

GENERAL ASSEMBLY OF NORTH CAROLINA
1993 SESSION

CHAPTER 41
SENATE BILL 181

AN ACT TO REQUIRE ENTITIES PROVIDING HEALTH BENEFIT PLANS TO
MAKE DIRECT PAYMENT TO GOVERNMENTAL AGENCIES PROVIDING
HEALTH CARE SERVICES.

The General Assembly of North Carolina enacts:

Section 1. Article 3 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"§ 58-3-170. Direct payment to government agencies.

(a) As used in this section, 'health benefit plan' has the same meaning as in G.S. 58-50-110(11) and includes the Teachers' and State Employees' Comprehensive Major Medical Plan.

(b) Every entity providing or administering a health benefit plan covering persons in this State shall make payment for health care services covered by the health benefit plan that are provided by any State, county, or city agency, directly to the agency providing the services.

(c) This section does not apply to the extent the agency providing the services has been paid for the services by or on behalf of the person receiving the services.

(d) Nothing in this section shall require any entity providing or administering a health benefit plan covering persons in this State to pay any agency directly:

- (1) If the agency is outside of the health benefit plan's service area;
- (2) If the entity operates a program by which it only pays the health care provider directly upon the acceptance of certain rates and the agency does not accept said rates; or
- (3) If the entity operates a program by which it provides, authorizes, or arranges for a covered person to receive health care from a designated provider or refers the covered person to a designated provider, and the agency is not a designated provider."

Sec. 2. This act applies to every health benefit plan, as defined in Section 1 of this act, that has an inception, renewal, or anniversary date on or after October 1, 1993.

Sec. 3. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 5th day of May, 1993.

Dennis A. Wicker
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives