



# SENATE BILL 487: Health Choice Technical Revisions

2015-2016 General  
Assembly

**Committee:**  
**Introduced by:**  
**Analysis of:** S.L. 2015-96

**Date:**  
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Legislative Analyst

**SUMMARY:** *S.L. 2015-96 amends various obsolete statutes governing the Health Insurance Program for Children (North Carolina Health Choice), as recommended by the Department of Health and Human Services.*

*This act became effective June 19, 2015.*

### CURRENT LAW and BILL ANALYSIS:

**Section 1** repeals the obsolete definition "Processor Plan" from the statutes governing the North Carolina Health Choice for Children (Program).

**Section 2** provides that the administration of timely claims processing under the Program must be provided as described in federal law.

**Section 3** repeals the Child Health Insurance Fund. The Fund was established in 2008 and is comprised of deposits from premium receipts or any other receipts, including earnings on investments, occurring or arising in connection with acute medical care benefits provided under the Program. Disbursements from the Fund include any and all amounts required to pay the benefits and administrative costs of the Program.

**Section 4:** (i) clarifies that payments to Program providers must be paid in full and are not subject to cost settlement; (ii) repeals the opportunity for the purchase of one year of extended coverage for Program enrollees who lose eligibility due to an increase of family income; and (iii) provides that enrollee benefits may be subject to the maximum lifetime limits under Medicaid and NC Health Choice.

**Section 5** repeals the requirement that the Division of Medical Assistance report to the Department and the Joint Legislative Oversight Committee on Health and Human Services on data collected pursuant to the Program.

**EFFECTIVE DATE:** This act became effective June 19, 2015.

**BACKGROUND:** The North Carolina Health Choice Insurance Program for Children (Program) is a comprehensive health coverage program for low-income children between the ages of 6 and 18 who are residents of this State. The children must: (i) be ineligible for Medicaid, Medicare, or other federal government sponsored health insurance; (ii) be uninsured; (iii) be in a family whose income is between 133% and 200% of the federal poverty level; (iv) be State residents and eligible under federal law; and (v) pay the required Program enrollment fee. Coverage is provided from federal funds received, State funds appropriated, and other nonappropriated funds made available for this purpose. The Department provides services to children enrolled in the Program through Community Care of North Carolina and pays providers per member, per month fees as allowed under Medicaid.

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