



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES



Legislative Update

Board of Trustees Meeting

May 13, 2016

A Division of the Department of State Treasurer

Legislative Update Overview

- Budget Update
- Key Issues for Short Session
- Other Plan-Related Legislation
- Next Steps

Budget Update

- The Governor released his FY 2016-17 Recommended Budget Adjustments on April 27
 - Reallocated the \$71 million held in reserve for the employer share of CY 2017 premium increases
 - Clarification from Office of State Budget and Management (OSBM) indicates that funds were allocated elsewhere because the Plan had not yet met the “sufficient measures” requirement outlined in the biennial budget (SL 2015-241)
- Plan Staff met with House Appropriations Chairs to discuss ongoing efforts on May 3
- Anticipate release of House budget recommendations in the next few weeks

State Health Plan Requested Legislation

- Plan Agency Bill filed in House and Senate on May 10
 - HB 1121 and SB 865 included provisions that address the following Plan issues:
 - Mandate contractor release of data to the Plan;
 - Clarify Plan's exemption from certain contracting rules;
 - Modify local government participation in the Plan;
 - Clarify ACA reporting responsibilities for State employers
 - SB 865 would increase the cap on local participation to 20,000 individuals; HB 1121 does not include this provision
- We will continue to engage with the General Assembly as the bills move through the legislative process

HB1027 / SB808: Study Unfunded Liability of Retiree Health Benefit

- Bill Summary:
 - Establishes a Joint Legislative Committee to study options aimed at reducing the long-term, unfunded liability of the Retiree Health Benefit Fund
 - Options such as increased appropriations from the General Assembly, auto-enrollment into Medicare Advantage Plans, increasing retiree premiums and cost-share, etc.
- Status: House referred to Insurance Committee; Senate referred to Rules and Operations Committee
- Fiscal Impact: None

SB815: Charter School in the State Health Plan

- Bill Summary:
 - Allows active employees (and their dependents) of Longleaf School of the Arts to enroll in the State Health Plan
 - Does not allow retirees to enroll in the Plan
- Status: Referred to Senate Insurance Committee
- Fiscal Impact: To be determined

HB1048: Reduce Barriers to Improve NC Health & Safety

- Bill Summary:
 - Encourages the use of Abuse-Deterrent Opioids, when available
 - Limits the use of prior authorization and step therapy with regards to these drugs
 - Establishes explicit criteria for the use of step therapy by health plans
 - Requires that all step therapy protocols are based on clinical evidence and coupled with a comprehensive exceptions process
- *These requirements would not apply to the Plan*
- Status: Filed in the House
- Fiscal Impact: None

Next Steps

Budget Related

- Monitor the development of House and Senate budgets, with an emphasis on the availability of funds for employer premium contribution for 2017
- Having already met with House Appropriations leadership, the Plan will also seek to meet with Senate Appropriations leadership in the next few weeks

Substantive Legislation

- Track Plan related legislation and work to move Plan supported bills through the committee processes
- Determine and communicate Plan's position on any additional legislation of interest