

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 455*

Pensions & Retirement and Insurance Committee Substitute Adopted 4/29/97

Third Edition Engrossed 4/30/97

House Committee Substitute Favorable 7/7/97

Short Title: Improve HMO Services.

(Public)

Sponsors:

Referred to:

March 24, 1997

A BILL TO BE ENTITLED

AN ACT TO IMPROVE HMO SERVICES BY PROTECTING PHYSICIAN COMMUNICATIONS REGARDING TREATMENT, REQUIRING COVERAGE FOR EMERGENCY CARE, AND REDUCING THE APPROVAL PERIOD FOR RATE FILINGS.

The General Assembly of North Carolina enacts:

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

§ 58-3-176. Treatment discussions not limited.

(a) An insurer shall not limit either of the following:

(1) The participating plan provider's ability to discuss with an enrollee the clinical treatment options medically available, the risks associated with the treatments, or a recommended course of treatment.

(2) The participating plan provider's professional obligations to patients as specified under the provider's professional license.

(b) Nothing in this section shall be construed to expand or revise the scope of benefits covered by a health benefit plan.

1 (c) As used in this section:

2 (1) 'Health benefit plan' means any of the following if written by an insurer:
3 an accident and health insurance policy or certificate; a nonprofit
4 hospital or medical service corporation contract; a health maintenance
5 organization subscriber contract; or a plan provided by a multiple
6 employer welfare arrangement. 'Health benefit plan' does not mean any
7 plan implemented or administered through the Department of Human
8 Resources or its representatives. 'Health benefit plan' also does not mean
9 any of the following kinds of insurance:

10 a. Accident.

11 b. Credit.

12 c. Disability income.

13 d. Long-term or nursing home care.

14 e. Medicare supplement.

15 f. Specified disease.

16 g. Dental or vision.

17 h. Coverage issued as a supplement to liability insurance.

18 i. Workers' compensation.

19 j. Medical payments under automobile or homeowners insurance.

20 k. Hospital income or indemnity.

21 l. Insurance under which benefits are payable with or without
22 regard to fault and that is statutorily required to be contained in
23 any liability policy or equivalent self-insurance.

24 (2) 'Insurer' means an entity that writes a health benefit plan and that is an
25 insurance company subject to this Chapter, a service corporation under
26 Article 65 of this Chapter, a health maintenance organization under
27 Article 67 of this Chapter, or a multiple employer welfare arrangement
28 under Article 49 of this Chapter."

29 Section 2. Chapter 58 of the General Statutes is amended by adding the
30 following new section to read:

31 **"§ 58-3-190. Coverage required for emergency care.**

32 (a) Every insurer shall provide coverage for emergency services to the extent
33 necessary to screen and to stabilize the person covered under the plan and shall not
34 require prior authorization of the services if a prudent layperson acting reasonably would
35 have believed that an emergency medical condition existed. Payment of claims for
36 emergency services shall be based on the retrospective review of the presenting history
37 and symptoms of the covered person.

38 (b) With respect to emergency services provided by a health care provider who is
39 not under contract with the insurer, the services shall be covered if:

40 (1) A prudent layperson acting reasonably would have believed that a delay
41 would worsen the emergency, or

1 (2) The covered person did not seek services from a provider under contract
2 with the insurer because of circumstances beyond the control of the
3 covered person.

4 (c) An insurer that has given prior authorization for emergency services shall
5 cover the services and shall not retract the authorization after the services have been
6 provided unless the authorization was based on a material misrepresentation about the
7 covered person's health condition made by the provider of the emergency services or the
8 covered person.

9 (d) Coverage of emergency services shall be subject to coinsurance, co-payments,
10 and deductibles applicable under the health benefit plan. An insurer shall not impose
11 cost-sharing for emergency services provided under this section that differs from the cost-
12 sharing that would have been imposed if the physician or provider furnishing the services
13 were a provider contracting with the insurer.

14 (e) Both the emergency department and the insurer shall make a good faith effort
15 to communicate with each other in a timely fashion to expedite postevaluation or
16 poststabilization services in order to avoid material deterioration of the covered person's
17 condition within a reasonable clinical confidence, or with respect to a pregnant woman,
18 to avoid material deterioration of the condition of the unborn child within a reasonable
19 clinical confidence.

20 (f) Insurers shall provide information to their covered persons on all of the
21 following:

22 (1) Coverage of emergency medical services.

23 (2) The appropriate use of emergency services, including the use of the
24 '911' system and other telephone access systems utilized to access
25 prehospital emergency services.

26 (3) Any cost-sharing provisions for emergency medical services.

27 (4) The process and procedures for obtaining emergency services, so that
28 covered persons are familiar with the location of in-plan emergency
29 departments and with the location and availability of other in-plan
30 settings at which covered persons may receive medical care.

31 (g) As used in this section, the term:

32 (1) 'Emergency medical condition' means a medical condition manifesting
33 itself by acute symptoms of sufficient severity, including, but not
34 limited to, severe pain, or by acute symptoms developing from a chronic
35 medical condition that would lead a prudent layperson, possessing an
36 average knowledge of health and medicine, to reasonably expect the
37 absence of immediate medical attention to result in any of the following:

38 a. Placing the health of an individual, or with respect to a pregnant
39 woman, the health of the woman or her unborn child, in serious
40 jeopardy.

41 b. Serious impairment to bodily functions.

42 c. Serious dysfunction of any bodily organ or part.

- 1 (2) 'Emergency services' means health care items and services furnished or
2 required to screen for or treat an emergency medical condition until the
3 condition is stabilized, including prehospital care and ancillary services
4 routinely available to the emergency department.
- 5 (3) 'Health benefit plan' means any of the following if written by an insurer:
6 an accident and health insurance policy or certificate; a nonprofit
7 hospital or medical service corporation contract; a health maintenance
8 organization subscriber contract; or a plan provided by a multiple
9 employer welfare arrangement. 'Health benefit plan' does not mean any
10 plan implemented or administered through the Department of Human
11 Resources or its representatives. 'Health benefit plan' also does not mean
12 any of the following kinds of insurance:
- 13 a. Accident.
14 b. Credit.
15 c. Disability income.
16 d. Long-term or nursing home care.
17 e. Medicare supplement.
18 f. Specified disease.
19 g. Dental or vision.
20 h. Coverage issued as a supplement to liability insurance.
21 i. Workers' compensation.
22 j. Medical payments under automobile or homeowners insurance.
23 k. Hospital income or indemnity.
24 l. Insurance under which benefits are payable with or without
25 regard to fault and that is statutorily required to be contained in
26 any liability policy or equivalent self-insurance.
- 27 (4) 'Insurer' means an entity that writes a health benefit plan and that is an
28 insurance company subject to this Chapter, a service corporation under
29 Article 65 of this Chapter, a health maintenance organization under
30 Article 67 of this Chapter, or a multiple employer welfare arrangement
31 under Article 49 of this Chapter.
- 32 (5) 'To stabilize' means to provide medical care that is appropriate to
33 prevent a material deterioration of the person's condition, within
34 reasonable medical probability, in accordance with the HCFA (Health
35 Care Financing Administration) interpretative guidelines, policies and
36 regulations pertaining to responsibilities of hospitals in emergency cases
37 (as provided under the Emergency Medical Treatment and Labor Act,
38 section 1867 of the Social Security Act, 42 U.S.C.S. 1395dd), including
39 medically necessary services and supplies to maintain stabilization until
40 the person is transferred."

41 Section 3. G.S. 58-67-50(c) reads as rewritten:

- 42 "(c) The Commissioner shall, within a reasonable period, approve any form if the
43 requirements of subsection (a) of this section are met and any schedule of premiums if

1 the requirements of subsection (b) of this section are met. It shall be unlawful to issue the
2 form or to use the schedule of premiums until approved. If the Commissioner disapproves
3 the filing, the Commissioner shall notify the filer. In the notice, the Commissioner shall
4 specify the reasons for disapproval. A hearing will be granted within 30 days after a
5 request in writing by the person filing. If the Commissioner does not approve or
6 disapprove any form or schedule of premiums within 90 days after the filing for forms
7 and within ~~60~~45 days after the filing for premiums, they shall be deemed to be
8 approved."

9 Section 4. Section 2 of this act becomes effective January 1, 1998, and applies
10 to health benefit plans issued, renewed, or amended on or after that date. The remainder
11 of this act is effective when it becomes law.