



Rep. Larry D. Hall

NC House 29th District

Committees

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Vice Chair, Financial Institutions
Education

Education Subcommittee on Universities
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Judiciary I

Science and Technology

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Majority Whip

The Raleigh Report

From the Office of Representative Larry D. Hall

April 7, 2010

The recently passed federal health care reform bill has attracted much talk and speculation over the past several months. Still, many questions remain about what these new laws will mean to individuals, small businesses and others. Parts of the law will not go into place for several years, but some key provisions will go into effect before the end of the year. While this reform is taking place at the federal level, I thought it would be helpful to provide some additional information about what is ahead so that you and your family can prepare and better understand the health system.

The information below is provided by the National Conference of State Legislatures, a national, bipartisan organization that provides information, resources and technical assistance to lawmakers and their staffs in all 50 states. For more information about health care and the states, visit NCSL's website at <http://www.ncsl.org/?tabid=20062>.

Thank you as always for your interest in state government. If you have any questions about this information or anything else that I can help with, please contact me. I am always glad to be of service.

Insurance Reforms - Insurance plans will be prohibited from imposing pre-existing condition exclusions on children – Prohibits health insurers from denying coverage to children with pre-existing conditions. This provision will be effective 6 months after enactment. *Beginning in 2014, this prohibition would apply to all persons.*

_Companies will no longer be allowed to impose lifetime limits on coverage – Prohibits health insurance companies from placing lifetime caps on coverage. This provision will be effective 6 months after enactment.

_ Restrictive annual limits on coverage will be prohibited – Tightly restricts new plans' use of annual limits to ensure access to needed care. These tight restrictions will be defined by the US Department of Health and Human Services. This provision will be effective 6 months after enactment. *Beginning in 2014, the use of annual limits would be prohibited for all plans.*

_Eliminates co-payments and deductibles for preventive care under new private plans – Requires new private plans to cover preventive services with no co-payments and with preventive services being exempt from deductibles. This provision will be effective 6 months after enactment. *Beginning in 2018, this requirement applies to all plans.*

_ Establishes a temporary reinsurance program for early retirees – Creates a temporary re-insurance program (until the Exchanges are available) to help offset the costs of expensive health claims for employers that provide health benefits for retirees age 55-64. This provision will be effective 90 days after enactment.

_Establishes a new, independent appeals process – Ensures that consumers in new plans have access to an effective internal and external appeals process to appeal decisions by their health insurance plan. This provision will be effective 6 months after enactment.

_Ensures value for premium payments (Medical Loss Ratio) – Requires plans in the individual and small group market to spend 80 percent of premium dollars on medical services, and plans in the large group market to spend 85 percent. Insurers that do not meet these thresholds must provide rebates to policyholders. This provision will be effective January 1, 2011.

_Establishes an interim high risk pool program – Provides immediate access to insurance for Americans who are uninsured because of a pre-existing condition - through a temporary high-risk pool. This program will end when the Health Insurance Exchanges become effective in 2014. This provision will be effective 90 days after enactment.

_Extends coverage for young people up to 27th birthday through parents' insurance – Requires health plans to allow young people up to their 27th birthday to remain on their parents' insurance policy, at the parents' choice **regardless of marital status**. This provision will be effective 6 months after enactment.

_Prohibits discrimination based on salary – Prohibits new group health plans from establishing any eligibility rules for health care coverage that have the effect of discriminating in favor of higher wage employees. This provision will be effective 6 months after enactment.

_Assists states in providing health insurance consumer information – Provides aid to states in establishing offices of health insurance consumer assistance in order to help individuals with the filing of complaints and appeals. This provision will be effective beginning in fiscal year 2010.

Tax Credits - Small Business Tax Credits – Offers tax credits to small businesses to make employee coverage more affordable. Tax credits of up to 35 percent of premiums will be immediately available to firms that choose to offer coverage. This provision will be effective beginning calendar year 2010. *Beginning in 2014, the small business tax credits will cover 50 percent of premiums.*

Medicare - Begins to phase-out the Medicare Part D donut hole – Provides a \$250 rebate to Medicare beneficiaries who hit the donut hole in 2010. This provision will be effective calendar year 2010. *Beginning in 2011, institutes a 50% discount on brand-name drugs in the donut hole; also completely closes the donut hole by 2020.*

Eliminates co-payments and deductibles for preventive care under Medicare – Eliminates co-payments for preventive services and exempts preventive services from deductibles under the Medicare program. This provision will be effective January 1, 2011.

Health Care Infrastructure and Workforce- Community Health Centers – Increases funding for Community Health Centers to allow for nearly a doubling of the number of patients seen by the centers over the next 5 years. This provision will be effective beginning in fiscal year 2010.

Increasing number of primary care doctors – Provides new investment in training programs to increase the number of primary care doctors, nurses, and public health professionals. This provision will be effective beginning in fiscal year 2010.

Long Term Care - Creates a voluntary, public long-term insurance program - establishes a national voluntary insurance program for purchasing Community Living Assistance Services and Support (CLASS program), a long-term care insurance program to be financed by voluntary payroll deductions to provide benefits to adults who are actively employed and become functionally disabled. The program allows for an opt-out by employees, and a five year vesting period. This provision will be effective on January 1, 2011.

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Notes

Harvest Time Bread of North Carolina LLC, a national baker for the grocery and food service industries, will expand its operations in Surry County. The company plans to invest \$4.5 million and create 38 jobs during the next three years in Mount Airy. The announcement was made possible in part by a \$100,000 grant from the One North Carolina Fund.

Hewitt Associates, one of the world's largest providers of human resources outsourcing and consulting services, plans to add 463 jobs to its Charlotte workforce over the next three years. The announcement was made possible in part by a Job Development Investment Grant.

Community Visits & Meetings Calendar - Here are some of the activities I recently attended or have scheduled in the next few weeks. Hope to see you there.

3/27- Young Dem. Convention-Fayetteville
3/29- Jobs Commission Event-Cary
3/30- NC Innov. Fund-Raleigh
3/31- Emerg. Mgmt. & Disaster Mtg.-Raleigh
3/31- The Humane Society-Raleigh
4/06- Innov. Mtg-Raleigh
4/07- Jt. Finance Mtg.-Raleigh
4/14- Duke Univ. Breakfast-Durham

4/15-DPC 15th Anniv.-Durham
4/17-Annual Legis. Breakfast-Chapel Hill
4/17-District Breakfast-
4/20-Durh. Public School Breakfast
4/20-NC Banking Laws Mtg.-Raleigh
4/21-Emerg. Mgmt. Mtg.-Raleigh
4/28-Durh. Tribute Luncheon-Durham
4/28-Jt. Legis. Oversight Mtg.-Raleigh

4/14-Unity Dinner-Chapel Hill

4/29-Jt. Legis. Prog. Eval. Mtg.-Raleigh

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Please remember that you can listen to each day's meetings and press conferences on the General Assembly's website at www.ncleg.net.