



SENATE BILL 865: State Health Plan/Admin Changes/Local Govts.

2016-2017 General Assembly

Committee:	House Insurance	Date:	June 29, 2016
Introduced by:	Sen. Sanderson	Prepared by:	Kristen L. Harris
Analysis of:	PCS to Second Edition		Jason Moran-Bates
	S865-CSTU-30		Committee Co-Counsel

SUMMARY: *The Proposed Committee Substitute to Senate Bill 865 makes several changes to the statutes governing the State Health Plan for Teachers and State Employees. The changes in each section are described below.*

BILL ANALYSIS:

Section 1: Amends G.S. 135-48.1 to add definitions for "Claims Data Feed" and "Claim Payment Data."

Section 2: Amends G.S. 135-48.10(a) to clarify that Claims Payment Data and materials derived from Claims Payment Data are confidential and exempt from the provisions of Chapter 132 of the General Statutes.

Section 3: Amends G.S. 135-48.32 to require claims processors to provide the Claims Data Feed and all available claims data elements, including the identification of providers and the allowed amounts paid, to the Plan. Claims Processors are allowed to withhold information that reflects rates negotiated with or agreed to by a third party, so long as sufficient documentation to support the payment of claims is provided. Section 3 makes any section of a contract between a Claims Processor and medical provider, subcontractor, or third party void and unenforceable to the extent that it prohibits or prevents the Claims Processor from disclosing the required Claims Payment Data. The Plan may only use the Claims Payment Data for purposes of administering the Plan in accordance with G.S. 135-48.2 and the provisions of this Article. It may not use the Claims Payment Data to negotiate rates, fee schedules, or master charges with any medical provider, or if disclosure would compromise the proprietary nature of the Claims Payment Data, its status as a trade secret, or misappropriate the Claims Payment Data. The Plan may disclose Claims Payment Data to a third party to use on the Plan's behalf only if it first gets permission to do so from the Claim Processor and enters into a contract with the third party preventing the third party from disclosing the Claims Payment Data. Finally, Section 3 exempts a Claims Processor who discloses Claims Payment Data in accordance with this section from civil liability or equitable relief.

Section 4: Amends G.S. 135-48.47(b) to prohibit local government units that participate in the Plan from charging employees more for their coverage than allowed under the structure set by the Plan. It also prohibits local governments from charging premiums for employees' dependents which are greater than those set by the Plan.

Section 5.(a): Amends G.S. 135-47(c) to increase the enrollment limitation on the number of employees and dependents of local governments from 10,000 to 16,000. Section 5.(b). sets forth a schedule for this increase.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

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Section 6: Amends G.S. 135-48.17 to allow local governments to withdraw from the Plan effective January 1, 2017, so long as notice is given to the Plan no later than September 15, 2016.

Section 7: Adds a new Part to Article 3B of Chapter 135 of the General Statutes to clarify that the Plan is responsible for federal filing requirements under sections 6055 and 6056 of the Internal Revenue Code for retirees and direct bill members, but employing units are responsible for those filings for all other individuals. The Plan shall provide employing units with access to the necessary data and may facilitate a reporting solution, but the employing unit is responsible for paying all costs of that solution. For 2015, the Plan provided and paid for a solution for all employing units. The filing requirements relate to the "individual mandate" and "employer mandate" under the federal Affordable Care Act.

Section 8: Amends G.S. 58-3-167(a)(1) to clarify that a "Health benefit plan" does not include any plan implemented or administered by the State Health Plan for Teachers and State Employees.

EFFECTIVE DATE: Section 4 becomes effective on January 1, 2017, and applies to premiums paid on or after that date. The remainder of the act becomes effective when it becomes law and applies to contracts entered into on or after that date.

David Vanderweide of the Fiscal Research Division substantially contributed to this summary.