

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 517*
PROPOSED COMMITTEE SUBSTITUTE S517-PCS75172-TK-6

Short Title: Freedom to Negotiate Health Care Rates.

(Public)

Sponsors:

Referred to:

April 6, 2011

A BILL TO BE ENTITLED

AN ACT TO ALLOW HEALTH PROVIDERS AND HEALTH INSURERS TO FREELY
NEGOTIATE REIMBURSEMENT RATES BY PROHIBITING CONTRACT
PROVISIONS THAT RESTRICT RATE NEGOTIATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Part 7 of Article 50 of Chapter 58 of the General Statutes is amended
by adding a new section to read:

"§ 58-50-290. Prohibited contract provisions related to reimbursement rates.

No contract for the provision of health care services shall do any of the following:

- (1) Prohibit, or grant a health insurance carrier an option to prohibit, a participating provider from contracting with another health insurance carrier to provide health care services at a rate that is equal to or lower than the payment specified in the contract.
- (2) Require a participating provider to accept a lower payment rate in the event the participating provider agrees to provide health care services to any other health insurance carrier at a rate that is equal to or lower than the payment specified in the contract.
- (3) Require, or grant a health insurance carrier an option to require, termination or renegotiation of the existing health care contract in the event a participating provider agrees to provide health care services to any other health insurance carrier at a rate that is equal to or lower than the payment specified in the contract.
- (4) Require, or grant a health insurance carrier an option to require, a participating provider to disclose, directly or indirectly, the participating provider's contractual rates with another health insurance carrier.
- (5) Require, or grant a health insurance carrier an option to require, the nonnegotiated adjustment by the issuer of a participating provider's contractual rate to equal the lowest rate the provider has agreed to charge any other health insurance carrier.
- (6) Require, or grant a health insurance carrier an option to require, a participating provider to charge another health insurance carrier a rate that is equal to or more than the reimbursement rate specified in the contract."

SECTION 2. This act becomes effective October 1, 2011.



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