

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

S

3

SENATE BILL 665*
Health Care Committee Substitute Adopted 5/5/05
Third Edition Engrossed 8/23/05

Short Title: Public Hlth Authorities/Co. Medicaid Billing.

(Public)

Sponsors:

Referred to:

March 17, 2005

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE PUBLIC HEALTH AUTHORITIES TO CONTRACT DIRECTLY WITH PRIVATE VENDORS TO OPERATE THE COUNTY BILLING SYSTEM FOR MEDICAID CLAIMS AND TO AUTHORIZE PUBLIC HEALTH AUTHORITIES TO INCREASE THEIR MEMBERSHIP.

Whereas, the county share of the nonfederal share of Medicaid costs has a significant impact on county resources and cash flow; and

Whereas, more timely reimbursement of county Medicaid claims would improve county cash flow; and

Whereas, the current process for Medicaid billing is more complicated than necessary; and

Whereas, contracting with a private vendor to interface directly with the State Medicaid billing system would make the billing process for county Medicaid claims much simpler than it now is; and

Whereas, county public health authorities would benefit from private vendor-operated Medicaid billing by enabling the authorities to optimize revenue through efficiencies that are currently not in place through the State billing system;

Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Part 1B of Article 2 of Chapter 130A of the General Statutes is amended by adding the following new section to read:

"§ 130A-45.13. Authority to contract directly with private providers to operate billing system for county Medicaid claims.

A public health authority board may contract directly with private vendors to operate the authority's Medicaid billing system as an alternative to the State-operated health services information system. The contract may provide for the private vendor to bill directly the State Medicaid billing system (MMIS), thereby bypassing the State health services information system (HSIS). The public health authority shall issue a "request

1 for proposal" to solicit private vendor bids for contracts authorized under this section.
2 Information systems authorized under this section shall be consistent with and interface
3 with relevant statewide public health data systems to address State cost containment and
4 service reporting needs."

5 **SECTION 2.** G.S. 130A-45.1 reads as rewritten:

6 "**§ 130A-45.1. Membership of the public health authority board.**

7 (a) A public health authority board shall be the policy-making, rule-making, and
8 adjudicatory body for a public health authority and shall be composed of no fewer than
9 seven members and no more than nine members; except that in an authority comprising
10 two or more counties, the board shall be composed of no more than 11 members.
11 Boards which intend to pursue federally qualified health center (or look-alike) status
12 may have no fewer than nine and no more than 25 members.

13 (b) In a single county authority, the county board of commissioners shall appoint
14 the members of the board; in an authority comprising two or more counties, the chair of
15 the county board of commissioners of each county in the authority shall appoint one
16 county commissioner, or the commissioner's express designee, to the authority board
17 and these members shall jointly appoint the other members of the board.

18 (c) The members of the board shall include:

- 19 (1) At least one physician licensed under Chapter 90 of the General
20 Statutes to practice medicine in this State, and at least one dentist
21 licensed under Article 2 of Chapter 90 of the General Statutes to
22 practice dentistry in this State;
- 23 (2) At least one county commissioner or the commissioner's express
24 designee from each county in the authority;
- 25 (3) At least two licensed or registered professionals from any of the
26 following professions: optometry, veterinary science, nursing,
27 pharmacy, engineering, or accounting;
- 28 (4) At least one member from the administrative staff of a hospital serving
29 the authority service area; and
- 30 (5) At least one member from the general public.

31 (d) Except as provided in this subsection, members of the board shall serve terms
32 of three years. ~~Two of the original members shall serve terms of one year, and two of~~
33 ~~the original members shall serve terms of two years.~~ In order to establish a uniform
34 staggered term structure for the Board, a member may be appointed for less than a
35 three-year term."

36 **SECTION 3.** This act is effective when it becomes law. Section 1 of this act
37 applies to county Medicaid claims arising on or after that date.