

This morning House Insurance gave a favorable report to **HB 265 - Establish High Risk Pool**. It now moves to House Appropriations.

There is general consensus that the risk pool concept is sound and meritorious. The squawking begins when you address how to pay claims when these claims exceed the pool's premium income. Assessments of insurers and the State Health Plan are designed to address shortfalls that develop. Small employers and their group health insurers (except for Blue Cross, which came out publicly for the bill in committee this morning) argue that small employers bear the brunt of the assessments because ERISA prohibits assessing self-funded plans. Why not, they ask, pay for the assessments out of the State's General Fund?

No easy answers here, that's for sure. Public policy is being debated, not the risk pool concept itself. It appears that the House Democratic leadership is firmly behind the bill at this point, but we should expect continued questioning of the funding mechanism by learned advocates of small business and the N.C. Association of Health Plans. I will keep you advised as the debate continues.

One personal note. I'll be in Hickory tomorrow speaking on legislative issues, and then will go on a spring break outing with my family on Thursday and Friday. I'll follow up as needed the first of next week, and will return to my usual end-of-week report next week.

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