

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 384
Second Edition Engrossed 6/12/91

Short Title: UNC Hospitals' Financial Flexibility.

(Public)

Sponsors: Representatives Barnes; and Warner.

Referred to: Appropriations.

March 28, 1991

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE GREATER FINANCIAL FLEXIBILITY TO THE
2 UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL HILL.
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4 Whereas, many delays in discharging patients are related to patients' lack of
5 financial resources, resulting in longer and often unreimbursed or under-reimbursed
6 hospital stays; and

7 Whereas, the General Assembly finds that it is in the interests of fiscal
8 economy to enable the University of North Carolina Hospitals at Chapel Hill to exercise
9 cost-effective decision making in patient discharge planning; Now, therefore,
10 The General Assembly of North Carolina enacts:

11 Section 1. G.S. 116-37 is amended by inserting a new subsection to read:

12 "(e1) Finances – Patient/Hospital Benefit. – The Executive Director of the
13 University of North Carolina Hospitals at Chapel Hill or the Director's designee, may
14 expend operating budget funds, including State funds, of the University of North
15 Carolina Hospitals at Chapel Hill for the direct benefit of a patient, when, in the
16 judgment of the Executive Director or the Director's designee, the expenditure of these
17 funds would result in a financial benefit to the University of North Carolina Hospitals at
18 Chapel Hill. Any such expenditures are declared to result in the provision of medical
19 services and create charges of the University of North Carolina Hospitals at Chapel Hill
20 for which the hospitals may bill and pursue recovery in the same way as allowed by law
21 for recovery of other hospitals' charges for services that are unpaid.

22 These expenditures shall be limited to no more than seven thousand five hundred
23 dollars (\$7,500) per patient per admission and shall be restricted (i) to situations in

1 which a patient is financially unable to afford ambulance or other transportation for
2 discharge; (ii) to afford placement in an after-care facility pending approval of third
3 party entitlement benefits; (iii) to assure availability of a bed in an after-care facility
4 after discharge from the hospitals; (iv) to secure equipment or other medically
5 appropriate services after discharge; (v) or to pay health insurance premiums. The
6 Executive Director or the Director's designee shall reevaluate at least once a month the
7 cost-effectiveness of any continuing payment on behalf of a patient.

8 To the extent that the University of North Carolina Hospitals at Chapel Hill advance
9 anticipated government entitlement benefits for a patient's benefit, for which the patient
10 later receives a lump sum 'backpay' award from an agency of the State, whether for the
11 current admission or subsequent admission, the State agency shall withhold from this
12 backpay an amount equal to the sum advanced on the patient's behalf by the University
13 of North Carolina Hospitals at Chapel Hill, if, prior to the disbursement of the backpay,
14 the applicable State program has received notice from the University of North Carolina
15 Hospitals at Chapel Hill of the advancement."

16 Sec. 2. The Executive Director of the University of North Carolina Hospitals
17 at Chapel Hill shall report annually to the Joint Legislative Commission on
18 Governmental Operations and to the Fiscal Research Division on the fiscal results of
19 this act.

20 Sec. 3. This act is effective upon ratification and expires June 30, 1993.