

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL 505
PROPOSED COMMITTEE SUBSTITUTE S505-PCS35268-BC-16

Short Title: Medical Billing Transparency.

(Public)

Sponsors:

Referred to:

April 6, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO PREVENT NORTH CAROLINIANS FROM BECOMING VICTIMS OF
3 SURPRISE BILLING BY OUT-OF-NETWORK HEALTH CARE PROVIDERS THAT
4 HAVE RENDERED HEALTH CARE SERVICES AT HEALTH SERVICES FACILITIES
5 THAT ARE IN-NETWORK WITH AN INDIVIDUAL'S HEALTH BENEFIT PLAN.

6 Whereas, insureds receiving health care services in North Carolina have been placed
7 in the untenable position of receiving surprise bills from certain health care provider types even
8 though the insureds have chosen to utilize a health care facility that is in-network as a
9 participating provider with their health benefit plan; and

10 Whereas, in those cases, insureds in North Carolina often do not have a choice of
11 which health care provider by whom they will be treated while at their chosen in-network health
12 services facility; and

13 Whereas, it is in the best interest of North Carolinians to retain the choice and control
14 over their finances which are impacted by choice of health services facilities and to avoid
15 becoming victims of surprise billing by out-of-network health care providers rendering health
16 care services at in-network health services facilities; Now, therefore,
17 The General Assembly of North Carolina enacts:

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

20 **"§ 58-3-295. Contract requirements for limitations on billing by in-network health services**
21 **facilities.**

22 (a) The following definitions apply in this section:

23 (1) Health care provider. – Any individual licensed, registered, or certified under
24 Chapter 90 of the General Statutes, or under the laws of another state, to
25 provide health care services in the ordinary care of business or practice, as a
26 profession, or in an approved education or training program in any of the
27 following:

28 a. Anesthesia or anesthesiology.

29 b. Emergency services, as defined under G.S. 58-3-190(g).

30 c. Pathology.

31 d. Radiology.

32 e. Rendering assistance to a physician performing any of the services
33 listed in this subdivision.

34 (2) Health services facility. – As defined in G.S. 131E-176(9b) and including any
35 office location.



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1 (3) Out-of-network provider. – A health care provider that has not entered into a
2 contract or agreement with an insurer to participate in one of the insurer's
3 provider networks for the provision of health care services at a pre-negotiated
4 rate.

5 (b) All contracts or agreements for participation as an in-network health services facility
6 between an insurer offering health benefit plans in this State and a health services facility at
7 which there are out-of-network providers who may be part of the provision of services to an
8 insured while receiving care at the health services facility shall require that an in-network health
9 services facility shall give at least 72 hours' advanced written notification to an insured that has
10 scheduled an appointment at that health services facility of any out-of-network provider who will
11 be part of the provision of the insured's health care services. If there is not at least 72 hours
12 between the scheduling of the appointment and the appointment, then the in-network health
13 services facility shall give the written notice to the insured on the day the appointment is
14 scheduled. In the case of emergency services, the health services facility shall give written notice
15 to the insured as soon as reasonably possible. The written notice required by this subsection shall
16 include all of the following:

17 (1) All of the health care providers that will be rendering services to the insured
18 that are not participating as in-network health care providers in the applicable
19 insurer's network.

20 (2) The estimated cost to the insured of the services being rendered by the
21 out-of-network providers identified in subdivision (1) of this subsection.

22 (c) If any provision of this section conflicts with the federal Consolidated Appropriations
23 Act, 2021, P.L. 116-260, and any amendments to that act or regulations promulgated pursuant to
24 that act, then the provisions of P.L. 116-260 will be applied."

25 **SECTION 2.** This act becomes effective January 1, 2022, and applies to contracts
26 entered into, amended, or renewed on or after that date.