

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 972

Short Title: Preferred Provider Payments.

(Public)

Sponsors: Representatives Gamble; and Green.

Referred to: Commerce.

April 19, 1991

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE PROVISIONS REGULATING "PREFERRED PROVIDERS."

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-50-55(d) reads as rewritten:

"(d) A person enrolled in a preferred provider plan may obtain covered health care services from a provider not participating in the plan. The preferred provider plan may, however, limit the coverage for health care services obtained from a provider not participating in the plan, except that payments for services rendered by such nonparticipating providers may not be reduced by more than twenty percent (20%) of payments that would be made to participating providers under coverage for the same services. This percentage limitation shall not require any waiver of copayments or waiver of deductibles in determining payments for services rendered by nonparticipating providers. Preferred provider policies or contracts offered pursuant to this section shall provide for payment for services rendered by nonparticipating providers. Except as provided in this subsection, such payment may differ from that provided to participating providers in the discretion of the corporation. ~~Nonparticipating providers may participate in other arrangements with the preferred provider, but will be subject to the provider's approved reimbursement mechanisms including, but not limited to, direct payment of health insurance benefits to the subscriber without right of assignment to the provider of health care services.~~ An assignment of benefits to a nonparticipating provider shall be honored. In the event an assignment of benefits to a nonparticipating provider cannot be honored because there is a prior assignment or for any reason other than there being no benefits payable, the preferred provider plan shall notify the nonparticipating

1 provider in writing, prior to or concurrently with the making of payment, that the
2 assignment cannot be honored."

3 Sec. 2. G.S. 58-65-140(d) reads as rewritten:

4 "(d) A person enrolled in a preferred provider plan may obtain covered health care
5 services from a provider not participating in the plan. The preferred provider plan may,
6 however, limit the coverage for health care services obtained from a provider not
7 participating in the plan, except that payments for services rendered by such
8 nonparticipating providers may not be reduced by more than twenty percent (20%) of
9 payments that would be made to participating providers under coverage for the same
10 services. This percentage limitation shall not require any waiver of copayments or
11 waiver of deductibles in determining payments for services rendered by
12 nonparticipating providers. Preferred provider policies or contracts offered pursuant to
13 this section shall provide for payment for services rendered by nonparticipating
14 providers. Except as provided in this subsection, such payment may differ from that
15 provided to participating providers in the discretion of the corporation. ~~Nonparticipating~~
16 ~~providers may participate in other arrangements with the corporation, but will be subject to~~
17 ~~reimbursement mechanisms approved by the corporation including, but not limited to, direct~~
18 ~~payment of health insurance benefits to the subscriber without right of assignment to the~~
19 ~~provider of health care services.~~ An assignment of benefits to a nonparticipating provider
20 shall be honored. In the event an assignment of benefits to a nonparticipating provider
21 cannot be honored because there is a prior assignment or for any reason other than there
22 being no benefits payable, the preferred provider plan shall notify the nonparticipating
23 provider in writing, prior to or concurrently with the making of payment, that the
24 assignment cannot be honored."

25 Sec. 3. This act is effective upon ratification.