE CONTROL	*H -REF TO COM ON HR	06-12-97	

NOTES- = AFTER BILL NUMBER SHOWS THAT BILL IS IDENTICAL, AS INTRODUCED, TO ANOTHER BILL.

\* AFTER NUMBERS INDICATES THAT TEXT OF BILL WAS ALTERED BY ACTION ON THE BILL.

BOLDLED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

Page: 2

*\* Incorporated into Budget Bill  
S 352,  
pp 143-248*

NORTH CAROLINA GENERAL ASSEMBLY  
COMMITTEE SUMMARY REPORT  
HOUSE: HUMAN RESOURCES

Valid Through 9-SEP-1997

1997-98 Regular Session

<u>BILL</u>	<u>INTRODUCER</u>	<u>SHORT TITLE</u>	<u>LATEST ACTION ON BILL</u>	<u>IN DATE</u>	<u>OUT DATE</u>
S 851	KINNAIRD	LIMIT PROVISIONAL LICENSE	*S -PRES. TO GOV. 08-29	05-05-97	08-22-97
S 876	FORRESTER	CRIMINAL CHECKS/CONTRACT AGENCIES	R -CH. SL 97-0125	05-01-97	05-14-97
S 929	COOPER	ENHANCE CHILD CARE	*S -PRES. TO GOV. 08-29	05-01-97	08-14-97
S 943	RAND	MEDICAID FALSE CLAIMS ACT	*R -CH. SL 97-0338	05-01-97	05-12-97
S 962	MARTIN W	VOL. ADMISSION/FAMILY UNIT	*H -CAL PURSUANT RULE 36(A)	05-01-97	08-14-97
S1023	FOXX	FAMILY FOSTER HOME STANDARDS	*R -CH. SL 97-0110	05-01-97	05-14-97

NOTES- = AFTER BILL NUMBER SHOWS THAT BILL IS IDENTICAL, AS INTRODUCED, TO ANOTHER BILL.  
\* AFTER NUMBERS INDICATES THAT TEXT OF BILL WAS ALTERED BY ACTION ON THE BILL.  
BOLDED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

*Clerk's  
Notebooks*

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:**        **Thursday, February 20, 1997**

**TIME:**                **11:00 a.m.**

**LOCATION:**          **643 LOB**

The following bills will be considered:

**HB 28 "DSS Board Change"**

**HB 77 "Dissolve Certain Mental Health Authorities"**

**HB 81 "Residency Requirements for Special Assistance"**

Respectfully,

Representative Julia Howard  
Representative Henry Aldridge  
CoChairs

I hereby certify this notice was filed by the committee clerk at the following offices at  
**12:00 p.m. on February 14, 1997.**


\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk - House Chamber

Gail Stewart (Committee Clerk)

## **Gail Stewart (Rep. Howard)**

---

**From:** Gail Stewart (Rep. Howard)  
**Sent:** Thursday, February 13, 1997 5:29 PM  
**To:** Anne Cole; Annecia Norwood; Barbara Hocutt; Barbara Phillips; Betty Anne Lennon; Carolyn Honeycutt; Dot Barber; Ebern Watson; Gail Stewart; House Sgt of Arms; Janette Lee; Jayne Walton; Jo Malone; John Young; Judy Willis; Karen George; Kathleen Cali; Legislative Press; Linda Attarian; Linda Johnson; Lucille Carter; Mary Jamison; Melissa Jackson; Monica McClain; Pat Baker; Phyllis Cameron; Rebecca Jones; Sharon Gaudette; Sue Floyd; Susan Groh; Sylvia Green; Waneta Lord  
**Subject:** HUMAN RESOURCES Meeting



Notice of Meeting for  
February 20, 1997.d

## AGENDA

### House Standing Committee on HUMAN RESOURCES

Thursday, February 20, 1997  
11:00 a.m.

Rep. Henry Aldridge - Opening Prayer

Greetings: Rep. Julia C. Howard, Presiding Chair

Introduction of Members

Introduction of staff, clerks, Sergeant at Arms, and Pages

(Research Staff: Linda Attarian, Sue Floyd, John Young)

(Clerks: Gail Stewart and Susan Groh)

(Intern: Brandy Faught)

(Sgt. at Arms: )

(Pages: )

Presentation and discussion of HB 28 "DSS Board Change"  
Representative Baker, Sponsor

Vote

Presentation and discussion of HB 77 "Area Mental Health Authority"  
Representative Howard, Sponsor

Vote

Presentation and discussion of HB 81 "Residency Requirements for Special Assistance"  
Representative Clary, Sponsor

Vote

*Patrice Roesler w/ Assoc of Co. Comm.*

Announcements

Adjournment

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
NOTIFICATION TO BILL SPONSOR**

**BILL SPONSOR:** Rep. Rex Baker

**OFFICE:** 632 LOB

**DATE:** February 14, 1997

The House Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:** Thursday, February 20, 1997

**TIME:** 11:00 a.m.

**LOCATION:** 643 LOB

Your bill will be discussed at this time:

**HB 28 "DSS Board Change"**

We would like to have you attend this meeting.

Representative Julia Howard  
Representative Henry Aldridge  
CoChairs

Gail Stewart  
Susan Groh  
Committee Clerks

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
NOTIFICATION TO BILL SPONSOR**

**BILL SPONSOR:** Rep. Debbie Clary

**OFFICE:** 418-B

**DATE:** February 14, 1997

The House Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:** Thursday, February 20, 1997

**TIME:** 11:00 a.m.

**LOCATION:** 643 LOB

Your bill will be discussed at this time:

**HB 81 "Residency Requirements for Special Assistance"**

We would like to have you attend this meeting.

Representative Julia Howard  
Representative Henry Aldridge  
CoChairs

Gail Stewart  
Susan Groh  
Committee Clerks

# **BILL ACTION WORKSHEET FOR COMMITTEE MEETINGS**

Bill	<u>H28</u>	Sponsor	<u>Baker</u>
Favorable	_____	Motion by	_____
Unfavorable	_____	Motion by	_____
Amended	_____	Motion by	_____
Comm. Sub.	_____	Motion by	_____
Original Bill	<u><del>Displaced</del></u>		
Re-referred	_____	Motion by	_____
Other Action	_____		

\*\*\*\*\*

Bill	<u>H77</u>	Sponsor	<u>Howard</u>
Favorable	<u>✓</u>	Motion by	<u>Easterling</u>
Unfavorable	_____	Motion by	_____
Amended	_____	Motion by	_____
Comm. Sub.	_____	Motion by	_____
Original Bill	_____		
Re-referred	_____	Motion by	_____
Other Action	_____		

\*\*\*\*\*

Bill	_____	Sponsor	_____
Favorable	_____	Motion by	_____
Unfavorable	_____	Motion by	_____
Amended	_____	Motion by	_____
Comm. Sub.	_____	Motion by	_____
Original Bill	_____		
Re-referred	_____	Motion by	_____
Other Action	_____		

\*\*\*\*\*

Bill	_____	Sponsor	_____
Favorable	_____	Motion by	_____
Unfavorable	_____	Motion by	_____
Amended	_____	Motion by	_____
Comm. Sub.	_____	Motion by	_____
Original Bill	_____		
Re-referred	_____	Motion by	_____
Other Action	_____		

## MINUTES

### HOUSE COMMITTEE ON HUMAN RESOURCES

The House Committee on Human Resources met in Room 643 of the Legislative Office Building on Thursday, February 20, 1997. Representative Howard, Co-Chairman, presided at this meeting.

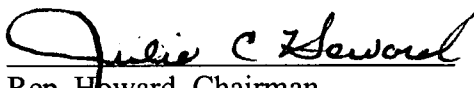
The following members were present: Representatives Adams, Aldridge (Co-Chair), Clary, Culp, Cunningham, Earle, Easterling, Esposito, Gardner, Insko, Ives, Nesbitt, Warwick, Watson, G. Wilson, and Womble. Rep. Rayfield had an excused absence.

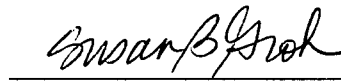
The following bills were discussed:

House Bill 28, entitled DSS Board Change was explained by Rep. Baker and staff member Linda Attarian. Miss Rossler from the County Commissioners Association spoke and stated that they had no problems with the bill as presented or with Rep. Gardner's proposed amendment. Rep. Howard moved that the bill be displaced temporarily until the amendment could be drawn up. This bill will be considered again in committee on February 25, 1997.

House Bill 77, entitled Dissolve Certain Mental Health Authorities, was explained by Rep. Howard, who introduced this bill. Rep. Aldridge took over as Chairman of the meeting at this point. Staff member John Young explained that this bill allows for the dissolution by 6/30/97 and provides for distribution of assets. The bill was voted upon and was given a favorable report; vote was unanimous for the motion.

The meeting adjourned at 11:55 AM.

  
Rep. Howard, Chairman  
February 26, 1997  
Date

  
Susan Groh, Committee Clerk

# VISITOR REGISTRATION SHEET

**HUMAN RESOURCES**

, 1997

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Mary Thiel	NASW-NC 412 Morse St.
Polly Williams	NC Equity
Patricia Reeder	NCAAC
Berlyn Smith	lobbyist
Susan Aldridge	
Margaret Williams	Box 10000
JW Edgerton	MHA-NC
Mary Carnelia	Mecklenburg County
Steven Shaber	Jordan Ridge Child Care
Ann Marie	NC ADOPTION
Tom Wilson	NC 110 E. 1st St.
Raymond	TPC
Angela Tonlin	NCA CDSS
Sharon Hirsch	NCA CDSS
Dave Roper	APC NC
Elizabeth Hall	NC ENW-NC
Gale Roberts	NC Child Advocacy Inst.
Ann Schwindaman	NC Council of Community Programs
Carol Schwindaman	visitor
Pat Yancy	APPC NC + State Council for Senior Citizens
ANDIE McMillan	DHR
Soreci Schmidt	The Justice Center
Adam Seaning	NC Health Access Coalition
Alice Doolittle	DHR / DMA
Shanese Rouse	DSS
Evelyn Hawthorne	NCHA
Mary Carnelia	Mecklenburg County

## VISITOR REGISTRATION SHEET

## HUMAN RESOURCES

**, 1997**

Name of Committee

Date \_\_\_\_\_

**VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK**

**NAME**

**FIRM OR AGENCY AND ADDRESS**[illegible]

✓

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:**        **Tuesday, February 25,**

**TIME:**                **11:00 AM**

**LOCATION:**          **643**

The following bills will be considered (Bill # & Short Title):

**House Bill 28 - DSS Board Change**

**House Bill 81 - Residency Requirements/Special Assistance**

**House Bill 73 - Reduce County Share Payments**

Respectfully,

Representative Aldridge  
Representative Howard

Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at  
**12:30 PM on Thursday, February 20, 1997.**

\_\_\_\_Principal Clerk  
\_\_\_\_Reading Clerk - House Chamber

Susan Groh (Committee Clerk)

REVISED

**AGENDA**

House Standing Committee  
on  
**HUMAN RESOURCES**

Tuesday, February 25, 1997  
11:00 AM - Room 643-LOB

Rep. Henry Aldridge - Opening Prayer

Greetings: Rep. Henry Aldridge, Presiding Chair

Introduction of Pages

Presentation and discussion of HB 28 "DSS Board Change"  
Representative Baker, Sponsor

Vote

Presentation and discussion of HB 81 "Residency Requirements for Special Assistance"  
Representative Clary, Sponsor

Vote

Presentation and discussion of HB 73 "Reduce County Share Payments"  
Representative Goodwin, Sponsor

Vote

Announcements

Adjournment

*Amended  
See Cy 2*

**AGENDA**

House Standing Committee  
on  
**HUMAN RESOURCES**

Tuesday, February 25, 1997  
11:00 AM  
Room 643

Rep. Henry Aldridge - Opening Prayer

Greetings: Rep. Julia C. Howard, Presiding Chair

Introduction of Pages

Presentation and discussion of HB 28 "DSS Board Change"  
Representative Baker, Sponsor

Vote

Presentation and discussion of HB 81 "Residency Requirements for Special Assistance"  
Representative Clary, Sponsor

Vote

Presentation and discussion of HB 73 "Reduce County Share Payments"  
Representative Goodwin, Sponsor

Vote

Announcements

Adjournment

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

2/25  
Withdrawn  
by Rep. Jandree

H

D

PROPOSED COMMITTEE SUBSTITUTE FOR HOUSE BILL 28  
H28-CSRI-01.4

Short Title: DSS Board Change.

(Public)

Sponsors:

Referred to: Human Resources.

February 4, 1997

1 A BILL TO BE ENTITLED  
2 AN ACT TO CHANGE THE METHOD OF APPOINTING THE COUNTY BOARDS OF  
3 SOCIAL SERVICES.  
4 The General Assembly of North Carolina enacts:  
5 Section 1. G.S. 108A-3 reads as rewritten:  
6 "§ 108A-3. Method of appointment; residential qualifications;  
7 fee or compensation for services; consolidated human services  
8 board appointments.  
9 (a) Three-Member Board. -- The board of commissioners shall  
10 appoint ~~one member~~ two members who may be a ~~county commissioner~~  
11 county commissioners. ~~or a citizen selected by the board; the~~  
12 The Social Services Commission shall appoint one member; and the  
13 ~~two members so appointed shall select the third member. In the~~  
14 ~~event the two members so appointed are unable to agree upon~~  
15 ~~selection of the third member, the senior regular resident~~  
16 ~~superior court judge of the county shall make the selection.~~  
17 member.  
18 (b) Five-Member Board. -- The procedure set forth in  
19 subsection (a) shall be followed, except that ~~both the board of~~  
20 ~~commissioners and the Social Services Commission shall appoint~~  
21 ~~two members each, and the four so appointed shall select the~~  
22 ~~fifth member. If the four are unable to agree upon the fifth~~

~~1 member, the senior regular superior court judge of the county~~  
~~2 shall make the selection. the board of commissioners shall~~  
~~3 appoint three members who may be county commissioners. The~~  
~~4 social services commission shall appoint two members.~~

5 (c) Provided further that each member so appointed under  
6 subsection (a) and subsection (b) of this section by the Social  
7 Services Commission and by the county board of commissioners ~~or~~  
8 ~~the senior regular resident superior court judge of the county,~~  
9 shall be bona fide residents of the county from which they are  
10 appointed to serve, and will receive as their fee or compensation  
11 for their services rendered from the Department of Human  
12 Resources directly or indirectly only the fees and compensation  
13 as provided by G.S. 108A-8.

14 (d) Consolidated Human Services Board. -- The board of county  
15 commissioners shall be the sole appointing authority for members  
16 of a consolidated human services board and shall appoint those  
17 members in accordance with G.S. 153A-77(c)."

18 Section 2. This act is effective when it becomes law  
19 and applies to elections taking place on or after this date.

Handout  
2/25

**Gail Stewart (Rep. Howard)**

---

**From:** Linda Attarian (Research)  
**Sent:** Friday, February 21, 1997 3:27 PM  
**To:** @House/Human Resources/Clks  
**Cc:** John Young (Research); Sue Floyd (Research)  
**Subject:** County Boards of Social Services: HB 28

To: Members of House Human Resources:

The following background information is provided to assist you in the deliberation of **House Bill 28 - DSS Board Change** on Tuesday February, 25 in the House Human Resources Committee. Please call me if you have any questions concerning the bill prior to the meeting.

Size of County Boards:

9 counties have boards consisting of 3 members.

89 counties have boards with 5 members.

2 counties have consolidated boards of human services.

Method of Appointment:

This is the subject matter of HB 28: See Bill Summary in Committee Notebook.

Term of Appointment:

3 year terms, with a maximum of 2 consecutive terms, except this limitation doesn't apply if the member of the social services board was a member of the board of county commissioners at any time during the 2 consecutive terms, and is a member of the board of county commissioners at the time of appointment.

Vacancies:

Once a vacancy occurs, a new member is appointed in the same manner as described in HB 28 and will serve the remainder of former member's term of office. This partial term does not count towards the 2 consecutive term limitation.

Compensation of Members:

Members may receive a per diem in an amount established by the county board of commissioners.

Duties and Responsibilities:

1. Select the county director of social services.
2. Advise county and municipal authorities in developing social service plans and policies.
3. Consult with the county director of social services about problems relating to his/her office, and assist in planning budgets.
4. To present the budgets of the county department of social services for public assistance, social services, and administration to the board of county commissioners.

2/25

# BILL ACTION WORKSHEET FOR COMMITTEE MEETINGS

Bill	<i>Prop. Cam. Sub - # 28</i>	Sponsor	<i>Baker</i>
Favorable		Motion by	
Unfavorable		Motion by	
Amended	<i>✓</i>	Motion by	<i>Creech</i>
Comm. Sub.		Motion by	
Original Bill			
Re-referred		Motion by	
Other Action			

\*\*\*\*\*

Bill	<i>73</i>	Sponsor	<i>Spodevins</i>
Favorable		Motion by	
Unfavorable		Motion by	
Amended		Motion by	
Comm. Sub.		Motion by	
Original Bill			
Re-referred		Motion by	
Other Action			

*Carried over to 2/27*

\*\*\*\*\*

Bill		Sponsor	
Favorable		Motion by	
Unfavorable		Motion by	
Amended		Motion by	
Comm. Sub.		Motion by	
Original Bill			
Re-referred		Motion by	
Other Action			

\*\*\*\*\*

Bill		Sponsor	
Favorable		Motion by	
Unfavorable		Motion by	
Amended		Motion by	
Comm. Sub.		Motion by	
Original Bill			
Re-referred		Motion by	
Other Action			

2/20/97

Rep Rep Baker - Sponsor  
Amida Attaricus spoke

Lucas

H 28

H 81

& first one

2/25 11:08 prayer

prop can sub ~~at the other site~~

gardner moved considered can sub

Rep lives around ~~time~~

P1, line 10, 11

P2, line 3

} Arrived & both  
Cowan sub w/drawn

around Insko - line 40 ayer

Crew moved adjst AS ann. died  
~~infirmary~~

H 73

## MINUTES

### HOUSE COMMITTEE ON HUMAN RESOURCES

February 25, 1997

11:00 AM

Room 643

The House Committee on Human Resources met in Room 643 of the Legislative Office Building on Tuesday, February 25, 1997. Representative Aldridge, Co-Chairman, presided at the meeting.

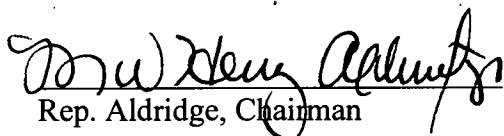
The following members were present: Representatives Adams, Aldridge, Bowie, Culp, Cunningham, Earle, Easterling, Gardner, Howard, Hunter, Insko, Ramsey, Rayfield, Warwick, Watson, Wilson, G., and Womble.

The following bills were discussed:

**House Bill 28, entitled "DSS Board Change"**, was explained by Representative Baker who introduced the bill, and staff member Linda Attarian. Charnice Ransom with the Department of Social Services spoke, and stated that this was the first time the Department had seen the Committee Substitute, and that the Department was not prepared to provide a response at this time. Patrice Rossler from the Association of County Commissioners spoke and verified that Wake and Mecklenberg counties would not be affected by this bill. Representative Adams moved that the original bill be given a favorable report. Representative Insko moved for an amendment to the original bill. Representative Gardner moved to withdraw the Committee Substitute. Representative Creech moved for a favorable report to the original bill as amended by Representative Insko, with the terminology changed to "majority of the membership", on line 10. The bill was voted upon and was given a favorable report as amended; vote was unanimous for the motion.

**House Bill 73, entitled "Reduce County Share/Payments"**, was explained by Representative Goodwin who introduced the bill, and staff member Carolyn Johnson. Jim Haynes, City Manager for Richmond County, spoke on the bill and provided reasons why the bill is necessary. At this point, the Committee had used up the time allotted.

The meeting adjourned at 11:55 AM.

  
Rep. Aldridge, Chairman

  
Susan B. Groh, Committee Clerk

March 6, 1997

Date

# VISITOR REGISTRATION SHEET

**HUMAN RESOURCES**

**February 25, 1997**

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
<i>Kevin Chapple</i> CHARLES ARCHER	<i>Summit House</i> HALFAX Co.
<i>Pat Yancey</i>	APPC NC - State Council for Social
<i>Debra Ross</i>	ALL
<i>Adam Searing</i>	NC Health Access
<i>Will Edgerton</i>	MHA/ North Carolina
<i>J.C. Wainman</i>	Richmond Co. Communities
<i>Paul Slattery</i>	Richmond Co. Communities
<i>Jon B. Wilson</i>	NCA LTCF
<i>Keith Letchworth</i>	CLA
<i>AL DEITEL</i>	VAJ/DDA
<i>Don Hays</i>	Daphn G DSS
<i>Sierra Hays</i>	NC ACDSS
<i>Mary Till</i>	NASW-NC 412 Marsden St Raleigh
<i>Sue Barber</i>	NC Nurses Association
<i>Patience Rouse</i>	NCA CC
<i>John Tott</i>	M+IA / C2001
<i>Bill Brooks</i>	NEFPC
<i>Robert Long</i>	NC LHA
<i>A.A. Adams</i>	Victim Advocate
<i>Angela Williams</i>	BDO & CO.
<i>William</i>	DART/OST
<i>Bob Blum</i>	Dept. of Justice
<i>Shanene Rasmussen</i>	DSS
<i>Angie McMillan</i>	DHIC
<i>NEUS ROSELAND</i>	STATE BUDGET OFFICE
<i>Luigi Summers</i>	NC Equity
<i>W.W. Fox</i>	NCAAC

## VISITOR REGISTRATION SHEET

## HUMAN RESOURCES

**February 25, 1997**

Name of Committee

Date \_\_\_\_\_

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

**FIRM OR AGENCY AND ADDRESS**[illegible]

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
COMMITTEE MEETING NOTICE**

***SECOND REVISED AGENDA***

You are hereby notified that the Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:** Thursday, February 27, 1997

**TIME:** 11:00 a.m.

**LOCATION:** 643 LOB

The following bills will be considered:

**HB 143 "Adult Care Homes Annual Reporting Req."**

Respectfully,

Representative Julia Howard  
Representative Henry Aldridge  
CoChairs

I hereby certify this notice was filed by the committee clerk at the following offices at  
**3:00 PM on February 26, 1997.**

\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk - House Chamber

Gail Stewart  
Susan Groh  
(Committee Clerks)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
COMMITTEE MEETING NOTICE**

**REVISED AGENDA**

You are hereby notified that the Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:**        **Thursday, February 27, 1997**

**TIME:**                **11:00 a.m.**

**LOCATION:**           **643 LOB**

The following bills will be considered:

**HB 73 "Reduce County Share/Payments"**

**HB 143 "Adult Care Homes Annual Reporting Req."**

Respectfully,

Representative Julia Howard  
Representative Henry Aldridge  
CoChairs

I hereby certify this notice was filed by the committee clerk at the following offices at  
**9:00 AM on February 26, 1997.**


\_\_\_\_Principal Clerk  
\_\_\_\_Reading Clerk - House Chamber.

Gail Stewart  
Susan Groh  
(Committee Clerks)

## **Gail Stewart (Rep. Howard)**

---

**From:** Gail Stewart (Rep. Howard)  
**Sent:** Tuesday, February 25, 1997 6:27 PM  
**To:** Anne Cole; Annecia Norwood; Barbara Hocutt; Barbara Phillips; Betty Anne Lennon; Carolyn Honeycutt; Dot Barber; Ebern Watson; Gail Stewart; House Sgt of Arms; Janette Lee; Jayne Walton; Jo Malone; John Young; Judy Willis; Karen George; Legislative Press; Linda Attarian; Linda Johnson; Mary Jamison; Melissa Jackson; Monica McClain; Pat Baker; Phyllis Cameron; Rebecca Jones; Sharon Gaudette; Sue Floyd; Susan Groh; Sylvia Green; Waneta Lord  
**Subject:** Revised agenda for meeting

  
Notice of Meeting for  
February 27, 1997.d

*Gail*

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:** Thursday, February 27, 1997

**TIME:** 11:00 a.m.

**LOCATION:** 643 LOB

The following bills will be considered:

~~HB 41~~ *delayed* "Residency Requirements for Special Assistance"

~~HB 73~~ "Reduce County Share/Payments"

~~HB 143~~ "Adult Care Homes Annual Reporting Req."

*revised mtg notice*

*delayed*

Respectfully,

Representative Julia Howard  
Representative Henry Aldridge  
CoChairs

I hereby certify this notice was filed by the committee clerk at the following offices at  
**12:00 p.m. on February 14, 1997.**

\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk - House Chamber

Gail Stewart (Committee Clerk)

**Gail Stewart (Rep. Howard)**

---

**From:** Mary Jamison (Rep. Clary) on behalf of Rep. Debbie Clary  
**Sent:** Tuesday, February 25, 1997 3:27 PM  
**To:** Rep. Julia Howard  
**Cc:** Rep. Henry Aldridge  
**Subject:** Rescheduling HB 81 in the Human Resource Committee Meeting

Rep. Howard,

As you are aware, HB 81 "Residency Requirements for Special Assistance" is scheduled to be heard on Thursday in the Human Resource Committee meeting. Rep. Clary is the sponsor of that bill and will be out of town from Thursday February 27 through Tuesday March 4. She would like to have HB 81 delayed in the committee until Thursday March 6. Please let me know if this is possible. Thank you.

Mary Jamison, Clerk  
Rep. Clary

5-3011

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:**      **Thursday, February 27, 1997**

**TIME:**              **11:00 a.m.**

**LOCATION:**         **643 LOB**

The following bills will be considered:

**HB 81 "Residency Requirements for Special Assistance"**

**HB 73 "Reduce County Share/Payments"**

**HB 143 "Adult Care Homes Annual Reporting Req."**

Respectfully,

Representative Julia Howard  
Representative Henry Aldridge  
CoChairs

I hereby certify this notice was filed by the committee clerk at the following offices at **12:00 p.m. on February 14, 1997.**

\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk - House Chamber

Gail Stewart (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
NOTIFICATION TO BILL SPONSOR**

**BILL SPONSOR:** Rep. Gene Wilson

**OFFICE:** 1109 LB

**DATE:** February 25, 1997

The House Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:** Thursday, February 27, 1997

**TIME:** 11:00 a.m.

**LOCATION:** 643 LOB

Your bill will be discussed at this time:

**HB143 "Adult Care Homes Annual Reporting Req."**

We would like to have you attend this meeting.

Representative Julia Howard  
Representative Henry Aldridge  
CoChairs

Gail Stewart  
Susan Groh  
Committee Clerks



# North Carolina General Assembly Legislative Services Agency

George R. Hall, Legislative Services Officer  
(919) 733-7044

Quine W. Robinson, Director  
Administrative Division  
Room 5, Legislative Building  
16 W. Jones St.  
Raleigh, NC 27603-5925  
(919) 733-7500

Gerry F. Cohen, Director  
Bill Drafting Division  
Suite 100, LOB  
300 N. Salisbury St.  
Raleigh, NC 27603-5925  
(919) 733-6660

Thomas L. Covington, Director  
Fiscal Research Division  
Suite 619, LOB  
300 N. Salisbury St.  
Raleigh, NC 27603-5925  
(919) 733-4910

Donald W. Fullford, Director  
Information Systems Division  
Suite 400, LOB  
300 N. Salisbury St.  
Raleigh, NC 27603-5925  
(919) 733-6834

Terrence D. Sullivan, Director  
Research Division  
Suite 545, LOB  
300 N. Salisbury St.  
Raleigh, NC 27603-5925  
(919) 733-2578

February 26, 1997

## MEMORANDUM

**TO:** House Committee on Human Resources  
**FROM:** John Young and Sue Floyd  
**RE:** HB 143-Adult Care Home Annual Reporting Requirement

Historically, the General Assembly has established the State/County Special Assistance program rate in the Appropriations Act without objective data about what it cost to deliver the service. This program pays for adult care home (rest home) care for about 20,000 persons with a \$91 million cost shared equally by the State and counties. To improve the appropriation of State/County Special Assistance funds to pay for residents' care in adult care home, the 1995 General Assembly required licensed adult care homes which receive State/County Special Assistance funds to submit annual audited reports of actual costs to the Department of Human Resources with the first report due March 1, 1996.

After one year's experience, it is DHR's suggestion the the reporting date be changed to December 31 so that DHR will have sufficient time to collect the data and determine the payment rate for adult care homes to be included in the budget. The March 1 date does not allow the cost reporting process to mesh with the state budget process.

Currently, the only penalty for noncompliance with the reporting requirements is DHR's authority to suspend or revoke an adult care home license. The bill would give a less extreme enforcement measure by requiring DHR to suspend admissions to a facility that fails to submit an annual report by December 31st.



NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. \_\_\_\_\_

H. B. No. 143

DATE \_\_\_\_\_

S. B. No. \_\_\_\_\_

Amendment No. \_\_\_\_\_

COMMITTEE SUBSTITUTE \_\_\_\_\_

(to be filled in by  
Principal Clerk)

Rep.) Earle  
Sen.) \_\_\_\_\_

1 moves to amend the bill on page 1, line \_\_\_\_\_

2 ( ) WHICH CHANGES THE TITLE

3 by deleting lines 12-19, and rewriting  
4 those lines to read:

5 "(g) The Department shall take the following  
6 actions to enforce compliance by a  
7 facility with this section, or to punish  
8 noncompliance:

9 (1) Seek a court order to enforce  
10 compliance; and if the facility fails to  
11 comply with the court order, the  
12 Department shall:

13 (2) Suspend or revoke the facility's  
14 licence, ~~and~~ subject to the provisions of  
15 Chapter 150B of the General Statutes."

16 \_\_\_\_\_

17 \_\_\_\_\_

18 \_\_\_\_\_

19 \_\_\_\_\_

SIGNED

Dorothy Earle

ADOPTED \_\_\_\_\_ FAILED \_\_\_\_\_ TABLED \_\_\_\_\_

*Amendment by Rep Earle*

# ROLL CALL VOTE

10      6      = \_\_\_\_\_ (TOTAL)  
YES      NO

HB# 143  
SB# \_\_\_\_\_

## HOUSE STANDING COMMITTEE ON HUMAN RESOURCES

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Aldridge, Chair	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Howard, Chair	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Ramsey, RMM	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Adams	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Bowie	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	Clary	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	Creech	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Culp	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Earle	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Easterling	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	Esposito	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Gardner	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Hunter	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	Insko	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	Ives	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	McAllister	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	Nesbitt	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Rayfield	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Warwick	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Watson	Ex officio Members		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Wilson, G.	<input type="checkbox"/>	<input type="checkbox"/>	Speaker Pro Tem (Wood)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Womble	<input type="checkbox"/>	<input type="checkbox"/>	Majority Leader (Daughtry)
<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	Majority Whip (Howard)

2/27

# BILL ACTION WORKSHEET FOR COMMITTEE MEETINGS

Bill	<u>H 143</u>	Sponsor	<u>B. Wilson</u>
Favorable	_____	Motion by	_____
Unfavorable	_____	Motion by	_____
Amended	_____	Motion by	_____
Comm. Sub.	_____	Motion by	<u>Worshle</u>
Original Bill	<u>✓</u>		
Re-referred	_____	Motion by	_____
Other Action	_____		

\*\*\*\*\*

Bill	_____	Sponsor	_____
Favorable	_____	Motion by	_____
Unfavorable	_____	Motion by	_____
Amended	_____	Motion by	_____
Comm. Sub.	_____	Motion by	_____
Original Bill	_____		
Re-referred	_____	Motion by	_____
Other Action	_____		

\*\*\*\*\*

Bill	_____	Sponsor	_____
Favorable	_____	Motion by	_____
Unfavorable	_____	Motion by	_____
Amended	_____	Motion by	_____
Comm. Sub.	_____	Motion by	_____
Original Bill	_____		
Re-referred	_____	Motion by	_____
Other Action	_____		

\*\*\*\*\*

Bill	_____	Sponsor	_____
Favorable	_____	Motion by	_____
Unfavorable	_____	Motion by	_____
Amended	_____	Motion by	_____
Comm. Sub.	_____	Motion by	_____
Original Bill	_____		
Re-referred	_____	Motion by	_____
Other Action	_____		

# ROLL CALL VOTE

*motion carries*

10 YES      6 NO      = 16 (TOTAL)

HB# \_\_\_\_\_  
SB# \_\_\_\_\_

## HOUSE STANDING COMMITTEE ON HUMAN RESOURCES

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
<u>  </u>	<u>✓</u>	Aldridge, Chair	<u>  </u>	<u>  </u>	
<u>✓</u>	<u>  </u>	Howard, Chair	<u>  </u>	<u>  </u>	
<u>✓</u>	<u>  </u>	Ramsey, RMM	<u>  </u>	<u>  </u>	
<u>✓</u>	<u>  </u>	Adams	<u>  </u>	<u>  </u>	
<u>✓</u>	<u>  </u>	Bowie	<u>  </u>	<u>  </u>	
<u>  </u>	<u>abs</u>	Clary	<u>  </u>	<u>  </u>	
<u>  </u>	<u>abs</u>	Creech	<u>  </u>	<u>  </u>	
<u>  </u>	<u>✓</u>	Culp	<u>  </u>	<u>  </u>	
<u>  </u>	<u>✓</u>	Cunningham	<u>  </u>	<u>  </u>	
<u>✓</u>	<u>  </u>	Earle	<u>  </u>	<u>  </u>	
<u>✓</u>	<u>  </u>	Easterling	<u>  </u>	<u>  </u>	
<u>  </u>	<u>abs</u>	Esposito	<u>  </u>	<u>  </u>	
<u>  </u>	<u>✓</u>	Gardner	<u>  </u>	<u>  </u>	
<u>✓</u>	<u>  </u>	Hunter	<u>  </u>	<u>  </u>	
<u>  </u>	<u>abs</u>	Insko	<u>  </u>	<u>  </u>	
<u>  </u>	<u>abs</u>	Ives	<u>  </u>	<u>  </u>	
<u>  </u>	<u>abs</u>	McAllister	<u>  </u>	<u>  </u>	
<u>  </u>	<u>abs</u>	Nesbitt	<u>  </u>	<u>  </u>	
<u>  </u>	<u>✓</u>	Rayfield	<u>  </u>	<u>  </u>	
<u>✓</u>	<u>  </u>	Warwick	<u>  </u>	<u>  </u>	
<u>  </u>	<u>✓</u>	Watson	<u>  </u>	<u>  </u>	
<u>✓</u>	<u>  </u>	Wilson, G.	<u>  </u>	<u>  </u>	
<u>✓</u>	<u>  </u>	Womble	<u>  </u>	<u>  </u>	
<u>  </u>	<u>  </u>		<u>  </u>	<u>  </u>	

*Womble fav rpt  
not amen*

### Ex officio Members

      Speaker Pro Tem (Wood)  
      Majority Leader (Daughtry)  
      Majority Whip (Howard)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
NOTIFICATION TO BILL SPONSOR**

**BILL SPONSOR:** Rep. Wayne Goodwin

**OFFICE:** 528 LOB

**DATE:** February 25, 1997

The House Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:** Thursday, February 27, 1997

**TIME:** 11:00 a.m.

**LOCATION:** 643 LOB

Your bill will be discussed at this time:

**HB 73 "Reduce County Share/Payments"**

We would like to have you attend this meeting.

Representative Julia Howard  
Representative Henry Aldridge  
CoChairs

Gail Stewart  
Susan Groh  
Committee Clerks

**Gail Stewart (Rep. Howard)**

---

**From:** Gail Stewart (Rep. Howard)  
**Sent:** Tuesday, February 25, 1997 12:30 PM  
**To:** Rep. Wayne Goodwin  
**Cc:** Susan Groh (Rep. Aldridge)  
**Subject:** HUMAN RESOURCES Meeting



Bill Sponsor Notice.doc

**Gail Stewart (Rep. Howard)**

---

**From:** Gail Stewart (Rep. Howard)  
**Sent:** Wednesday, February 26, 1997 3:01 PM  
**To:** John Young (Research); Linda Attarian (Research); Sue Floyd (Research)  
**Subject:** Second Revised Agenda

Rep. Goodwin went to Rep. Howard on the House Floor and said that the fiscal note for HB 73 was not going to be ready. He requested that the committee chairs please pull the bill until next Thursday.

Just wanted to let you know why. Maybe the meeting tomorrow will be short and sweet.

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
NOTIFICATION TO BILL SPONSOR**

**BILL SPONSOR:** Rep. Debbie Clary

**OFFICE:** 418-B

**DATE:** February 25, 1997

The House Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:** Thursday, February 27, 1997

**TIME:** 11:00 a.m.

**LOCATION:** 643 LOB

Your bill will be discussed at this time:

**HB 81 "Residency Requirements for Special Assistance"**

We would like to have you attend this meeting.

Representative Julia Howard  
Representative Henry Aldridge  
CoChairs

Gail Stewart  
Susan Groh  
Committee Clerks

## MINUTES

### HOUSE COMMITTEE ON HUMAN RESOURCES

February 27, 1997

11:00 a.m.

Room 643

The House Committee on Human Resources met in Room 643 of the Legislative Office Building on Thursday, February 27, 1997. Representative Henry Aldridge, Co-Chair, presided at the meeting and opened in prayer.

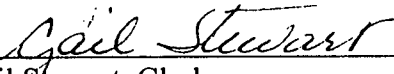
The following members were present: Representatives Howard, CoChair; Adams, Bowie, Cunningham, Earle, Easterling, Gardner, Hunter, Insko, Ramsey, Rayfield, Warwick, Watson, G. Wilson, and Womble.

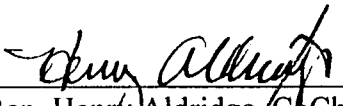
Rep. Aldridge recognized the pages for the day: Julie Adams from Stokes County and Scott Reavis from Cabarrus County. He explained that Rep. Goodwin, the sponsor of HB 73, asked for a delay of his bill because of not having the fiscal note ready, and HB 81 was delayed because the sponsor, Rep. Clary, had to be out of town.

Rep. Aldridge recognized staff member John Young to explain HB 143, "Adult Care Homes Annual Reporting Requirements." It is an Aging Study Commission bill that changes the reporting date of a bill that was passed last session. It also adds a penalty for not reporting as required. That penalty is to have admissions suspended until the reports are filed.

Lou Wilson with the Adult Care Home Industry was in the audience and responded to questions by committee members. After much discussion, Rep. Earle sent forth an amendment. When a voice vote was not decisive, one of the committee members immediately called for a roll call vote. Clerk called the roll; vote was 10 ayes, 6 noes.

Rep. Womble moved that the bill receive a favorable report as amended, to be engrossed as a committee substitute, unfavorable to original bill. Rep. Aldridge ruled that the ayes had it. Meeting was adjourned at 11:42 a.m.

  
Gail Stewart, Clerk

  
Rep. Henry Aldridge, CoChair

Date Adopted 3/6/97

# VISITOR REGISTRATION SHEET

HUMAN RESOURCES

February 27, 1997

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Adam Searing	NC Health Access
Rosanna Savitt	NC Child Care Coalition
Ann Schwindaman	NC Council of Community Programs
Tommy Webb	Carolina Health Care System
Lon B. Wilson	NCAHCTF
Dee Jenkins	NCHCFA
Peggy Maynard	gph
Pat Gracey	APPCNC / SCSL
Helen Lipina	Heck. Co.
Myrna Miller	Natl Assoc. of Social Workers - NC Chapter (NHSW-NC)
James M. Minton	State of NC
Robert B. B. B.	Bone & Assoc. / LTC
Charles Summers	NC Equity
Ray Mathis	NC Justice Ctr.
Angie McMillan	AHR
William Breeze	NC Medical Board PO Box 20007 <sup>Rel</sup> 27619
Jim Harkins	Food Bank
John Bewdish	Zeb Alley P.A.
Agnes L. Robbins	Dept of Justice
Sharon Hanson	DSS
Fallen Hawthorne	NCHA
David P. B. B.	Smith Anderson
Cheryl Cramer	NCATL
Ruff Bailey	AIA
Rob L. L.	NCJCDC

3/4/97

# BILL ACTION WORKSHEET FOR COMMITTEE MEETINGS

Bill	<u>H 152 &amp; 153</u>	Sponsor	<u>Easterling</u>
Favorable	_____	Motion by	_____
Unfavorable	_____	Motion by	_____
Amended	<u>Moved</u>	Motion by	_____
Comm. Sub.	<u>because</u>	Motion by	_____
Original Bill	<u>of sponsor</u>	Motion by	_____
Re-referred	<u>of illness</u>	Motion by	_____
Other Action	_____		

\*\*\*\*\*

Bill	<u>H 145</u>	Sponsor	_____
Favorable	_____	Motion by	_____
Unfavorable	_____	Motion by	_____
Amended	<u>referred to</u>	Motion by	_____
Comm. Sub.	<u>sub-committee</u>	Motion by	_____
Original Bill	<u>families</u>	Motion by	_____
Re-referred	_____	Motion by	_____
Other Action	_____		

\*\*\*\*\*

Bill	<u>H 81</u>	Sponsor	<u>clay</u>
Favorable	_____	Motion by	_____
Unfavorable	_____	Motion by	_____
Amended	_____	Motion by	_____
Comm. Sub.	<u>✓</u>	Motion by	<u>Croech</u>
Original Bill	_____	Motion by	_____
Re-referred	_____	Motion by	_____
Other Action	_____		

\*\*\*\*\*

Bill	_____	Sponsor	_____
Favorable	_____	Motion by	_____
Unfavorable	_____	Motion by	_____
Amended	_____	Motion by	_____
Comm. Sub.	_____	Motion by	_____
Original Bill	_____	Motion by	_____
Re-referred	_____	Motion by	_____
Other Action	_____		

31

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:**        **Tuesday, March 4, 1997**

**TIME:**                **11:00 AM**

**LOCATION:**           **Room 643-LOB**

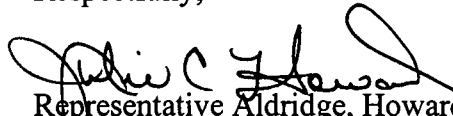
The following bills will be considered (Bill # & Short Title):

**145 - Day Care/Playground Equipment - Reps. Nichols, Allred (Cosponsors)**

**152 - Child Abuse/No Report Misdem. - Rep. Easterling, Sponsor**

**153 - Dependent Juv. Definition Change - Rep. Easterling, Sponsor**

Respectfully,

  
Representative Aldridge, Howard (Co-Chairs)  
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at  
**1:30 PM on Thursday, February 27, 1997.**

\_\_\_\_Principal Clerk  
\_\_\_\_Reading Clerk - House Chamber

Susan B. Groh (Committee Clerk)

## **AGENDA**

### **House Standing Committee on HUMAN RESOURCES**

**Tuesday, March 4, 1997  
11:00 AM - Room 643-LOB**

Rep. Henry Aldridge - Opening Prayer

Greetings: Rep. Henry Aldridge, Presiding Chair

Introduction of Pages

Presentation and discussion of HB 145 "Day Care/Playground Equipment  
Representatives Nichols, Allred (Cosponsors)

Vote

Presentation and discussion of HB 152 "Child Abuse/No Report Misdem.  
Representative Easterling, Sponsor

Vote

Presentation and discussion of HB 153 "Dependent Juv. Definition Change"  
Representative Easterling, Sponsor

Vote

Announcements

Adjournment

**C O V E R****FAX****S H E E T**

**To:** The Honorable Henry Aldridge and The Honorable Julia Howard  
**Fax #:** 919-715-5815  
**Subject:** House Bill 145  
**Date:** March 1, 1997  
**Pages:** 2, including this cover sheet.

733-6652

**COMMENTS:**

Dear Representative Aldridge and Howard:

As Executive Director of the North Carolina Christian School Association, I am writing to express my strong support for House Bill 145. As you know, religious child care represents one of the largest segments of child care providers in North Carolina. Furthermore, many religious providers have been providing care in a safe and conscientious manner much longer than anyone else in the state.

In attempt to appeal to the reasonableness and fairness of legislators, I want to bring several matters to your attention to help you understand why the passage of this bill is so important.

The playground rules passed by the Child Day Care Commission in May, 1995 are another example of unnecessary intrusion of the state bureaucracy into the lives of North Carolina citizens. These rules have created havoc in most sections of the state. Many centers have already indicated that they will have to close because of a lack of funds to cover the enormous and outrageous costs attached to implementing these rules. Even though the implementation phase was not to be completed until January 1999, some consultants placed immediate compliance requirements on centers in some areas of the state. Thankfully, after enough complaining, this practice was discontinued.

The Child Care Commission is not the inventor of safety. Children have been receiving excellent care in religious centers longer than there has even been a commission! To impose rules under the guise of health and safety is a smoke screen. North Carolina is one of the only states in the country that has even allowed such rules to be introduced. The commission decided to implement these rules in spite of the enormous amount of public disapproval.

From the desk of...

Joe Haas  
Executive Director  
North Carolina Christian School Association  
P.O. Box 231  
Goldsboro, North Carolina 27533

(919) 731-4844  
Fax: (919) 731-4847

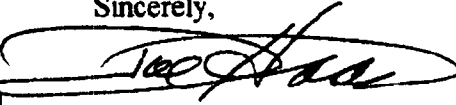
The majority of religious child care providers in North Carolina look to you to stop the run-away freight train of unreasonable rule-making the Commission has exhibited. In a time when more quality care is needed for pre-school children, the implementation of these rules will continue to cause centers to close all over the state. By the way, Smart Start dollars are not the answer since religious providers can not accept these funds without serious legal ramifications.

The Joint Legislative Administrative Procedure Oversight Committee should be commended for attempting to be reasonable and fair in this matter. House Bill 145 will help restore some confidence in state government. The bill will allow the rules to only be guidelines instead of burdensome regulations which could cause some day care centers to close. This is reasonable. If a center wants to raise a large amount of money to put in a new playground they could do so. However, if a center chooses to continue to exhibit a safe and wholesome environment with their current playground equipment, they also would have that option.

I trust I have been able to provide you with new information that will assist you in supporting this reasonable bill. The public looks to you, the elected official to be a mediator and cushion of fairness whenever government bureaucracy goes astray. Please feel free to contact me if I can assist you further in understanding this issue.

Thank you for your time and service to the state of North Carolina. You are in my prayers.

Sincerely,



Joe Haas  
Executive Director

JH:jkh

cc: Speaker Harold Brubaker  
House Human Resources Committee Members  
Senator Hugh Webster

Jamie M. Ramsey  
2705 Van Dyke Avenue  
Raleigh, N.C. 27607  
(919) 821-9059

The Honorable M. W. "Henry" Aldridge  
State Legislative Building  
Raleigh, N.C. 27601-2808

Dear Representative Aldridge:

I am writing to express my support for House Bill 145 regarding playground improvements in day care centers. I am a parent of two young children in Raleigh and believe that if this bill does not pass, many young children across the state will be negatively affected.

This bill would repeal the Department of Human Resource's rule at NCAC 3U.0602 requiring that all day care centers and schools under their jurisdiction bring their outdoor play facilities into conformance with Consumer Product Safety Commission (CPSC) Guidelines regarding playground safety. I believe playgrounds should be safe, but these guidelines clearly state at the outset that they were never intended to become mandatory. In fact, the Handbook for Public Playground Safety on which the rule is based states, "because many factors may affect playground safety, the US CPSC believes that guidelines, rather than a mandatory rule, are appropriate." Publication of this handbook was "only expected to promote greater safety awareness among those who purchase, install, and maintain public playground equipment." Note the handbook states "public" playground equipment; DHR is applying it to private day care centers and schools.

My oldest daughter is in preschool at the Montessori School of Raleigh. I first heard about "state-mandated playground improvements" when families at the school were asked to pay a \$50 assessment to bring the school's playground into conformance with 10 NCAC 3U.0602. The Department of Human Resources (DHR) estimates that \$55 will be the average cost per child per year to consumers of day care to make the required changes to center playgrounds. According to DHR figures, roughly 177,000 children are in centers and schools covered by this rule. At an average of \$55/child/year, that's a total of \$9,735,000 per year just to bring playgrounds into conformance with DHR's administrative rule, not to make any substantive play quality improvements. That's almost \$10 million that could be spent more effectively.

The News and Observer is planning on doing an article about this issue soon. In a conversation I had with a reporter working on the topic, he said he knew of a day care center that has already spent \$24,000 removing all the old equipment on a playground that had never hurt anyone; \$24,000 she could have spent on much more important and effective improvements in terms of benefits to children.

*Rep A -  
In HR  
Committee  
Sx*

Page Two

I became concerned about this rule because the Montessori School said that the DHR Division of Child Development, who monitors this rule, told them they would have to either cut down the trees on its playground or remove the existing play structures because of the fall zone requirements in the Handbook. The playground is now a wonderful, shady, magical place for the children, full of pine trees the children love to play around and under. I have asked about what kinds of injuries have been sustained on this playground. One broken arm in all of the staff's collective memory.

It saddens me greatly to think about how this playground and others like it will change, and how the children will be affected on a daily basis, if the guidelines must be followed to the letter of the law as required by DHR's rule. I believe centers and schools should have the flexibility to use common sense and experience about the specific siting of trees and equipment.

House Bill 145 requires that DHR continue to provide technical assistance regarding playground safety. This is a much better approach, I believe, one that will allow common sense and good judgement to prevail on behalf of children. Of course the spectre of liability will always exist, and that in and of itself will be motivation for day care operators to make their playgrounds as safe as possible.

If the General Assembly wants to help children and families who attend day care further, I suggest the following amendments to HB 145:

1. Require day care providers under DHR's purview to carry liability insurance, as is required in many other states, or at least require them to disclose to prospective consumers in writing if they do or do not have liability insurance, and if so, how much. This disclosure could also include injury rates per center so that parents would have full information when choosing child care arrangements. Then, as in many other areas, let the buyer beware.
2. Require the Division of Child Development to provide technical assistance to day care operators and schools on how to cost effectively enrich play environments for young children to enhance development of motor and social skills, creativity, etc. Models could be developed based on research that can be built on site cheaply which would maximize the play value of a center's outdoor facilities while improving safety. DCD could contract with a consultant to carry out this project; many exist. One of the most well known and well respected experts in this field lives and works here in Raleigh at NCSU, Professor Robin Moore. This responsibility would more accurately reflect DCD's title and ultimate goal and I believe this would

Page Three

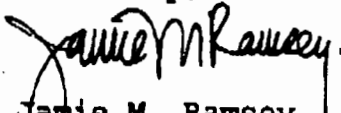
provide a long term, tangible benefit to children all over the state for generations to come.

3. The General Assembly could require DHR/DCD to encourage corporations, individuals, etc. to capitalize a fund to assist private schools and day care centers serving less advantaged children in improving their playgrounds' safety while maintaining and enriching play value and diversity. This would be a perfect opportunity for corporations across the state to become active in assisting the healthy development of the state's future generations. The Rural Economic Development Center could administer such a fund on behalf of the Department or Division.

I would be happy to address the Human Resources Committee to discuss these issues if given the opportunity. I can be reached at the address and phone number listed above.

Thank you for your time and attention to my concerns.

Sincerely,

  
Jamie M. Ramsey

FEB 25 1997

**N.C. CHILD CARE COALITION****P.O. Box 231, Chapel Hill, NC 27514****February 23, 1997****TO: Representative Adridge, House Human Resource Committee Member****RE: HB145 - DAY CARE PLAYGROUND EQUIPMENT**

The N.C. Child Care Coalition is opposed to HB145 because it goes too far. HB145 strips away all playground equipment regulations, not just those rules passed by the N.C. Child Care Commission which seems to be the impetus for this legislation. If enacted, HB145 would essentially deregulate the outdoors environments of some 200,000 children now in regulated child care environments. Last year alone, there were 761 accidents on local child care playgrounds. More than 1/3 of these accidents were so serious that children needed to be treated at a hospital for sprains, fractures, and cuts. Children need to be protected in child care settings from unsafe toys, equipment, and surfacing surrounding these outside areas. The N.C. Child Care Coalition urges you to defeat HB 145 for the following reasons:

- Both indoor and outdoor environments for young children need to be safe. Ensuring safe equipment is one critical way of guaranteeing a child health and well-being. The costs of improving child care equipment and playground surfaces are not as expensive as an injury to a child. Ask any parent if they want to risk their child's safety, or their own piece of mind about their child's safety while they are at work.
- Establishing and monitoring child care environments must remain a state obligation and cannot be left to parents. Parents do not routinely request to see inspection reports, and cannot be expected to fill the roles of safety inspectors. Parents rely on the licensing of a child care program to guarantee their child's safety, just as patrons in a restaurant rely on the health rating to guarantee their safety.
- Child care providers will face serious liabilities and more expensive insurance costs if a child becomes injured when they have been warned of a danger but were not required to fix it. The cost of settling a lawsuit will be far more expensive than replacing a broken swing or adding mulch to a play area. Further, day care centers are not required to carry liability insurance and many do not.
- The state requires health and safety inspections of many public facilities, including restaurants, nursing homes, and workplaces. None of these environments have voluntary guidelines nor can they ignore a finding of an unsafe piece of equipment. Why should child care play environments be excluded from safety standards? Why should a child in child care be less safe than a customer in a restaurant, a patient in a nursing home, or a worker on the job?

**The N.C. Child Care Coalition is a voluntary association of the organizations listed below.**

**If you have questions, please contact Roz Savitt at 781-5313.**

The N.C. Child Care Coalition has been working to improve the quality and affordability of early childhood services in various ways over the last decade. Members include: NC Day Care Association • NC Child Advocacy Institute • NC Association for the Education of Young Children • NC Equity • NC Child Care Resource and Referral Network • Day Care Services Association • NC Head Start Association • NC Association of Community Development Corporations • NC Client and Community Development Center • NC Interagency Coordinating Council • NC Council of Churches • NC Rural Economic Development Center • League of Women Voters • Self Help Credit Union • United Way of NC

## MINUTES

### HOUSE COMMITTEE ON HUMAN RESOURCES

March 4, 1997

11:00 a.m.

The House Committee on Human Resources met in Room 643 of the Legislative Office Building on Tuesday, March 4, 1997. Representative Howard, Co-Chairman, presided at this meeting.

The following members were present: Representatives Adams, Aldridge, Creech, Culp, Earle, Esposito, Gardner, Hunter, Insko, Ives, Nesbitt, Ramsey, Warwick, Watson, Wilson, G., Womble. Rep. Rayfield had an excused absence.

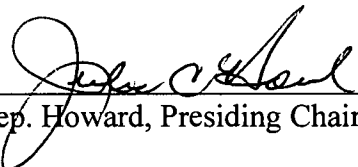
The following bill was discussed:

House Bill 145, entitled "Day Care/Playground Equipment". At the decision of the Committee Co-Chairs, House Bill 145 was referred to the Subcommittee on Families. However, Rep. Howard allowed time for all visitors to speak on the bill.

The following visitors spoke in favor of House Bill 145: Mrs. Jamie Ramsey, a private citizen; Ms. Janice Hanson, child care provider; Mr. Joe Haas, NC Christian School Association; Dr. Fred Darnley, NC Child Care Commission; Cathie Shuler, private for profit daycare owner; Ms. Jerri Howell, Child Care Commission; Ms. Frances Williams, Child Care Commission; and Ms. Jean Ham, private for profit daycare owner.

At the decision of the Committee Co-Chairs, House Bills 152 and 153 were displaced due to the illness of the bill sponsor, Rep. Easterling.

The meeting adjourned at 11:55 AM.

  
Rep. Howard, Presiding Chair

  
Susan B. Groh, Committee Clerk

3-7-97

Date

## VISITOR REGISTRATION SHEET

## HUMAN RESOURCES

**March 4, 1997**

Name of Committee

Date \_\_\_\_\_

**VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK**

NAME \_\_\_\_\_

**FIRM OR AGENCY AND ADDRESS**[illegible]

# VISITOR REGISTRATION SHEET

## HUMAN RESOURCES

March 4, 1997

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

### NAME

### FIRM OR AGENCY AND ADDRESS

Dr. Fred Darnley	Child Care Commission: Security Blanket Associates, Greensboro
SANDRA MARTIN	POB 549, THE CHILDREN'S PLACE, LIBERTY 27298
Kim Trudo	KIDS KORNER CHILD CARE CENTERS New Bern NC 28500
Betty Holton	Little Hands, 2314 Elizabeth Ave, New Bern NC 28562
Jeanne Nam	Discovery Land Child Care Ctr. Swan Hill, NC 28580
Sue Newsome	Northside Child Care & Preschool - NVCC 28580
Nancy Ratcliffe	N.C. Voice for Child Care
Frances Williams	Child Care Commission
Jeani Howze	Child Care Commission
Gina A. Lowry	Grandma's T.L. Christian Day Care
Ruth Priest	ABC Learning Center, Lenoir, N.C.
Cathie Spahn	Kiddie Koller of Know. Smith NC
Myma Miller	NATL Assoc. of Soc Workers NC Chap
GARY E. MOGER	FAITH CHRISTIAN SCHOOL RAMSEUR, NC
Bill Hobnaisen	Faith Christian School Ramsey NC
Ken Bartholomew	Friendship Christian School Raleigh N.C.
Rev. Joel Murr	Friendship Christian School 5510 Fallin of Nourse Rd. Raleigh, NC 27609
Kevin K. Sem	Community Baptist Academy 3107 N.C. Hwy 410 Bladenboro, N.C. 28320
Robert Ohlmann	Community Bapt. Academy, Bladenboro
Lesley Wynn	students (mercantile college)
Clairi Burkawsky	Unreasonable Business & Prof Orgs
Jane M. Ogden	" " " "
Steve Silber	Jordan Price Hall Group & Inc
Shirley Nelson	Child Training Inst
Thomas V. Bennett	N.C. Child Welfare Task Force
Joe HAAS	NCCSA
BUD DAVIS	Mount Calvary Christian Academy

# VISITOR REGISTRATION SHEET

HUMAN RESOURCES

March 4, 1997

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Tim Thompson	Trinity Christian School, Greenville, NC
J. Lynn Parsons, Pastor	Harris Chapel Christian Academy, Hudson, NC
Allen Norrod	Harris Chapel Christian Academy, Hudson, NC
Barbara L. Ponder	Calvary Christian School, Sou. Pines, NC
Wynn Thomas	Calvary Christian School, Southern Pines, NC
Bridget Bureley	Calvary Christian School, Sou. Pines, NC
John C. Cunniff	Calvary Christian School, Sou. Pines, NC
Jon Harrison	Calvary Christian School, Sou. Pines, NC
Beth Taylor	BPW
Hettie Waller	BPW
Phyllis B. Williams	Business & Professional Women / NC 251 Seneca St. NE Durham, NC 27703-4757
Sam P. Jones	Business & Professional Women / NC 3323 Redgate Drive Durham, NC 27703-4757
Stephanie Dargatzis	DHR - DCD
Curt Williams	Office of Governor
ANGIE McMillan	DHR
Jerry Schill	NCFA - New Bern
Paula A. Wolf	Covenant with NC's Children
Julie Rehder	NC Child Advocacy Institute
Jon Carr	Jordan Area Law Firm, Raleigh, NC
Kathy Jones	RRSNC
Jordan Margason	Child Care Resource & Referral
Sue Fleming Hansen	Child Care R + R of Wake Co.
Rosslyn Smith	NC Child Care Coalition
Will Long	NC Assn for Home Care
Jamie Ranken	2705 Van Dyke Ave Raleigh NC 27607
Susan J. Bitts	Little Dimples / P.O. Box 456 Mockwood City, NC 27607
Shannese Rankine	DSS

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:**        **Thursday, March 6, 1997**

**TIME:**                **11:00 AM**

**LOCATION:**           **Room 643-LOB**

The following bills will be considered (Bill # & Short Title):

**House Bill 81 - Residency Req. for Special Assistance**

**House Bill 73 - Reduce County Share/Payments**

Respectfully,

Representative Aldridge and Howard  
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at  
**1:00 PM on Tuesday, March 4, 1997.**

\_\_\_Principal Clerk  
\_\_\_Reading Clerk - House Chamber

Susan B. Groh (Committee Clerk)

## **AGENDA**

### House Standing Committee on **HUMAN RESOURCES**

Thursday, March 6, 1997  
11:00 AM - Room 643-LOB

Rep. Henry Aldridge - Opening Prayer

Greetings: Rep. Henry Aldridge, Presiding Chair

Introduction of Pages

Presentation of HB 81 "Residency Req. for Special Assistance"  
Rep. Clary, Sponsor

Vote

Presentation of HB 73 "Reduce County Share/Payments"  
Rep. Goodwin, Sponsor

Vote

Announcements

Adjournment

## MINUTES

### HOUSE COMMITTEE ON HUMAN RESOURCES

March 6, 1997

11:00 AM

Room 643

The House Committee on Human Resources met in Room 643 of the Legislative Office Building on Thursday, March 6, 1997. Representative Aldridge, Co-Chairman, presided at the meeting.

The following members were present: Representatives Adams, Bowie, Clary, Creech, Culp, Cunningham, Earle, Esposito, Gardner, Hunter, Howard, Insko, Ives, McAllister, Ramsey, Rayfield, Warwick, Watson, Wilson, G., and Womble.

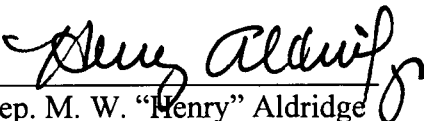
The following bills were discussed:


**House Bill 81, entitled "Residency Req. for Special Assistance".**

Representative Clary moved to adopt the Committee Substitute for House Bill 81. Representative Aldridge called for a vote on the motion. Adoption of the Committee Substitute received a unanimous vote. Representative Howard moved to open discussion on the Committee Substitute for House Bill 81. Representative Creech made a motion for a favorable report. Patrice Rossler, representative for the County Commissioners Association, stated that the Association supported the original bill and the Committee Substitute, and emphasized that the 90-day period allowed time for the verification of residency and eligibility. Representative Womble offered an amendment which changed the waiting period from 90 days to 30 days. A roll call vote determined seven members in favor of the amendment and thirteen opposed to the amendment. The amendment failed. The Chairman called for a vote on the original bill. House Bill 81 received a unanimous vote for a favorable rating. The bill was filed out of committee on March 6, 1997.

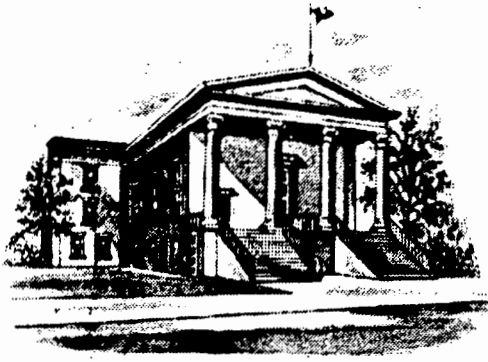
**House Bill 73, entitled "Reduce County Share/Payments",** was introduced by Representative Goodwin. Carolyn Johnson, staff, explained the bill. Dr. Al Wentzy, Director of Social Services for Northampton, spoke on behalf of the bill. The bill was displaced until the next meeting of the Committee.

The meeting was adjourned at 11:53 AM

  
Rep. M. W. "Henry" Aldridge

  
Susan B. Groh, Clerk

\_\_\_\_\_  
Date



# Northhampton County

BUILDING MODERN PROGRESS FROM A RICH TRADITION

BOARD OF COMMISSIONERS

P. O. BOX 808

JACKSON, N. C. 27845

PHONE (919) 534-2501

OFFICE OF THE  
BOARD OF COUNTY COMMISSIONERS

February 27, 1997

Rep. Julia Howard  
1021 Legislative Bldg.  
Raleigh, NC 27601-1096

Rep. Marvin W. Aldridge  
640 Legislative Bldg.  
Raleigh, NC 27601-1096

Rep. Wayne Goodwin  
502 Legislative Bldg.  
Raleigh, NC 27601-1096

Rep. Howard Hunter  
613 Legislative Bldg.  
Raleigh, NC 27601-1096

Reference: Request for Support - HB 73

Dear Rep. Howard, Rep. Aldridge, Rep. Goodwin and Rep. Hunter:

The purpose of this letter is to seek your support in providing critical assistance to Northhampton County in passing HB 73 and to provide you with relevant information upon which to support our request.

As you are aware, the bill provides that the state would absorb a greater portion of tier 1 and tier 2 counties share of Medicaid, public assistance and social services costs.

We are grateful for the benefits derived from all the social services programs for our citizens, but face a dilemma in Northhampton County where the associated program costs are escalating to the point where the county is virtually unable to meet the expected and mandatory participatory county match. This comes at a time when we are seeing increased citizen demand for services and increased expectations from all government levels for the manner in which we provide these services.

In this regard, we have not been idly sitting by and simply watching the escalating costs, but have indeed taken the offensive and our own initiative to lower or moderate costs. Two significant examples appear readily relevant through the Work First and Carolina Access programs:

1. Northampton County is considered a state leader in the Work First program - through diligent work we have been successful in reducing the welfare rolls by 22.6% over the past 18-month period compared to the highest percentile of 12.2% exhibited by one of our neighboring counties. In addition, based on performance, innovation and desire to succeed we were selected as one of two counties (the only rural county) to serve as a demonstration county to the federal government in proving that the Work First - welfare to work program can be successful in a rural environment; and,
2. Northampton County was the 44<sup>th</sup> county in the state (a leader in our area) to embrace the Carolina Access program in an attempt to add managed health care to our qualifying Medicaid recipients with the anticipation that implementation would help to stall the escalation of Medicaid costs.

The facts are that overall program costs from the 1985/1986 fiscal years to present have escalated 94%. The most expensive county program as you might anticipate has been the Medicaid program with some 26% of our citizens enrolled. Though we understand our county cost equates to only about 5.555% we have seen an 111% increase in costs for the past six years and are told by the state to budget about \$1.2 m this fiscal year - an increase of 25% from last year. Unfortunately, we were only able to budget \$900,000 this year and honestly do not know how we will be able to meet this mandatory participation rate. Please refer to enclosures 1 through 3 for specific facts as graphically depicted.

Our county assessment level of county property has increased from about 52% in 1987 to about 96% in 1996. In addition, our county effective tax rate is reflected as the eleventh highest in the state.

The reduced county payments as reflected by HB 73 amounts to \$460,624 or almost 20% of the total anticipated social services costs to the county this year. With the facts presented, the criticality of this legislation to the well-being of Northampton County cannot be overstated.

Request your support and advocacy in facilitating House Bill 73 into law.

Respectfully,

*Henry Moncure, Sr.*

Henry Moncure, Sr.  
Chairman

Enclosures

## SOCIAL SERVICES COUNTY COSTS

### 85/86

PUBLIC ASSISTANCE	\$500,968
SERVICES	\$95,298
PROG/STAFF OPNS	\$327,600
TOTAL	\$923,866
TOTAL COUNTY \$	\$841,724

### 86/87

PUBLIC ASSISTANCE	\$691,424
SERVICES	\$177,428
PROG/STAFF OPNS	\$342,822
TOTAL	\$1,211,674
TOTAL COUNTY \$	\$1,016,200

### 87/88

PUBLIC ASSISTANCE	\$718,351
SERVICES	\$210,015
PROG/STAFF OPNS	\$360,341
TOTAL	\$1,288,707
TOTAL COUNTY \$	\$1,024,986

### 88/89

PUBLIC ASSISTANCE	\$785,139
SERVICES	\$181,816
PROG/STAFF OPNS	\$449,969
TOTAL	\$1,416,924
TOTAL COUNTY \$	\$1,167,393

### 89/90

PUBLIC ASSISTANCE	\$793,094
SERVICES	\$261,428
PROG/STAFF OPNS	\$459,671
TOTAL	\$1,514,193
TOTAL COUNTY \$	\$1,202,415

### 90/91

PUBLIC ASSISTANCE	\$773,044
SERVICES	\$306,541
PROG/STAFF OPNS	\$495,652
TOTAL	\$1,575,237
TOTAL COUNTY \$	\$1,262,560

### 91/92

PUBLIC ASSISTANCE	\$961,894
SERVICES	\$117,728
PROG/STAFF OPNS	\$543,075
TOTAL	\$1,622,697
TOTAL COUNTY \$	\$1,480,001

### 92/93

PUBLIC ASSISTANCE	\$994,880
SERVICES	\$135,474
PROG/STAFF OPNS	\$564,259
TOTAL	\$1,694,613
TOTAL COUNTY \$	\$1,485,513

### 93/94

PUBLIC ASSISTANCE	\$1,033,646
SERVICES	\$157,038
PROG/STAFF OPNS	\$645,693
TOTAL	\$1,836,377
TOTAL COUNTY \$	\$1,593,139

### 94/95

PUBLIC ASSISTANCE	\$1,203,701
SERVICES	\$161,072
PROG/STAFF OPNS	\$715,528
TOTAL	\$2,080,301
TOTAL COUNTY \$	\$1,740,221

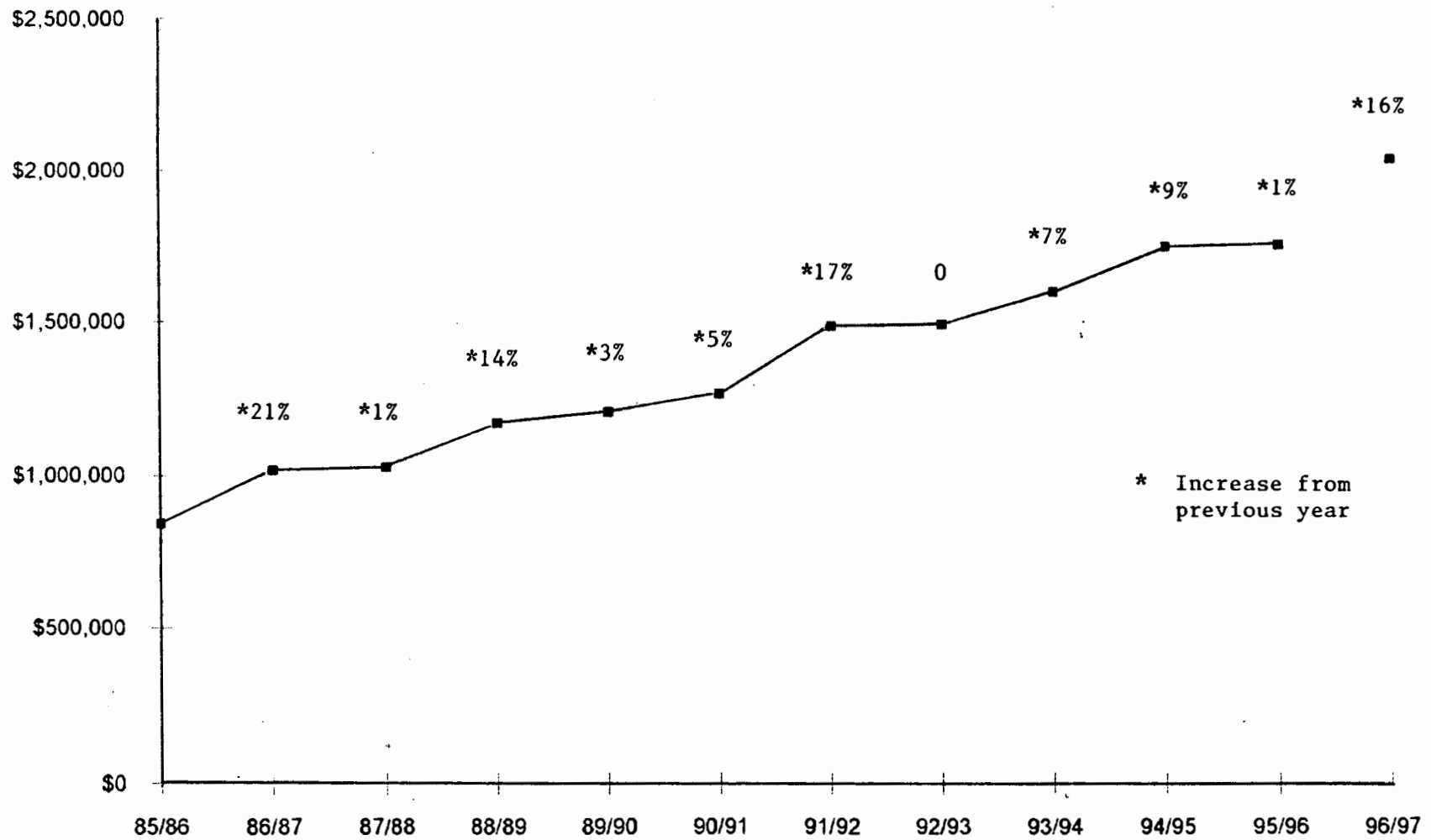
### 95/96

PUBLIC ASSISTANCE	\$1,228,147
SERVICES	\$194,056
PROG/STAFF OPNS	\$636,441
TOTAL	\$2,058,644
TOTAL COUNTY \$	\$1,749,431

### 96/97

PUBLIC ASSISTANCE	\$1,447,539
SERVICES	\$202,726
PROG/STAFF OPNS	\$734,104
TOTAL	\$2,384,369
TOTAL COUNTY \$	\$2,031,869

## SOCIAL SERVICES ESCALATING COUNTY COSTS



**COUNTY COMMISSIONERS**

Anthony M. Padgett, Chairman  
Ernest J. Wright, Vice-Chairman  
Lawrence D. Fitzpatrick  
W.C. Jarman  
Paul M. Starzynski

**Office of the County Manager**

Ronald B. Lewis, Manager  
Jeffrey L. Hudson, Assistant Manager  
Lettitia M. Black, Clerk to the Board

**FEB 25 1997****COUNTY OF ONSLOW**

February 24, 1997

**MEMORANDUM**

**TO:** House Human Resources Committee  
Fax Number 919/733-3113

Chairman Aldridge; Representatives Adams, Clary, Creech,  
Cunningham, Earle, Easterling, Esposito, Gardner, H. Hunter,  
Ives, McAllister, Rayfield, Watson, and Womble

**FROM:** Anthony M. Padgett, Chairman *AMP/1*  
Onslow County Board of County Commissioners

**SUBJECT:** House Bill 73

As you have often been our advocate and strong supporter in the past, we are sending you and other members of the North Carolina General Assembly, a copy of a resolution the Onslow County Board of Commissioners adopted on February 17, 1997. The enclosed resolution is entitled as follows:

Resolution - North Carolina Act to Reduce the Share of  
NonFederal Payments for Medical Assistance and Social Services  
for Certain Economically Disadvantaged Counties

The Onslow County Board of Commissioners requests your support of this Resolution. Thank you for your dedication and commitment to our citizens.

/lmb

Enclosure

## COUNTY COMMISSIONERS

Anthony M. Padgett, Chairman  
Ernest J. Wright, Vice-Chairman  
Lawrence D. Fitzpatrick  
W.C. Jarman  
Paul M. Starzynski



## Office of the County Manager

Ronald B. Lewis, Manager  
Jeffrey L. Hudson, Assistant Manager  
Latitia M. Black, Clerk to the Board

## COUNTY OF ONSLOW

## FAX TRANSMISSION

TO: House Human Resources Committee  
FROM: Onslow Co. Board of Commissioners  
DATE: 2/24/97  
FAX NO.: \_\_\_\_\_

Number of pages (including this cover sheet): 3

Please share the attached Memo  
and Resolution with members of the  
House Human Resources Committee.

Your support will be greatly  
appreciated.

**STATE OF NORTH CAROLINA  
COUNTY OF ONSLOW**

**RESOLUTION  
NORTH CAROLINA ACT TO REDUCE THE SHARE  
OF NONFEDERAL PAYMENTS FOR  
MEDICAL ASSISTANCE AND SOCIAL SERVICES  
FOR CERTAIN ECONOMICALLY DISADVANTAGED COUNTIES**

**WHEREAS**, Representative Wayne Goodwin of the General Assembly of North Carolina is planning to introduce legislation which would give all Tier One and Tier Two counties discounts on certain State and Federal mandates; and

**WHEREAS**, all counties in the State currently contribute to pay for half of the expenses incurred by State and Federally mandated programs; and

**WHEREAS**, Onslow County continues to be burdened by the cost of the County's share of Medicaid and the administration of other State and Federally mandated social services programs; and

**WHEREAS**, Onslow County stands to benefit directly from the passage of this legislation, as it is ranked as a Tier Two County, eligible for a ten-percent (10%) reduction, which would bring some relief from these mandated non-county, non-funded expenses; and

**WHEREAS**, a ten-percent (10%) savings for Onslow County will result in moneys that can be utilized for other vitally important programs;

**THEREFORE, BE IT RESOLVED**, that the Onslow County Board of Commissioners endorses and encourages the legislative delegation representing Onslow County within the General Assembly of North Carolina to vote in favor of the bill sponsored by Representative Wayne Goodwin, to be entitled "An Act to Reduce the Share of Nonfederal Payments for Medical Assistance and Social Services for Certain Economically Disadvantaged Counties."

Adopted this 17<sup>th</sup> day of February, 1997.



**ONSLow COUNTY  
BOARD OF COMMISSIONERS**

  
Anthony M. Padgett, Chairman

**ATTEST:**

  
Letitia M. Black, Clerk to the Board

# VISITOR REGISTRATION SHEET

**HUMAN RESOURCES**

**March 6, 1997**

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Euelyn Hawthorne	NCHA
Madelaine Murray O'Hair	NC DHFZXMB
Satchel Paige	NCACC
John	DPR
Bob Blum	AG Office
Brysha Sawell	NC Child Care Coalition
De Al Wentzy	Dir, DSS Northampton Co
Steve Shaber	Jordan Price Wall Gray Jones
A. Ann Seary	NCITAC
Rob Sch. Hall	NCJCDC
Lee Wilson	NCAITCF
Jim HAYNES	Richmond County
J. C. WATKINS	Richmond County Commissioner
Jimmy Quick	Richmond County
Elizabeth Heller	NASW-NC
D. M. Willis	DMHDDSDS
Susan Aldridge	Citizen
Sharon Williams	Forer Assoc / LTC
Paula A. Wolf	Covenant with NC's Children
Barbara Host	NCRTZ
John Bowditch	Zeb Alley P.A.
Whitney Meig	DMHDDSDS
Art Williams	Office of the Governor
Steve Williams	United Healthcare of NC
Shanene Ransome	DSS

failed

81 prop amend  
ment  
by Womble

7  
YES

13  
NO

\_\_\_\_ (TOTAL)

HB# \_\_\_\_  
SB# \_\_\_\_

HOUSE STANDING COMMITTEE ON HUMAN RESOURCES

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Aldridge, Chair	____	____	
____	<input checked="" type="checkbox"/>	Howard, Chair	____	____	
<input checked="" type="checkbox"/>	____	Ramsey, RMM	____	____	
<input checked="" type="checkbox"/>	____	Adams	____	____	
____	<input checked="" type="checkbox"/>	Bowie	____	____	
____	<input checked="" type="checkbox"/>	Clary	____	____	
____	<input checked="" type="checkbox"/>	Creech	____	____	
____	<input checked="" type="checkbox"/>	Culp	____	____	
<input checked="" type="checkbox"/>	____	Cunningham	____	____	
____	<input checked="" type="checkbox"/>	Earle	____	____	
____	____	Easterling	____	____	
____	<input checked="" type="checkbox"/>	Esposito	____	____	
____	<input checked="" type="checkbox"/>	Gardner	____	____	
____	<input checked="" type="checkbox"/>	Hunter	____	____	
<input checked="" type="checkbox"/>	____	Insko	____	____	
____	<input checked="" type="checkbox"/>	Ives	____	____	
<input checked="" type="checkbox"/>	____	McAllister	____	____	
____	____	Nesbitt	____	____	
____	____	Rayfield	____	____	
<input checked="" type="checkbox"/>	____	Warwick	____	____	
____	<input checked="" type="checkbox"/>	Watson	____	____	
____	<input checked="" type="checkbox"/>	Wilson, G.	____	____	
<input checked="" type="checkbox"/>	____	Womble	____	____	
____	____		____	____	

Ex officio Members

____	____	Speaker Pro Tem (Wood)
____	____	Majority Leader (Daughtry)
____	____	Majority Whip (Howard)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 81\*

Short Title: Residency Req. for Special Assistance.

(Public)

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Sponsors: Representatives Clary; Aldridge, Baker, Cansler, Capps, Earle, Gulley, Miller, Rayfield, Sexton, Shubert, Warner, Watson, and G. Wilson.

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Referred to: Human Resources.

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February 10, 1997

- 1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH A NINETY-DAY WAITING PERIOD FOR NEW  
3 RESIDENTS OF NORTH CAROLINA WHO NEED RESIDENCE IN ADULT  
4 CARE HOMES AND WHO NEED STATE-COUNTY SPECIAL ASSISTANCE  
5 FUNDS TO PAY FOR THEIR CARE.  
6 The General Assembly of North Carolina enacts:  
7 Section 1. G.S. 108A-41(b) reads as rewritten:  
8 "(b) Assistance shall be granted to any person who:  
9 (1) Is 65 years of age and older, or is between the ages of 18 and 65  
10 and is permanently and totally disabled; and  
11 (2) Has insufficient income or other resources to provide a reasonable  
12 subsistence compatible with decency and health as determined by  
13 the rules and regulations of the Social Services Commission; and  
14 (3) Is a resident of ~~North Carolina.~~ North Carolina for at least 90 days  
15 prior to receiving this assistance."  
16 Section 2. This act is effective when it becomes law and applies to  
17 residents making application for assistance on or after that date.

**H 81. RESIDENCY REQ/SPECIAL ASSISTANCE (=S 54).** *TO ESTABLISH A NINETY-DAY WAITING PERIOD FOR NEW RESIDENTS OF NORTH CAROLINA WHO NEED RESIDENCE IN ADULT CARE HOMES AND WHO NEED STATE-COUNTY SPECIAL ASSISTANCE FUNDS TO PAY FOR THEIR CARE.* Identical to S 54, introduced 2/6/97.

**Intro. by Clary.**

Ref. to Human Resources

GS 108A

**Daily Bulletin 03/06/97**

**H 81. RESIDENCY REQ/SPECIAL ASSISTANCE.** Intro. 3/6/97. House committee substitute replaces 1st edition. Adds the following circumstances that make a person eligible for assistance: (1) previously residing in NC for at least 365 consecutive days; (2) coming to NC to join a close relative who has resided in NC for at least 180 consecutive days; (3) having been discharged from a state facility as a patient and the patient status was the result of an interstate mental health compact.

**Daily Bulletin 03/06/97**

# Public Hearing

3/24/97

4:00 - 4:35 PM

1. Charles Archer - Co. Mgr. Halifax Co.
2. Quintan Qualls - Chm. Halifax Co. Bd of Comm.  
Reduce their share over \$1 million per year -  
unemployment 8.3% ↑ Their state or nation
3. Jim Haynes - Mgr. Richmond Co.  
unemployment just under 10% for first time in  
several years - Tax based growth in only 1 of  
last 8 years has been enough to cover their  
share of mandated services.
4. Shad Tillery - Chm. Richmond Co. Bd of Comm -  
% on Medicaid is 20% of people in the Co. \$ 4.3 million  
as their portion of mandated mandates
5. Patricia Rossler - NC Assoc of C Co. - Bill funded  
out of General Fund groups - don't deduct it  
from existing money - How fees are determined
6. Jerry Askew - Mgr. Vance Co. Mgr. (NOT HERE)  
In last 6 years 174% increase in Medicaid costs  
18 1/3% each year ↑ Medicaid

## Comm. Members:

Rep. Howard Hunter      Rep. Howard  
Rep. Larry Aldridge      McMaham

7. Dr. Al Winsay (?) Div 55 Northampton Co.  
state share greater proportion of county's  
share - They're state leaders in work force  
performance - selected by state to serve as  
demonstration co. for Fed. Most aggressive  
co. program is Medicaid program - Tax rate  
11 1/2% highest in the state.

8. Lois Ray Dir SS Montgomery Co. 5000+  
Medicaid & SS recipients 21.7% of county  
population. 83.98% of Co. Budget.  
Reduced AFDC budget by 20%, reduced  
expenditures by 27% - most is Unwarlike.

9. Joe Durham - High - Edgecombe Co.  
a Pierce Co. unemployment rate 14%  
\$4.4 (1992) \$6 (1992) million. HB 73  
would be a shot in the arm.

10. Rep. Gadsden - just an experiment -  
affects this district only.

**Gail Stewart (Rep. Howard)**

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**From:** Ann Smith (Rep. Goodwin)  
**Sent:** Thursday, March 20, 1997 3:24 PM  
**To:** Gail Stewart (Rep. Howard)  
**Subject:** Public Hearing-----HB 73

Gail, the following have expressed a desire to speak at the Public Hearing on Monday:

✓ Charles Archer, Halifax County Manager  
Quinton Qualls, Chairman, Halifax County Commissioners  
Patrice Roesler, Association of County Commissioners  
Jim Haynes, Richmond County Manager  
Thad Ussery, Chairman, Richmond County Commissioners

Thanks for all your help. Ann

**Gail Stewart (Rep. Howard)**

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**From:** Gail Stewart (Rep. Howard)  
**Sent:** Thursday, March 20, 1997 1:39 PM  
**To:** Susan Groh (Rep. Aldridge)  
**Subject:** Public Hearing comments

***Susan, here are some comments that Rep. Howard had regarding your "Public Hearing Question" of yesterday:***

***At the very beginning, he should welcome the people who are there and say something like "We are having this hearing at the request of Rep. Wayne Goodwin, sponsor of HB 73, in order to allow all interested parties to add their comments about the bill, whether pro or con."***

***He probably should mention the scheduled time for the hearing, which is 4:00 pm - 6:00 pm, but that the House GOP caucus was scheduled to start at 5:30 so some members might have to leave. [IF there are any members there!!]***

***It is customary to give each speaker 5 minutes, but if you don't have many speakers, you don't have to be so strict with time.***

***When everyone has been heard (or after each speaker, if Rep. Aldridge so prefers), he could ask for questions of that speaker.***

***After everyone has spoken, just thank them for their comments and for coming. As you know, the bill is to be heard in committee the next day, and hopefully a vote will be taken. HE DOES NOT PROMISE THEM ANYTHING!! All he has to say is something like "That concludes this public hearing; meeting is adjourned."***

***Rep. Howard recommends that you contact Rep. Goodwin for a list of the speakers so you can enlarge that for Rep. Aldridge. Make sure the list is in the order that Rep. Goodwin wants. I had asked his secretary to prepare that, but I don't know when she will have it ready. Make sure she knows you want it in advance, and not just before the meeting.***

***If you think of anything else, let us know. Thanks!***

**Gail Stewart (Rep. Howard)**

---

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**Sent:** Thursday, March 20, 1997 3:24 PM  
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**Subject:** Public Hearing-----HB 73

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Thad Ussery, Chairman, Richmond County Commissioners

Thanks for all your help. Ann

**Gail Stewart (Rep. Howard)**

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**From:** Gail Stewart (Rep. Howard)  
**Sent:** Thursday, March 20, 1997 9:36 AM  
**To:** @House/Clerks; @Senate/Clerks  
**Cc:** John Young (Research); Carolyn Johnson (Research); Sue Floyd (Research); Linda Attarian (Research)  
**Subject:** Public Hearing on Monday

*The House HUMAN RESOURCES Committee is having a public hearing on Monday, March 24, from 4:00 - 6:00 p.m. in the Legislative Auditorium. It is on House Bill 73, "Reduce County Share/Payments." The bill is entitled "An act to reduce the share of nonfederal payments for medical assistance and social services for certain economically disadvantaged counties."*

*Please be sure your member is aware that this is taking place, just in case he/she has an interest in hearing the debate. Thank you!*

**Gail Stewart (Rep. Howard)**

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**From:** Gail Stewart (Rep. Howard)  
**Sent:** Wednesday, March 19, 1997 4:07 PM  
**To:** Ann Smith (Rep. Goodwin)  
**Cc:** Susan Groh (Rep. Aldridge)  
**Subject:** Confirming Public Hearing

***Ann, this is just to confirm our conversation earlier in the day. I had drafted this message before, and it got lost in that e-mail problem, so I'll try to remember what I said!***

***Thank you for having Rep. Goodwin confer directly with Rep. Aldridge.***

***Rep. Aldridge will be responsible for moderating the meeting, for seeing that speakers stay within their time limits, for maintaining order, etc. Rep. Goodwin is responsible for arranging who speaks, and in what order, and what groups are represented, etc.***

***Usually the GOP caucus is at 6:00 p.m. This time it was changed to 5:30 p.m. because it is a dinner caucus. So we will have to watch the time more closely, because most likely any Republican committee members will want to leave a little early (5:15 ?) to get to the restaurant. Please have Rep. Goodwin divide the number of speakers by the approximate time we have to make sure each one is given about the same amount. (I'd hate for one to speak 15 minutes and leave someone else just 5 minutes ... you know what I mean.)***

***The Sergeant-at-Arms will record the meeting, and will have coffee and water set up outside the auditorium. One of us should probably manage a visitor sheet so that we'll know who is there, and make sure that everyone who should be recognized is recognized.***

***I plan to send an e-mail on Thursday morning to remind all the committee members about the public hearing and encourage them to come. Also, a meeting notice for Tuesday will go out tomorrow, showing HB 73 as the only bill on the agenda that day. Hopefully we can get a vote on it Tuesday.***

***Let me know if you have any questions; if I don't know the answers, I'll find someone who does. Thanks, Ann!***

*Gail Stewart*

**Gail Stewart (Rep. Howard)**

---

To: Ann Smith (Rep. Goodwin)  
Cc: Susan Groh (Rep. Aldridge)  
Subject: Confirming Public Hearing

**Ann, this is just to confirm our conversation earlier in the day. I had drafted this message before, and it got lost in that e-mail problem, so I'll try to remember what I said!**

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**Let me know if you have any questions; if I don't know the answers, I'll find someone who does. Thanks, Ann!**

*Gail Stewart*

**Gail Stewart (Rep. Howard)**

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**From:** Gail Stewart (Rep. Howard)  
**Sent:** Wednesday, March 12, 1997 6:18 PM  
**To:** Ann Smith (Rep. Goodwin)  
**Cc:** Susan Groh (Rep. Aldridge)  
**Subject:** Public Hearing Information

**Ann,**

***I am sure by now you have received the notice of the public hearing, scheduled for Monday, March 24 from 4-6 p.m., as you last requested. Rep. Goodwin must understand that Rep. Howard cannot be there after 4:40 p.m. because of a prior commitment. (She had wanted it scheduled 3:00 - 5:00 p.m. The two of them talked about that.) Has he talked with Rep. Aldridge about it at all?***

***Would you please notify all of the people who have been contacting you about speaking in the committee meetings, and any other interested parties that Rep. Goodwin has conferred with about this? No one has contacted our office, so I don't have a clue as to who the interested parties might be.***

***Rule 29.1(b) states that "The standing committee....Chair may designate one or more members to arrange the order of appearance of interested parties." Rep. Howard is designating Rep. Goodwin with this responsibility, since it is his bill.***

***Please let me know if you have any questions. Thanks!***

***Gail Stewart***

**Gail Stewart (Rep. Howard)**

OK to  
Gnd

To: Ann Smith (Rep. Goodwin)  
Cc: Susan Groh (Rep. Aldridge)  
Subject: Public Hearing Information

**Ann,**

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***Please let me know if you have any questions. Thanks!***

***Gail Stewart***

***Please let me know.***

**Gail Stewart (Rep. Howard)**

---

To: Ann Smith (Rep. Goodwin)  
Cc: Susan Groh (Rep. Aldridge)  
Subject: Public Hearing Information

3-4:30-5:00

Ann,

*I am sure by now you have received the notice of the public hearing, scheduled for Monday, March 24, from 4-6 p.m.*

*Would you please notify all of the people who have been contacting you about speaking in the committee meetings, and any other interested parties that Rep. Goodwin has conferred with/about this? No one has contacted our office, so I don't have a clue as to who the interested parties might be.*

*Rule 29.1(b) states that "The standing committee....Chair may designate one or more members to arrange the order of appearance of interested parties." Rep. Howard is designating Rep. Goodwin with this responsibility, since it is his bill.*

*Please let me know if you have any questions. Thanks!*

*Gail Stewart*

*Please let me know.*

**Gail Stewart (Rep. Howard)**

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**From:** Gail Stewart (Rep. Howard)  
**Sent:** Tuesday, March 18, 1997 12:48 PM  
**To:** Susan Groh (Rep. Aldridge)  
**Cc:** Ann Smith (Rep. Goodwin)  
**Subject:** Public Hearing on March 24

*Susan, would you please notify Rep. Aldridge that he will need to assist Rep. Goodwin with the public hearing on HB 73? Rep. Howard had planned to be there for the first 45 minutes, but the meeting she had scheduled at 5:00 p.m. has been moved up to 4:30 p.m., so she will not be able to attend.*

*I sent you a copy of our notice to Rep. Goodwin in which we designated him to arrange for the speakers. All Rep. Aldridge will have to do is moderate, making sure people stick to the time limit per speaker, etc.*

*No one so far has contacted our office about speaking or making a presentation.*

*Ann Smith is Rep. Goodwin's secretary, if you need to contact her about how the agenda is progressing.*

Thanks!

*Gail Stewart*

**Gail Stewart (Rep. Howard)**

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**From:** Christine Bruske (Rep. Daughtry)  
**Sent:** Tuesday, March 18, 1997 9:49 AM  
**To:** @House/Republican/Members  
**Cc:** Clyde Cook (House Sgt. at Arms)  
**Subject:** Republican Caucus

MEMORANDUM

TO: ALL REPUBLICAN HOUSE MEMBERS

FROM: LEO DAUGHTRY, MAJORITY LEADER

DATE: MARCH 18, 1997

On Monday, March 24, 1997 the Republican Caucus will meet at Balentine's Cafeteria at 5:30 p.m. Please note the change in time. We will meet downstairs in the conference area. Phil Kirk of NCCBI will provide a buffet dinner, but will not remain for the meal or for the caucus meeting.

Balentine's cafeteria is located at 410 Oberlin Rd., Cameron Village, Raleigh. Please make plans to attend.

*Leadership Meet that  
day will be 4:30  
they will need to take  
over Public Hearing at 4:00  
if possible - See if he can?*

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
NOTICE OF PUBLIC HEARING**

The House Committee on **HUMAN RESOURCES** will hold a **Public Hearing**

**Day & Date: MONDAY, MARCH 24, 1997**

**Time: 4:00 P.M. - 6:00 P.M.**

**Location: LEGISLATIVE AUDITORIUM**

The views of interested parties will be heard concerning HB 73 "Reduce County Share Payments," introduced by Rep. Goodwin.

Representatives  
HOWARD AND ALDRIDGE  
CoChairs

I hereby certify this notice was filed by the committee clerk at the following offices at 4:30 p.m. o'clock on Wednesday, March 12, 1997.

- ☐ Principal Clerk
- ☐ Reading Clerk - House Chamber
- ☐ Press Room

Gail Stewart and Susan Groh  
Committee Clerks

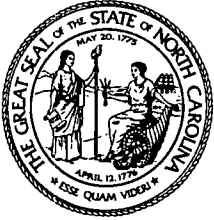
**Gail Stewart (Rep. Howard)**

**From:** Ann Smith (Rep. Goodwin)  
**Sent:** Thursday, March 06, 1997 2:56 PM  
**To:** Rep. Julia Howard  
**Subject:** Public Hearing, HB 73

*President Clinton  
Secret*

This is an official notice and request for a public hearing on HB 73 originating from the Human Resources Committee. ~~Rep. Howard has requested the hearing. The auditorium is available on March 11, 1997, at 4:00.~~ Rule 29.1 requires among other actions that notice be given not less than five calendar days prior to the hearing. We request that the notice be issued today. Please contact us immediately verifying that this can be accomplished. Thank you for your assistance.

*Thursday 13th  
Ann Smith for Sen*



## 1997 HOUSE OF REPRESENTATIVES COMMITTEE ASSIGNMENTS

**\*\*Representatives Wood, Daughtry, and Howard are Ex Officio members of all committees.**

**AGRICULTURE:** Representative Brown, Chair; Representatives Carpenter, Culp, and Mitchell, Vice Chairs; Representative Hill, Ranking Minority Member; Representatives Aldridge, Baker, Buchanan, Davis, Eddins, Fox, Hardaway, Hightower, H. Hunter, Kiser, McCrary, Mercer, Nichols, Owens, Reynolds, Rogers, Smith, Tolson, Watson, Weatherly, and Yongue.

**APPROPRIATIONS:** Representatives Holmes (Senior Ranking Member), Esposito, Creech, and Crawford, Co-Chairs.

**SUBCOMMITTEE ON CAPITAL AND BUDGET:** Representatives Russell, and G. Wilson, Co-Chairs; Representative Church, Ranking Minority Member; Representatives Arnold, Berry, Bonner, Bowie, Dockham, Earle, Easterling, Gardner, Hall, Insko, Ives, Kiser, Michaux, Mitchell, Moore, Mosley, Neely, Warner, and Warwick.

**SUBCOMMITTEE ON EDUCATION:** Representatives Preston, Arnold, and Grady, Co-Chairs; Representative Rogers, Ranking Minority Member; Representatives Black, Davis, Oldham, Reynolds, Shubert, and Yongue.

**SUBCOMMITTEE ON GENERAL GOVERNMENT:** Representatives Ives, McCombs, and Sherrill, Co-Chairs; Representative Culpepper, Ranking Minority Member; Representatives Braswell, Decker, Ellis, Jeffus, and Wainwright.

**SUBCOMMITTEE ON HUMAN RESOURCES:** Representatives Gardner, Cansler, and Clary, Co-Chairs; Representative Nye, Ranking Minority Member; Representatives Adams, Aldridge, Alexander, Hurley, and Watson.

**SUBCOMMITTEE ON JUSTICE AND PUBLIC SAFETY:** Representatives Justus, Thompson and Kiser, Co-Chairs; Representative McCrary, Ranking Minority Member; Representatives Hardy, Kinney, Redwine, Sexton, and Smith.

**SUBCOMMITTEE ON NATURAL AND ECONOMIC RESOURCES:** Representatives Mitchell, Baker, and Carpenter, Co-Chairs; Representative Owens, Ranking Minority Member; Representatives Culp, Fox, Hall, H. Hunter, Tolson, Weatherly, and Wilkins.

**SUBCOMMITTEE ON TRANSPORTATION:** Representatives Bowie, McMahan, and Dockham, Co-Chairs; Representative Hardaway, Ranking Minority Member; Representatives Barbee, Blue, Gulley, Hiatt, McAllister, Morgan, Saunders, and Sutton.

**COMMERCE:** Representatives Miner (Senior Ranking Member), Berry, Tallent, Hiatt, and Church, Co-Chairs.

## **COMMERCE (continued)**

**SUBCOMMITTEE ON BUSINESS AND LABOR:** Representative Davis, Chair; Representative Alexander, Ranking Minority Member; Representatives Baker, Blue, Bowie, Boyd-McIntyre, Brawley, Creech, Easterling, Goodwin, Hill, Morris, Rayfield, Redwine, Saunders, Sherrill, and G. Wilson.

**SUBCOMMITTEE ON FINANCIAL INSTITUTIONS:** Representative Hall, Chair; Representative Ramsey, Ranking Minority Member; Representatives Dedmon, Dockham, Hardaway, Hardy, R. Hunter, Justus, McAllister, McMahan, Nichols, Smith, and Thompson.

**SUBCOMMITTEE ON PUBLIC UTILITIES:** Representative McComas, Chair; Representative Crawford, Ranking Minority Member; Representatives Allred, Bonner, Braswell, Culpepper, Dickson, Holmes, Hurley, Ives, McCombs, McCrary, Mitchell, Morgan, Neely, Nye, Reynolds, Rogers, C. Wilson, and Womble.

**SUBCOMMITTEE ON TRAVEL AND TOURISM:** Representative Starnes, Chair; Representative Wright, Ranking Minority Member; Representatives Cansler, Fox, Grady, Preston, Warwick, Watson, and Wilkins.

**CONGRESSIONAL REDISTRICTING:** Representative McMahan, Chair; Representative Hill, Ranking Minority Member; Representatives Arnold, Berry, Blue, Bowie, Church, Crawford, Culp, Davis, Esposito, Fitch, Grady, Gray, Hardaway, Holmes, R. Hunter, Justus, Kiser, McAllister, Morgan, Oldham, Russell, Starnes, and Sutton.

**EDUCATION:** Representatives Russell and Shubert, Co-Chairs; Representative Crawford, Ranking Minority Member.

**SUBCOMMITTEE ON COMMUNITY COLLEGES:** Representative Rayfield, Chair; Representative Fox, Ranking Minority Member; Representatives Dockham, Eddins, Grady, Owens, Sexton, and Tolson.

**SUBCOMMITTEE ON PRE-SCHOOL, ELEMENTARY AND SECONDARY EDUCATION:** Representative Capps, Chair; Representative Kinney, Ranking Minority Member; Representatives Arnold, Beall, Black, Cansler, Cole, Davis, Decker, Gulley, Hall, Hensley, Hiatt, Insko, Moore, Morris, Mosley, Nye, Preston, Sherrill, Warner, and C. Wilson.

**SUBCOMMITTEE ON UNIVERSITIES:** Representative Crawford, Chair; Representative Oldham, Ranking Minority Member; Representatives Boyd-McIntyre, Dickson, Ives, McMahan, Nichols, Smith, and Wilkins.

**ELECTION LAW AND CAMPAIGN REFORM:** Representatives Justus and C. Wilson, Co-Chairs; Representative Wainwright, Ranking Minority Member; Representatives Aldridge, Alexander, Arnold, Baddour, Berry, Bonner, Braswell, Cansler, Church, Dedmon, Hardy, Hiatt, Insko, Jarrell, Kiser, Michaux, Rayfield, Shubert, Tallent, Warner, and Weatherly.

**ENVIRONMENT:** Representatives Eddins, Hill, and Watson, Co-Chairs; Representative Yongue, Ranking Minority Member; Representatives Baddour, Brown, Cole, Culp, Gamble, Gardner, Gulley, Hackney, Hall, Hightower, Kinney, McComas, McCombs, Mitchell, Mosley, Neely, Nichols, Preston, Warner, Warwick, and Weatherly.

**ETHICS:** Representative Howard, Chair; Representative Gamble, Ranking Minority Member; Representatives Blue, Easterling, Gray, Morgan, Neely, Russell, Sutton, Tallent, and Wright.

**FINANCE:** Representatives Gray (Senior Ranking Member), C. Wilson, Dickson, and Brawley, Co-Chairs; Representative Hill, Ranking Minority Member; Representatives Allred, Arnold, Baddour, Beall, Berry, Boyd-McIntyre, Brown, Buchanan, Capps, Carpenter, Cole, Crawford, Cunningham, Decker, Dedmon, Eddins, Fitch, Gamble, Goodwin, Hackney, Hensley, Hightower, Howard, R. Hunter, Jarrell, Luebke, McComas, McCombs, McMahan, Mercer, Miller, Miner, Morgan, Morris, Neely, Nesbitt, Nichols, Ramsey, Rayfield, Russell, Starnes, Tallent, Womble, and Wright.

**SUBCOMMITTEE ON LOCAL, REGIONAL, AND STATE REVENUES:** Representative Hill, Chair; Representatives Berry, Buchanan, Capps, Cunningham, Dedmon, Eddins, McComas, Morgan, Morris, Neely, Rayfield, and Starnes.

**HUMAN RESOURCES:** Representatives Aldridge and Howard, Co-Chairs; Representative Ramsey, Ranking Minority Member.

**SUBCOMMITTEE ON AGING:** Representative G. Wilson, Chair; Representative Earle, Ranking Minority Member; Representatives Clary, Creech, Culp, Cunningham, Gardner, H. Hunter, Ramsey, Rayfield, Warwick, and Womble.

**SUBCOMMITTEE ON FAMILIES:** Representative Ives, Chair; Representative Easterling, Ranking Minority Member; Representatives Adams, Bowie, Esposito, Gulley, Insko, McAllister, Nesbitt, and Watson.

**INSURANCE:** Representative Dockham, Chair; Representative Hurley, Ranking Minority Member; Representatives Allred, Barbee, Black, Brawley, Cole, Dedmon, Dickson, Gamble, Gardner, Hardaway, Hardy, Hensley, Holmes, Ives, Luebke, McComas, Miller, Miner, Preston, Tallent, Wainwright, and Wright.

**SUBCOMMITTEE ON HEALTH:** Representative McComas, Chair; Representative Wainwright, Ranking Minority Member; Representatives Barbee, Bowie, Cole, Dickson, Esposito, Hardy, Hensley, Holmes, Ives, Luebke, Michaux, Miller, Miner, Preston, Russell, and Wright.

**JUDICIARY I:** Representatives Daughtry and Hardy, Co-Chairs; Representative Braswell, Ranking Minority Member; Representatives Alexander, Arnold, Blue, Capps, Clary, Crawford, Ellis, Esposito, Fitch, Gray, Hall, Hardaway, Holmes, R. Hunter, Hurley, Jeffus, Justus, Michaux, Miller, Morgan, Sherrill, and Thompson.

**JUDICIARY II:** Representative Neely, Chair; Representative Kiser, Vice Chair; Representative Culpepper, Ranking Minority Member; Representatives Baddour, Berry, Bowie, Cansler, Creech, Decker, Gardner, Goodwin, Hackney, Hensley, McMahan, Nesbitt, Redwine, Russell, Saunders, Shubert, Sutton, Weatherly, Wilkins, and C. Wilson.

**LOCAL AND REGIONAL GOVERNMENT I:** Representative Ellis, Chair; Representative Rogers, Ranking Minority Member; Representatives Allred, Buchanan, Carpenter, Cunningham, Dedmon, Hardy, Hurley, Kiser, Reynolds, Saunders, and Tallent.

**LOCAL AND REGIONAL GOVERNMENT II:** Representative Decker, Chair; Representative Owens, Ranking Minority Member; Representatives Barbee, Capps, Dockham, Jarrell, Jeffus, McAllister, Sexton, Tolson, and G. Wilson.

**PENSIONS AND RETIREMENT:** Representative Barbee, Chair; Representative McCombs, Vice Chair; Representative Rogers, Ranking Minority Member; Representatives Allred, Beall, Brawley, Carpenter, Goodwin, Grady, Gray, Hardy, Justus, McCrary, Mercer, Oldham, Preston, Ramsey, G. Wilson, and Yongue.

**PUBLIC EMPLOYEES:** Representative Culp, Chair; Representative Fitch, Ranking Minority Member; Representatives Barbee, Bowie, Brawley, Capps, Church, Easterling, Hiatt, Insko, Jeffus, Michaux, Oldham, Sherrill, Starnes, and Thompson.

**RULES, CALENDAR, AND OPERATIONS OF THE HOUSE:** Representative Morgan, Chair; Representative Bowie, Vice Chair; Representative Crawford, Ranking Minority Member; Representatives Culp, Dockham, Esposito, Gulley, Hill, McMahan, Miner, Mitchell, Neely, Thompson, and C. Wilson.

**STATE GOVERNMENT:** Representative Weatherly, Chair; Representative Wright, Ranking Minority Member.

**SUBCOMMITTEE ON MILITARY, VETERANS, AND INDIAN AFFAIRS:** Representative Morris, Chair; Representative Womble, Ranking Minority Member; Representatives Adams, Beall, Brown, Buchanan, Davis, Hiatt, Hightower, Kinney, Sexton, and Sutton.

**SUBCOMMITTEE ON STATE PARKS, FACILITIES, AND PROPERTY:** Representative Gulley, Chair; Representative Fox, Ranking Minority Member; Representatives Baker, Carpenter, Hill, Ives, Nesbitt, Reynolds, and Wright.

**TECHNOLOGY:** Representative Reynolds, Chair; Representative Earle, Ranking Minority Member; Representatives Cansler, Clary, Dickson, Eddins, Gray, Gulley, Hackney, Hensley, Holmes, Miller, Shubert, Tolson, Wainwright, and Wilkins.

**TRANSPORTATION:** Representatives Buchanan and Sexton, Co-Chairs; Representative Church, Ranking Minority Member; Representatives Aldridge, Allred, Baker, Brawley, Brown, Carpenter, Clary, Cole, Crawford, Creech, Cunningham, Earle, Eddins, Ellis, Holmes, H. Hunter, Kinney, Luebke, McComas, McCombs, Mercer, Miner, Moore, Mosley, Nichols, Nye, Ramsey, Rayfield, Saunders, Sherrill, Smith, Starnes, Wainwright, and Watson.

**UNC BOARD OF GOVERNORS:** Representative Gray, Chair; Representative Alexander, Ranking Minority Member; Representatives Aldridge, Barbee, Bonner, Clary, Culp, Dockham, Goodwin, Grady, Howard, and Mercer.

**WAYS AND MEANS:** Representative Allred, Chair; Representative Owens, Ranking Minority Member; Representatives Arnold, Baker, Black, Boyd-McIntyre, Brawley, Culpepper, Cunningham, Decker, Ellis, Hall, Hardy, R. Hunter, Jarrell, Luebke, Miller, Sexton, Shubert, Starnes, and Thompson.

**WELFARE REFORM:** Representative Berry, Chair; Representative H. Hunter, Ranking Minority Member; Representatives Alexander, Bonner, Boyd-McIntyre, Capps, Clary, Creech, Earle, Esposito, Gardner, Hill, Howard, Jeffus, Mitchell, Moore, Morris, Nye, Redwine, Starnes, C. Wilson, and G. Wilson.

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **HUMAN RESOURCES** will meet as follows:

**DAY & DATE:**      **Tuesday, March 25, 1997**

**TIME:**              **11:00 a.m.**

**LOCATION:**        **643 LOB**

The following bill will be considered:

**HB 73 "Reduce County Share/Payments"**

***PLEASE BE SURE TO REMEMBER THE PUBLIC HEARING ON  
THIS BILL, WHICH IS SCHEDULED FOR MONDAY, MARCH 24,  
1997, FROM 4:00-6:00 P.M. IN THE LEGISLATIVE AUDITORIUM.***

Respectfully,

Representative Julia Howard  
Representative Henry Aldridge  
CoChairs

I hereby certify this notice was filed by the committee clerk at the following offices at  
**10:00 a.m.** on March 20, 1997.

\_\_\_ Principal Clerk  
\_\_\_ Reading Clerk - House Chamber

Gail Stewart  
Susan Groh  
(Committee Clerks)

## **Gail Stewart (Rep. Howard)**

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**From:** Gail Stewart (Rep. Howard)  
**Sent:** Thursday, March 20, 1997 10:05 AM  
**To:** Anne Cole; Annecia Norwood; Barbara Hocutt; Barbara Phillips; Betty Anne Lennon; Carolyn Honeycutt; Dot Barber; Ebern Watson; Gail Stewart; House Sgt of Arms; Janette Lee; Jayne Walton; Jo Malone; John Young; Judy Willis; Karen George; Legislative Press; Linda Attarian; Linda Johnson; Mary Jamison; Melissa Jackson; Monica McClain; Pat Baker; Phyllis Cameron; Rebecca Jones; Sharon Gaudette; Sue Floyd; Susan Groh; Sylvia Green; Waneta Lord  
**Subject:** HUMAN RESOURCES Committee Meeting



Notice of Meeting.doc

## **AGENDA**

### House Standing Committee on **HUMAN RESOURCES**

Tuesday, March 25, 1997  
11:00 AM - Room 643 - LOB

Rep. Henry Aldridge - Opening Prayer

Greetings: Rep. Julia Howard, Presiding Chair

Introduction of Pages

Presentation and discussion of HB 73 "Reduce County Share/Payments"  
Representative Goodwin, Sponsor

Vote

Announcements

Adjournment