

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 63*

Short Title: Disclose Payment Obligations.

(Public)

Sponsors: Senators Wellons, Harris, and Dannelly.

Referred to: Insurance and Consumer Protection.

February 6, 2001

A BILL TO BE ENTITLED

AN ACT TO REQUIRE INSURERS TO DISCLOSE PAYMENT OBLIGATIONS
FOR COVERED SERVICES.

The General Assembly of North Carolina enacts:

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

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

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

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

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

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

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

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

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

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