

## House, Senate To Negotiate On State Health Plan Changes

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The Senate has rejected the House's version of a bailout for the State Health Plan. As written, Senate Bill 287 would increase medical care costs for the 667,000 state employees, school personnel, retirees and their dependents and cost taxpayers at least \$730 million through mid-2011. The next step will be a conference committee that will attempt to work out differences and reach a compromise.

Sen. Tony Rand, D-Cumberland and the bill's original sponsor, told his colleagues he opposed the House version because it cost the state more and took out wellness portions of the bill. The Senate plan would have forced smokers to quit smoking and the very obese to lose weight or receive less generous coverage. The House version calls for those wellness proposals to be studied.

The revised plan cleared the House floor earlier this week after Rep. Dan Blue successfully amended the bill to call for a comprehensive audit of the State Health Plan and its contractual relationship with Blue Cross & Blue Shield, which processes claims for the plan.

As reported to NCASA members earlier, the legislation in its current format includes \$250 million in rescue funding to keep the plan afloat through June 30, when a revised benefit structure would take effect. Plan changes as currently proposed include a premium increase of 10 percent in each of the next two years for employees to purchase family coverage. In addition, higher deductibles and co-payments would cost most employees on average an extra \$600 each year.

Additional information summarizing the changes the House has made to Senate Bill 287 may be accessed at <http://www.ncasa.net/displaycommon.cfm?an=1&subarticlenbr=231>.