

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH50219-LH-151 (2/28)

Short Title: UNC Hospitals & Statewide Accts Receivable.AB (Public)

Sponsors: Representatives Insko, England, Tarleton, and R. Warren (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO MAKE THE UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM'S DEBT COLLECTION PRACTICES MORE PATIENT FRIENDLY AND TO ASSIST CERTAIN PATIENTS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 116-37(f) reads as rewritten:

"(f) Finances – Patient/Health Care System Benefit. – The Chief Executive Officer of the University of North Carolina Health Care System, or the Chief Executive Officer's designee, may expend operating budget funds, including State funds, of the University of North Carolina Health Care System for the direct benefit of a patient, when, in the judgment of the Chief Executive Officer or the Chief Executive Officer's designee, the expenditure of these funds would result in a financial benefit to the University of North Carolina Health Care System. Any such expenditures are declared to result in the provision of medical services and create charges of the University of North Carolina Health Care System for which the health care system may bill and pursue recovery in the same way as allowed by law for recovery of other health care systems' charges for services that are unpaid.

These expenditures shall be ~~limited to no more than seven thousand five hundred dollars (\$7,500) per patient per admission and shall be~~ restricted (i) to situations in which a patient is financially unable to afford ambulance or other transportation for discharge; (ii) to afford placement in an after-care ~~facility pending approval of third party entitlement benefits; facility;~~ (iii) to assure availability of a bed in an after-care facility after discharge from the hospitals; (iv) to secure equipment or other medically appropriate services after discharge; or (v) to pay health insurance premiums. The Chief Executive Officer or the Chief Executive Officer's designee shall reevaluate

1 at least once a month the cost-effectiveness of any continuing payment on behalf of a  
2 patient.

3 To the extent that the University of North Carolina Health Care System advances  
4 anticipated government entitlement benefits for a patient's benefit, for which the patient  
5 later receives a lump-sum "back-pay" award from an agency of the State, whether for  
6 the current admission or subsequent admission, the State agency shall withhold from  
7 this back pay an amount equal to the sum advanced on the patient's behalf by the  
8 University of North Carolina Health Care System, if, prior to the disbursement of the  
9 back pay, the applicable State program has received notice from the University of North  
10 Carolina Health Care System of the advancement."

11 **SECTION 2.** G.S. 143-553(a) reads as rewritten:

12 "(a) All persons employed by an employing entity as defined by this Part who  
13 owe money to the State and whose salaries are paid in whole or in part by State funds  
14 must make full restitution of the amount owed as a condition of continuing ~~employment.~~  
15 employment; provided, however, that no employing entity shall terminate the  
16 employment of such an employee who owes money to the University of North Carolina  
17 Health Care System for health care services."

18 **SECTION 3.** G. S. 147-86.11(e) reads as rewritten:

19 "(e) Elements of Plan. – For moneys received or to be received, the statewide cash  
20 management plan shall provide at a minimum that:

21 (1) Except as otherwise provided by law, moneys received by employees  
22 of State agencies in the normal course of their employment shall be  
23 deposited as follows:

24 a. Moneys received in trust for specific beneficiaries for which the  
25 employee-custodian has a duty to invest shall be deposited with  
26 the State Treasurer under the provisions of G.S. 147-69.3.

27 b. All other moneys received shall be deposited with the State  
28 Treasurer pursuant to G.S. 147-77 and G.S. 147-69.1.

29 (2) Moneys received shall be deposited daily in the form and amounts  
30 received, except as otherwise provided by statute.

31 (3) Moneys due to a State agency by another governmental agency or by  
32 private persons shall be promptly billed, collected and deposited.

33 (4) Unpaid billings due to a State agency other than amounts owed by  
34 patients to the University of North Carolina Health Care System shall  
35 be turned over to the Attorney General for collection no more than 90  
36 days after the due date of the billing, except that a State agency need  
37 not turn over to the Attorney General unpaid billings of less than five  
38 hundred dollars (\$500.00), or (for institutions where applicable)  
39 amounts owed by all patients which are less than the federally  
40 established deductible applicable to Part A of the Medicare program,  
41 and instead may handle these unpaid bills pursuant to agency debt  
42 collection procedures.

43 (4a) The University of North Carolina Health Care System may turn over  
44 to the Attorney General for collection accounts owed by patients.

1           (5)    Moneys received in the form of warrants drawn on the State Treasurer  
2                   shall be deposited by the State agency directly with the State Treasurer  
3                   and not through the banking system, unless otherwise approved by the  
4                   State Treasurer.

5           (6)    State agencies shall accept payment by electronic payment in  
6                   accordance with G.S. 147-86.22 to the maximum extent possible  
7                   consistent with sound business practices."

8           **SECTION 4.** G.S. 147-86.23 reads as rewritten:

9    **"§ 147-86.23. Interest and penalties.**

10           A State agency shall charge interest at the rate established pursuant to G.S.  
11    105-241.1(i) on a past-due account receivable from the date the account receivable was  
12    due until it is paid. A State agency shall add to a past-due account receivable a late  
13    payment penalty of no more than ten percent (10%) of the account receivable. A State  
14    agency may waive a late-payment penalty for good cause shown. If another statute  
15    requires the payment of interest or a penalty on a past-due account receivable, this  
16    section does not apply to that past-due account receivable. This section does not apply  
17    to money owed to the University of North Carolina Health Care System for health care  
18    services."

19           **SECTION 5.** This act is effective when it becomes law.