

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 1032\*  
Commerce, Small Business and Entrepreneurship Committee Substitute Adopted  
5/14/07  
Commerce, Small Business and Entrepreneurship Committee Substitute #2  
Adopted 5/17/07  
Corrected Copy 5/21/07

Short Title: Health Insurance/Prompt Pay Time Lines.

(Public)

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Sponsors:

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Referred to:

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March 21, 2007

A BILL TO BE ENTITLED

AN ACT TO IMPOSE TIME LIMITATIONS ON OVERPAYMENT RECOVERY  
UNDER THE PROMPT CLAIM PAYMENTS STATUTE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 58-3-225(h) reads as rewritten:

"(h) ~~To the extent permitted by the contract between the insurer and the health care provider or health care facility,~~ Subject to the time lines required under this section, the insurer may recover overpayments made to the health care provider or health care facility by making demands for refunds and by offsetting future payments. Any such recoveries may also include related interest payments that were made under the requirements of this section. Not less than 30 calendar days before an insurer seeks overpayment recovery or offsets future payments, the insurer shall give written notice to the health care provider or health care facility, which notice shall be accompanied by adequate specific information to identify the specific claim and the specific reason for the recovery. The recovery of overpayments or offsetting of future payments may be made not more than two years after the date of the original claim payment unless the insurer has reasonable belief of fraud or other intentional misconduct by the health care provider or health care facility or its agents, or the claim involves a health care provider or health care facility receiving payment for the same service from a government payor. Recoveries by the insurer must be accompanied by the specific reason and adequate information to identify the specific claim. To the extent permitted by the contract between the insurer and the health care provider or health care facility, the ~~The~~ health care provider or health care facility may recover underpayments or nonpayments by the insurer by making demands for refunds. Any such recoveries by the health care provider or health care facility of underpayments or nonpayment by the insurer may include

1 applicable interest under this section. The period for which such recoveries may be  
2 made ~~may be specified in the contract between the insurer and health care provider or~~  
3 ~~health care facility~~ may not exceed two years after the date of the original claim  
4 adjudication, unless the claim involves a health provider or health care facility receiving  
5 payment for the same service from a government payor."

6 **SECTION 2.** This act becomes effective January 1, 2008, and applies to  
7 claims made for services rendered on and after that date.