

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** SB 839 Insurance Claims Payments/Y2K

**SHORT TITLE:** Insurance Claims Payments/Y2K

**SPONSOR(S):** Senator Wellons

**FISCAL IMPACT**

Yes ( )      No (X)      No Estimate Available ( )

FY 1999-00    FY 2000-01    FY 2001-02    FY 2002-03    FY 2003-04

**REVENUES**

**EXPENDITURES**                      No Fiscal Impact

**POSITIONS:**

**PRINCIPAL DEPARTMENT(S) &  
PROGRAM(S) AFFECTED:** Department of Insurance

**EFFECTIVE DATE:** The act is effective when it becomes law and expires December 31, 2000.

**BILL SUMMARY:** Adopted from the *Daily Bulletin* for 4/13/99.

This bill adds GS 58-2-235 to require every insurer, third-party administrator, and health care provider to report to the Insurance Commissioner if it cannot process or submit claims for services in timely manner due to problems associated with change to year 2000. The report must be made within five business days of determining that problem exists. The Commissioner must require the insurer or administrator to make interim payments to health care providers if necessary to prevent disruption of health care if the Commissioner determines that the delay is caused by Year 2000-related problems. The Commissioner shall use same methods, if any, applicable under federal law for determining interim payments required by federal law.

**ASSUMPTIONS AND METHODOLOGY:**

The Department of Insurance estimates that implementation of this bill will have no fiscal impact on the Department. The Department has implemented procedures to monitor insurance companies and entities to ensure their preparedness for the Year 2000. The Department believes that it will identify those companies which have Year 2000 related problems in a timely enough manner to minimize the Year 2000 risks, including their inability to process claims in a timely manner.



**TECHNICAL CONSIDERATIONS:**

**FISCAL RESEARCH DIVISION 733-4910**

**PREPARED BY:** Marilyn Chism

**APPROVED BY:** Tom Covington

**DATE:** Thursday, April 29, 1999



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