

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 665*
Health Care Committee Substitute Adopted 5/5/05

Short Title: Public Hlth Authorities/Co. Medicaid Billing.

(Public)

Sponsors:

Referred to:

March 17, 2005

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE PUBLIC HEALTH AUTHORITIES TO CONTRACT
2 DIRECTLY WITH PRIVATE VENDORS TO OPERATE THE COUNTY
3 BILLING SYSTEM FOR MEDICAID CLAIMS AND TO AUTHORIZE PUBLIC
4 HEALTH AUTHORITIES TO INCREASE THEIR MEMBERSHIP.
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6 Whereas, the county share of the nonfederal share of Medicaid costs has a
7 significant impact on county resources and cash flow; and

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

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

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

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

19 The General Assembly of North Carolina enacts:

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

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

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

1 **SECTION 2.** G.S. 130A-45.1 reads as rewritten:

2 "**§ 130A-45.1. Membership of the public health authority board.**

3 (a) A public health authority board shall be the policy-making, rule-making, and
4 adjudicatory body for a public health authority and shall be composed of no fewer than
5 seven members and no more than nine members; except that in an authority comprising
6 two or more counties, the board shall be composed of no more than 11 members.
7 Boards which intend to pursue federally qualified health center (or look-alike) status
8 may have no fewer than nine and no more than 25 members.

9 (b) In a single county authority, the county board of commissioners shall appoint
10 the members of the board; in an authority comprising two or more counties, the chair of
11 the county board of commissioners of each county in the authority shall appoint one
12 county commissioner, or the commissioner's express designee, to the authority board
13 and these members shall jointly appoint the other members of the board.

14 (c) The members of the board shall include:

15 (1) At least one physician licensed under Chapter 90 of the General
16 Statutes to practice medicine in this State, and at least one dentist
17 licensed under Article 2 of Chapter 90 of the General Statutes to
18 practice dentistry in this State;

19 (2) At least one county commissioner or the commissioner's express
20 designee from each county in the authority;

21 (3) At least two licensed or registered professionals from any of the
22 following professions: optometry, veterinary science, nursing,
23 pharmacy, engineering, or accounting;

24 (4) At least one member from the administrative staff of a hospital serving
25 the authority service area; and

26 (5) At least one member from the general public.

27 (d) Except as provided in this subsection, members of the board shall serve terms
28 of three years. ~~Two of the original members shall serve terms of one year, and two of~~
29 ~~the original members shall serve terms of two years.~~ In order to establish a uniform
30 staggered term structure for the Board, a member may be appointed for less than a
31 three-year term."

32 **SECTION 3.** This act is effective when it becomes law. Section 1 of this act
33 applies to county Medicaid claims arising on or after that date.