

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 839

Insurance Committee Substitute Adopted 4/28/99

Short Title: Insurance Claims Payments/Y2K.

(Public)

Sponsors:

Referred to:

April 13, 1999

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE COMMISSIONER OF INSURANCE TO REQUIRE INTERIM CLAIMS PAYMENTS TO PROVIDERS IN THE EVENT CLAIMS CANNOT BE TIMELY PROCESSED DUE TO YEAR 2000 COMPUTER PROBLEMS.

The General Assembly of North Carolina enacts:

Section 1. Effective January 1, 2000, Article 2 of Chapter 58 of the General Statutes is amended by adding the following new section to read:

"§ 58-2-235. Interim claims payments authorized.

(a) Every insurer, third-party administrator, and health care provider shall report to the Commissioner if it cannot process or submit claims for services in a timely manner due to problems associated with the change in years from 1999 to 2000. The report shall be made within five business days of determining that the problem exists.

(b) The Commissioner shall require an insurer or third-party administrator to make interim payments to health care providers if the Commissioner determines, after investigation, that delayed or incorrect processing of claims for services are the result of Year 2000-related problems in the health care provider's, insurer's, or third-party administrator's electronic systems, and that interim payments are necessary to prevent the disruption of the delivery of health care services. The Commissioner shall determine the

1 amount of the interim payments. In determining the amount, the Commissioner shall use
2 the same methodology, if any, that is applicable under federal law for determining the
3 amount of interim payments required by federal law.

4 (c) As used in this section, the term:

5 (1) 'Health care provider' means any person who is licensed, registered, or
6 certified under Chapter 90 of the General Statutes; a health care facility
7 as defined in G.S. 131E-176(9)(b); or a pharmacy.

8 (2) 'Insurer' means an entity that writes a health benefit plan as defined
9 under G.S. 58-3-191 and that is an insurance company subject to this
10 Chapter, a service corporation organized under Article 65 of this
11 Chapter, a health maintenance organization organized under Article 67
12 of this Chapter, or a multiple employer welfare arrangement subject to
13 Article 49 of this Chapter.

14 (3) 'Third-party administrator' has the same definition as applies under G.S.
15 58-56-2."

16 Section 2. The Commissioner may adopt temporary rules to implement this
17 act.

18 Section 3. This act is effective when it becomes law and expires December 31,
19 2000.