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Dr. Jack Walker, executive administrator of the NC State Health Plan, tells host Barlow Herget that new legislation will change the governance of the plan and place it in state Treasurer Janet Cowell's office. The plan also will be guided by a board of nine trustees, four of whom will be state employees and teachers. Walker explains the new premium charges members will pay for the first time and believes the new money will help wipe out the plan's shortfall.

Herget asks Walker about the "health" of the plan itself and the ominous trend it's facing. Healthy members of the plan, once a clear majority, now comprise only 47 percent of the membership compared to 52 percent of members who have far more expensive chronic illnesses. The average healthy member costs about \$1,218 a year while the average chronically ill member costs \$7,652.

Walker also says it's going to take more than premium, deduction, and co-pay increases by employees to keep the plan on solid financial ground.