

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 38

Short Title: Disclose Payment Obligations. (Public)

Sponsors: Representatives Nye, Nesbitt, Cunningham, Edwards, Insko; Justus, Luebke, Wainwright, Weiss, and Womble.

Referred to: Insurance.

February 1, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE INSURERS TO DISCLOSE PAYMENT OBLIGATIONS
3 FOR COVERED SERVICES.

4 The General Assembly of North Carolina enacts:

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

7 "**§ 58-3-235. Payment obligations for covered services.**

8 (a) If an insurer calculates a benefit amount for a covered service under a health
9 benefit plan through a method other than a fixed dollar co-payment, the insurer shall
10 clearly explain in its evidence of coverage, plan summaries, and explanation of benefits,
11 how it determines its payment obligations and the payment obligations of the insured.
12 The explanation shall include and clearly indicate:

13 (1) The steps the insurer has taken in calculating the benefit amount, and
14 the payment obligations of each party.

15 (2) Whether the insurer has obtained the agreement of health care
16 providers not to bill an insured for any amounts by which a provider's
17 charge exceeds the insurer's recognized charge for a covered service.

18 (3) Which party is responsible for filing a claim or bill with the insurer.

19 (4) Whether the insured may be liable for paying any excess amount.

20 (b) If an insured is liable for an amount that differs from a stated fixed dollar co-
21 payment or from a stated coinsurance percentage because the coinsurance amount is
22 based on a plan allowance or other such amount rather than the actual charges, the
23 evidence of coverage, plan summaries, and marketing and advertising materials that
24 include information on benefit levels shall contain the following statement: 'NOTICE:
25 Your actual expenses for covered services may exceed the stated [coinsurance
26 percentage or co-payment amount] because actual provider charges are not used to

1 determine [plan/insurer or similar term] and [insured/member/enrollee or similar
2 term] payment obligations'."

3 **SECTION 2.** If any section or provision of this act is declared
4 unconstitutional, preempted, or otherwise invalid by the courts, it does not affect the
5 validity of the act as a whole or any part other than the part so declared to be
6 unconstitutional, preempted, or otherwise invalid.

7 **SECTION 3.** This act is effective when it becomes law. This act applies to
8 all health benefit plans that are delivered, issued for delivery, or renewed on or after
9 January 1, 2002.