

§ 58-65-25. Hospital, physician, dentist, and optometrist contracts.

(a) Any full-service corporation organized under this Article may enter into contracts for the rendering of hospital service to any of its subscribers by hospitals approved by the American Medical Association or the North Carolina Hospital Association.

(a1) Any hospital service corporation may enter into contracts for the provision of, or the payment in whole or in part for, medical, dental, or vision services rendered to any of its subscribers by duly licensed physicians, dentists, or optometrists in accordance with this Article.

(a2) All obligations arising under contracts issued by a hospital service corporation to its subscribers shall be satisfied by payments made (i) directly to the hospitals or physicians, dentists, or optometrists rendering the service, or (ii) directly to the subscriber or the subscriber's legal representatives upon the receipt by the corporation from the subscriber of a statement marked paid by the hospitals, physicians, dentists, or optometrists rendering the applicable service. Nothing in this section shall be construed to discriminate against hospitals conducted by other schools of medical practice.

(b) All certificates, plans or contracts issued to subscribers or other persons by hospital service corporations operating under this Article shall contain in substance a provision as follows: "After two years from the date of issue of this certificate, contract or plan no misstatements, except fraudulent misstatements made by the applicant in the application for such certificate, contract or plan, shall be used to void said certificate, contract or plan, or to deny a claim for loss incurred or disability (as therein defined) commencing after the expiration of such two-year period." (1941, c. 338, s. 3; 1943, c. 537, s. 2; 1947, c. 820, s. 1; 1955, c. 850, s. 7; 1961, c. 1149; 1979, c. 755, s. 17; 1997-259, s. 16; 2021-169, s. 1.)