

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

**SESSION LAW 2005-459
SENATE BILL 665**

AN ACT TO AUTHORIZE PUBLIC HEALTH AUTHORITIES TO CONTRACT DIRECTLY WITH PRIVATE VENDORS TO OPERATE THE COUNTY BILLING SYSTEM FOR MEDICAID CLAIMS AND TO AUTHORIZE PUBLIC HEALTH AUTHORITIES TO INCREASE THEIR MEMBERSHIP.

Whereas, the county share of the nonfederal share of Medicaid costs has a significant impact on county resources and cash flow; and

Whereas, more timely reimbursement of county Medicaid claims would improve county cash flow; and

Whereas, the current process for Medicaid billing is more complicated than necessary; and

Whereas, contracting with a private vendor to interface directly with the State Medicaid billing system would make the billing process for county Medicaid claims much simpler than it now is; and

Whereas, county public health authorities would benefit from private vendor-operated Medicaid billing by enabling the authorities to optimize revenue through efficiencies that are currently not in place through the State billing system; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Part 1B of Article 2 of Chapter 130A of the General Statutes is amended by adding the following new section to read:

"§ 130A-45.13. Authority to contract directly with private providers to operate billing system for county Medicaid claims.

A public health authority board may contract directly with private vendors to operate the authority's Medicaid billing system as an alternative to the State-operated health services information system. The contract may provide for the private vendor to bill directly the State Medicaid billing system (MMIS), thereby bypassing the State health services information system (HSIS). The public health authority shall issue a "request for proposal" to solicit private vendor bids for contracts authorized under this section. Information systems authorized under this section shall be consistent with and interface with relevant statewide public health data systems to address State cost containment and service reporting needs."

SECTION 2. G.S. 130A-45.1 reads as rewritten:

"§ 130A-45.1. Membership of the public health authority board.

(a) A public health authority board shall be the policy-making, rule-making, and adjudicatory body for a public health authority and shall be composed of no fewer than seven members and no more than nine members; except that in an authority comprising two or more counties, the board shall be composed of no more than 11 members. Boards which intend to pursue federally qualified health center (or look-alike) status may have no fewer than nine and no more than 25 members.

(b) In a single county authority, the county board of commissioners shall appoint the members of the board; in an authority comprising two or more counties, the chair of the county board of commissioners of each county in the authority shall appoint one

county commissioner, or the commissioner's express designee, to the authority board and these members shall jointly appoint the other members of the board.

(c) The members of the board shall include:

- (1) At least one physician licensed under Chapter 90 of the General Statutes to practice medicine in this State, and at least one dentist licensed under Article 2 of Chapter 90 of the General Statutes to practice dentistry in this State;
- (2) At least one county commissioner or the commissioner's express designee from each county in the authority;
- (3) At least two licensed or registered professionals from any of the following professions: optometry, veterinary science, nursing, pharmacy, engineering, or accounting;
- (4) At least one member from the administrative staff of a hospital serving the authority service area; and
- (5) At least one member from the general public.

(d) Except as provided in this subsection, members of the board shall serve terms of three years. ~~Two of the original members shall serve terms of one year, and two of the original members shall serve terms of two years. In order to establish a uniform staggered term structure for the Board, a member may be appointed for less than a three-year term.~~

SECTION 3. This act is effective when it becomes law. Section 1 of this act applies to county Medicaid claims arising on or after that date.

In the General Assembly read three times and ratified this the 24th day of August, 2005.

s/ Beverly E. Perdue
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 12:15 p.m. this 2nd day of October, 2005