

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 839
SENATE BILL 592

AN ACT TO AUTHORIZE AREA AUTHORITIES TO CONTRACT WITH HEALTH
MAINTENANCE ORGANIZATIONS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 122C-141 is amended by adding a new subsection to read:

"(c) The area authority may contract with a health maintenance organization, certified and operating in accordance with the provisions of Chapter 57B of the General Statutes for the area authority, to provide mental health, mental retardation, or substance abuse services to enrollees in a health care plan provided by the health maintenance organization. The terms of the contract must meet the requirements of all applicable State statutes and rules of the Commission and Secretary governing both the provision of services by an area authority and the general and fiscal operation of an area authority and the reimbursement rate for services rendered shall be based on the usual and customary charges paid by the health maintenance organization to similar providers. Any provision in conflict with a State statute or rule of the Commission or the Secretary shall be void; however, the presence of any void provision in that contract does not render void any other provision in that contract which is not in conflict with a State statute or rule of the Commission or the Secretary. Subject to approval by the Secretary and pending the timely reimbursement of the contractual charges, the area authority may expend funds for costs which may be incurred by the area authority as a result of providing the additional services under a contractual agreement with a health maintenance organization."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 14th day of August, 1987.