

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE BILL 625*

Short Title: Improve Managed Care Statutes.-AB

(Public)

Sponsors: Senator Thomas.

Referred to: Commerce.

March 17, 2005

A BILL TO BE ENTITLED

1 AN ACT TO REMOVE FROM THE UNIFORM CREDENTIALING STATUTE AN
2 UNNECESSARY PROVISION; CLARIFY THAT SERVICES COVERED ONLY
3 FOR CERTAIN MEDICAL CONDITIONS OR DIAGNOSES MUST BE
4 TREATED AS UTILIZATION REVIEW DECISIONS WHEN IT IS NECESSARY
5 TO REVIEW THE COVERED PERSON'S CONDITION OR DIAGNOSIS IN
6 ORDER TO DETERMINE IF THE SERVICE IS EXCLUDED OR COVERED;
7 ENSURE THAT COVERED PERSONS RECEIVING EXTERNAL REVIEW
8 KNOW WHAT INFORMATION THEIR INSURER PROVIDES TO THE
9 EXTERNAL REVIEW ORGANIZATION PERFORMING THE REVIEW; AND
10 ELIMINATE EXTERNAL REVIEW OUTSIDE OF NORMAL BUSINESS
11 HOURS.
12

13 The General Assembly of North Carolina enacts:

14 **SECTION 1.** G.S. 58-3-230(a) reads as rewritten:

15 "**§ 58-3-230. Uniform provider credentialing.**

16 (a) An insurer that provides a health benefit plan and that credentials providers
17 for its networks shall maintain a process to assess and verify the qualifications of a
18 licensed health care ~~practitioner, or applicant for licensure as a health care practitioner,~~
19 provider within 60 days of receipt of a completed provider credentialing application
20 form approved by the Commissioner. When a health care practitioner joins a practice
21 that is under contract with an insurer to participate in a health benefit plan, the effective
22 date of the health care practitioner's participation in the health benefit plan network shall
23 be the date the insurer approves the practitioner's credentialing application."

24 **SECTION 2.** G.S. 58-50-61(a)(13) reads as rewritten:

25 "**§ 58-50-61. Utilization review.**

26 (a) Definitions. – As used in this section, in G.S. 58-50-62, and in Part 4 of this
27 Article, the term:

28 ...

1 (13) "Noncertification" means a determination by an insurer or its
2 designated utilization review organization that an admission,
3 availability of care, continued stay, or other health care service has
4 been reviewed and, based upon the information provided, does not
5 meet the insurer's requirements for medical necessity, appropriateness,
6 health care setting, level of care or effectiveness, or does not meet the
7 prudent layperson standard for coverage of emergency services in
8 G.S. 58-3-190, and the requested service is therefore denied, reduced,
9 or terminated. A "noncertification" is not a decision rendered solely on
10 the basis that the health benefit plan does not provide benefits for the
11 health care service in question, if the exclusion of the specific service
12 requested is clearly stated in the certificate of ~~e~~coverage, coverage, and a
13 decision about a covered person's condition is not necessary to
14 determine whether the requested service is excluded. A
15 "noncertification" includes any situation in which an insurer or its
16 designated agent makes a decision about a covered person's condition
17 to determine whether a requested treatment is excluded, experimental,
18 investigational, or cosmetic, and the extent of coverage under the
19 health benefit plan is affected by that decision."

20 **SECTION 3.(a)** G.S. 58-50-80(b)(4) reads as rewritten:

21 **"§ 58-50-80. Standard external review.**

22 ...

23 (b) Upon receipt of a request for an external review under subsection (a) of this
24 section, the Commissioner shall, within 10 business days, complete all of the following:

25 ...

26 (4) Notify the insurer in writing whether the request for external review
27 has been accepted. If the request has been accepted, the notice shall
28 direct the insurer or its designee utilization review organization to
29 provide to the assigned ~~organization, organization~~ and to the covered
30 person or authorized representative who made the request for external
31 review on behalf of the covered person, within seven days of receipt of
32 the notice, the documents and any information considered in making
33 the noncertification appeal decision or the second-level grievance
34 review decision."

35 **SECTION 3.(b)** G.S. 58-50-82(c) reads as rewritten:

36 **"§ 58-50-82. Expedited external review.**

37 ...

38 (c) As soon as possible, but within the same day of receiving notice under
39 subdivision (b)(2) of this section that the request has been assigned to a review
40 organization, the insurer or its designee utilization review organization shall provide or
41 transmit all documents and information considered in making the noncertification
42 appeal decision or the second-level grievance review decision to the assigned review
43 organization electronically or by telephone or facsimile or any other available
44 expeditious method. A copy of the same information shall be sent by the same means or

1 other expeditious means to the covered person or the covered person's representative
2 who made the request for expedited external review."

3 **SECTION 4.** The first sentence of G.S. 58-50-82(b) reads as rewritten:

4 **"§ 58-50-82. Expedited external review.**

5 ...

6 (b) Within three business days of receiving a request for an expedited external
7 review, the Commissioner shall complete all of the following:".

8 **SECTION 5.** G.S. 58-50-82(e) reads as rewritten:

9 **"§ 58-50-82. Expedited external review.**

10 ...

11 (e) As expeditiously as the covered person's medical condition or circumstances
12 require, but not more than four business days after the date of receipt of the request for
13 an expedited external review, the assigned organization shall make a decision to uphold
14 or reverse the noncertification, noncertification appeal decision, or second-level
15 grievance review decision and notify the covered person, the covered person's provider
16 who performed or requested the service, the insurer, and the Commissioner of the
17 decision. In reaching a decision, the assigned organization is not bound by any decisions
18 or conclusions reached during the insurer's utilization review process or internal
19 grievance process under G.S. 58-50-61 and G.S. 58-50-62."

20 **SECTION 6.** This act becomes effective October 1, 2005, and applies to
21 policies or certificates issued or renewed on or after that date.