

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1148*

Short Title: Preferred Provider Contracts.

(Public)

Sponsors: Senator Sherron.

Referred to: Rules Suspended; Passed 1st; Referred to Pensions and Retirement.

May 11, 1993

A BILL TO BE ENTITLED

1 AN ACT TO MAKE CLARIFYING CHANGES IN THE TEACHERS' AND STATE
2 EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN AND TO
3 RESOLVE LEGAL ISSUES BY MAKING CLEAR THAT THE LEGISLATIVE
4 INTENT SINCE ENACTMENT IS THAT CONTRACTING WITH PREFERRED
5 PROVIDERS IS NOT SUBJECT TO CHAPTER 143 OF THE GENERAL
6 STATUTES.

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8 The General Assembly of North Carolina enacts:

9 Section 1. G.S. 135-40.4 reads as rewritten:

10 **"§ 135-40.4. Benefits in general.**

11 In the event a covered person, as a result of accidental bodily injury, disease or
12 pregnancy, incurs covered expenses, the Plan will pay benefits up to the amounts
13 described in G.S. 135-40.5 through G.S. 135-40.9.

14 The Plan is divided into two parts. The first part includes certain benefits which are
15 not subject to a deductible or coinsurance. The second part is a comprehensive plan and
16 includes those benefits which are subject to both a two hundred fifty dollars (\$250.00)
17 deductible for each covered individual to an aggregate maximum of seven hundred fifty
18 dollars (\$750.00) per family and coinsurance of 80%/20%. There is a limit on out-of-
19 pocket expenses under the second part.

20 Notwithstanding the provisions of this Article, the Executive Administrator and
21 Board of Trustees of the Teachers' and State Employees' Comprehensive Major Medical
22 Plan may ~~begin the process of negotiating prospective rates of charges that are to be allowed~~
23 ~~under the Plan with preferred providers of institutional and professional medical care and~~
24 ~~services.~~ contract with providers of institutional and professional medical care and

1 services to established preferred provider networks. The design, adoption, and
2 implementation of such preferred provider contracts and networks are not subject to the
3 requirements of Chapter 143 of the General Statutes, provided that for any hospital
4 preferred provider network all hospitals will have an opportunity to contract with the
5 Plan if they meet the contract requirements. The Executive Administrator and Board of
6 Trustees shall, under the provisions of G.S. 135-39.5(12), pursue such preferred
7 provider contracts on a timely basis and shall make ~~monthly~~ reports as requested to the
8 President of the Senate, the Speaker of the House of Representatives, and the
9 Committee on Employee Hospital and Medical Benefits on its progress in negotiating
10 such ~~prospective rates for allowable charges~~ preferred provider contracts."

11 Sec. 2. This act becomes effective July 1, 1985