

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 646

Short Title: UNC Hospitals & Statewide Accts Receivable.AB (Public)

Sponsors: Representatives Insko, England, Tarleton, R. Warren (Primary Sponsors);
Alexander and Harrison.

Referred to: Finance.

March 15, 2007

A BILL TO BE ENTITLED

1
2 AN ACT TO MAKE THE UNIVERSITY OF NORTH CAROLINA HEALTH CARE
3 SYSTEM'S DEBT COLLECTION PRACTICES MORE PATIENT FRIENDLY
4 AND TO ASSIST CERTAIN PATIENTS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 116-37(f) reads as rewritten:

7 "(f) Finances – Patient/Health Care System Benefit. – The Chief Executive
8 Officer of the University of North Carolina Health Care System, or the Chief Executive
9 Officer's designee, may expend operating budget funds, including State funds, of the
10 University of North Carolina Health Care System for the direct benefit of a patient,
11 when, in the judgment of the Chief Executive Officer or the Chief Executive Officer's
12 designee, the expenditure of these funds would result in a financial benefit to the
13 University of North Carolina Health Care System. Any such expenditures are declared
14 to result in the provision of medical services and create charges of the University of
15 North Carolina Health Care System for which the health care system may bill and
16 pursue recovery in the same way as allowed by law for recovery of other health care
17 systems' charges for services that are unpaid.

18 These expenditures shall be ~~limited to no more than seven thousand five hundred~~
19 ~~dollars (\$7,500) per patient per admission and shall be restricted~~ (i) to situations in
20 which a patient is financially unable to afford ambulance or other transportation for
21 discharge; (ii) to afford placement in an after-care ~~facility pending approval of~~
22 ~~third party entitlement benefits; facility;~~ (iii) to assure availability of a bed in an
23 after-care facility after discharge from the hospitals; (iv) to secure equipment or other
24 medically appropriate services after discharge; or (v) to pay health insurance premiums.
25 The Chief Executive Officer or the Chief Executive Officer's designee shall reevaluate
26 at least once a month the cost-effectiveness of any continuing payment on behalf of a
27 patient.

1 To the extent that the University of North Carolina Health Care System advances
2 anticipated government entitlement benefits for a patient's benefit, for which the patient
3 later receives a lump-sum "back-pay" award from an agency of the State, whether for
4 the current admission or subsequent admission, the State agency shall withhold from
5 this back pay an amount equal to the sum advanced on the patient's behalf by the
6 University of North Carolina Health Care System, if, prior to the disbursement of the
7 back pay, the applicable State program has received notice from the University of North
8 Carolina Health Care System of the advancement."

9 **SECTION 2.** G.S. 143-553(a) reads as rewritten:

10 "(a) All persons employed by an employing entity as defined by this Part who
11 owe money to the State and whose salaries are paid in whole or in part by State funds
12 must make full restitution of the amount owed as a condition of continuing ~~employment.~~
13 employment; provided, however, that no employing entity shall terminate the
14 employment of such an employee who owes money to the University of North Carolina
15 Health Care System for health care services."

16 **SECTION 3.** G. S. 147-86.11(e) reads as rewritten:

17 "(e) Elements of Plan. – For moneys received or to be received, the statewide cash
18 management plan shall provide at a minimum that:

- 19 (1) Except as otherwise provided by law, moneys received by employees
20 of State agencies in the normal course of their employment shall be
21 deposited as follows:
- 22 a. Moneys received in trust for specific beneficiaries for which the
23 employee-custodian has a duty to invest shall be deposited with
24 the State Treasurer under the provisions of G.S. 147-69.3.
 - 25 b. All other moneys received shall be deposited with the State
26 Treasurer pursuant to G.S. 147-77 and G.S. 147-69.1.
- 27 (2) Moneys received shall be deposited daily in the form and amounts
28 received, except as otherwise provided by statute.
- 29 (3) Moneys due to a State agency by another governmental agency or by
30 private persons shall be promptly billed, collected and deposited.
- 31 (4) Unpaid billings due to a State agency other than amounts owed by
32 patients to the University of North Carolina Health Care System shall
33 be turned over to the Attorney General for collection no more than 90
34 days after the due date of the billing, except that a State agency need
35 not turn over to the Attorney General unpaid billings of less than five
36 hundred dollars (\$500.00), or (for institutions where applicable)
37 amounts owed by all patients which are less than the federally
38 established deductible applicable to Part A of the Medicare program,
39 and instead may handle these unpaid bills pursuant to agency debt
40 collection procedures.
- 41 (4a) The University of North Carolina Health Care System may turn over
42 to the Attorney General for collection accounts owed by patients.
- 43 (5) Moneys received in the form of warrants drawn on the State Treasurer
44 shall be deposited by the State agency directly with the State Treasurer

1 and not through the banking system, unless otherwise approved by the
2 State Treasurer.

3 (6) State agencies shall accept payment by electronic payment in
4 accordance with G.S. 147-86.22 to the maximum extent possible
5 consistent with sound business practices."

6 **SECTION 4.** G.S. 147-86.23 reads as rewritten:

7 "**§ 147-86.23. Interest and penalties.**

8 A State agency shall charge interest at the rate established pursuant to G.S.
9 105-241.1(i) on a past-due account receivable from the date the account receivable was
10 due until it is paid. A State agency shall add to a past-due account receivable a late
11 payment penalty of no more than ten percent (10%) of the account receivable. A State
12 agency may waive a late-payment penalty for good cause shown. If another statute
13 requires the payment of interest or a penalty on a past-due account receivable, this
14 section does not apply to that past-due account receivable. This section does not apply
15 to money owed to the University of North Carolina Health Care System for health care
16 services."

17 **SECTION 5.** This act is effective when it becomes law.