

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE BILL 665\*

Short Title: County Medicaid Billing Systems.

(Public)

Sponsors: Senators Hartsell; and Holloman.

Referred to: Health Care.

March 17, 2005

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE PUBLIC HEALTH AUTHORITIES TO CONTRACT  
3 DIRECTLY WITH PRIVATE VENDORS TO OPERATE THE COUNTY  
4 BILLING SYSTEM FOR MEDICAID CLAIMS.

5 Whereas, the county share of the nonfederal share of Medicaid costs has a  
6 significant impact on county resources and cash flow; and

7 Whereas, more timely reimbursement of county Medicaid claims would  
8 improve county cash flow; and

9 Whereas, the current process for Medicaid billing is more complicated than  
10 necessary; and

11 Whereas, contracting with a private vendor to interface directly with the State  
12 Medicaid billing system would make the billing process for county Medicaid claims  
13 much simpler than it now is; and

14 Whereas, county public health authorities would benefit from private  
15 vendor-operated Medicaid billing by enabling the authorities to optimize revenue  
16 through efficiencies that are currently not in place through the State billing system;

17 Now, therefore,

18 The General Assembly of North Carolina enacts:

19 **SECTION 1.** Part 1B of Article 2 of Chapter 130A of the General Statutes is  
20 amended by adding the following new section to read:

21 **§ 130A-45.13. Authority to contract directly with private providers to operate**  
22 **billing system for county Medicaid claims.**

23 A public health authority board may contract directly with private vendors to operate  
24 the authority's Medicaid billing system as an alternative to the State-operated health  
25 services information system. The contract may provide for the private vendor to bill  
26 directly the State Medicaid billing system (MMIS), thereby bypassing the State health  
27 services information system (HSIS). The public health authority shall issue a "request  
28 for proposal" to solicit private vendor bids for contracts authorized under this section."

1           **SECTION 2.** This act is effective when it becomes law and applies to  
2 county Medicaid claims arising on and after that date.