

# State Health Plan Family Coverage To Rise 10%

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The House Appropriations Committee approved Senate Bill 287 on Wednesday in an attempt to shore up the State Health Plan, but House Majority Leader Hugh Holliman told reporters he is interpreting the narrow margin of the 44-40 vote as a sign that he may have some work to do before the bill reaches the House floor next week.

"I think there's a lot of concern about ... employees," said Holliman, D-Davidson. "We're working to make this bill as good as we can." Holliman said the intention is to keep the plan solvent and then study how to restructure it for the future.

The State Health Plan is facing a shortfall this year of \$250 million. The bill would keep the plan afloat for this year, set premiums, and establish coverage for dependants. The bill would increase premiums for spouses and children of state employees and school personnel by 10 percent per year, beginning July 1. That increase grew from a proposed annual increase of 8.6 percent after House lawmakers added approximately \$54 million in costs over two years to move the plan to a calendar year beginning in 2011, and voted to cover chiropractic services and physical, occupational and speech therapy at the same level as primary care.

The plan maintains free premiums for employees but is likely to make dependent coverage unaffordable for many to purchase for their families.

Rep. Jeff Barnhart, R-Cabarrus, voted against the bill in the Appropriations Committee in part because it doesn't include any direct efforts to fix the structural problem. "We're not fixing the plan in this bill; we're making the problem worse," he said.

The bill came to the House after the Senate passed a version of it at the end of March. Despite legislative leaders warning that the plan revisions needed to be enacted in law by April 9 to avoid additional costs for the state, the House has not scheduled a floor debate on the bill until after the holiday weekend.

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>.