

May 16, 2000

H 1538. EXTERNAL REVIEW/MANAGED CARE. TO PROVIDE STANDARDS FOR THE ESTABLISHMENT AND MAINTENANCE OF EXTERNAL REVIEW PROCEDURES IN HEALTH INSURANCE AND MANAGED CARE TO ASSURE THAT COVERED PERSONS HAVE THE OPPORTUNITY FOR AN INDEPENDENT REVIEW OF HEALTH BENEFIT PLAN COVERAGE DECISION MADE BY THE INSURER OR MANAGED CARE PLAN; AND TO MAKE CONFORMING AMENDMENTS TO EXISTING LAWS ON UTILIZATION REVIEW AND GRIEVANCES. Adds new Part 4 (Health Benefit Plan External Review) to GS Ch. 58. Outlines process and requirements providing persons covered with health insurance the opportunity for independent review by qualified party outside of the insurer of a noncertification decision (a determination that a service be denied, reduced, or terminated). Provides for exhaustion of insurer's internal grievance process before external review becomes available. Describes standard external review process and provides timelines and requirements for review to continue. Requires that insurers notify covered persons in writing of their right to request external review of insurance decisions. Provides for expedited review of grievances when life or health would be seriously jeopardized by the time required by an appeal. Describes expedited review process and timeline requirements. Provides that an external review decision is binding on the insurer. Provides that Commissioner of Insurance shall approve independent review organizations eligible to be assigned to conduct external reviews, based on a request for proposal process. Requires that Commissioner consult with an evaluation committee whose membership includes insurer representatives, health care providers, and insureds in selected independent review organizations. Provides application process, means for removal from the list, minimum qualifications, hold harmless provision, reporting requirements, and payment of review fees by insurers being reviewed

Amends GS 58050-61 to revise definitions of "noncertification" and "retrospective review." Clarifies that "noncertification" includes a decision that a service does not meet the prudent layperson standard for coverage of emergency services. "Retrospective review" includes review of such a decision. Amends GS 58-50-62 to provide that insurers must describe in writing processes for informal review of grievances and integrate those processes with the formal grievance review process.

Outlines process for Commissioner to report semiannually to the Joint Legislative Health Care Oversight Committee on external reviews. Effective July 1, 2001.

Intro. by Nye, Insko, Nesbitt, Cunningham, and Justus.

Ref. to Insurance	GS 58
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