

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH50494-LN-274 (4/10)

Short Title: Hlth Ins. Policy Change/Fiscal Impact. (Public)

Sponsors: Representative England.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REQUIRE INSURERS THAT PROVIDE HEALTH BENEFIT PLANS TO PROVIDE HEALTH CARE PROVIDERS WITH A FISCAL IMPACT REPORT WHEN THE INSURER MAKES A SUBSTANTIAL POLICY CHANGE.

The General Assembly of North Carolina enacts:

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

"§ 58-50-47. Insurers provide fiscal impact report to health care providers that provide services covered under the insurer's health benefit plan.

(a) An insurer that provides a health benefit plan as defined in G.S. 58-3-167 shall, prior to implementing a substantial change in the provider policy, prior authorization policy, endorsement of a method of alternative health care delivery model, cost containment policy, or any other cost-saving measures implemented under health plan administration, provide to all enrolled and affected health care providers a full analysis of the direct and indirect fiscal impact of the change on the health care provider's practice or business. The analysis shall comply with the requirements of subsection (b) of this section.

(b) Prior to the implementation of a substantial change in health plan administration designed to produce cost savings, the health benefit plan administrator shall conduct a fiscal analysis and fiscal impact study that provides detailed information regarding the following:

- (1) A full description of the proposed cost-saving measure or policy change, including the reason for the change and the intended results.
- (2) The anticipated savings accruing to the health benefit plan as a result of implementation of the cost-saving measure or policy change.

- 1 (3) The types of health care providers, or groups of providers that will be
2 affected by the proposed cost-saving measure or policy change.
- 3 (4) The projected cost savings that will accrue to the health benefit plan
4 immediately upon implementation of the cost-saving measure or
5 policy change, and over the long term.
- 6 (5) Anticipated premium reductions or health care cost savings that will be
7 passed along to the health benefit plan's nonprovider customers.
- 8 (6) The anticipated amount of savings to be remitted to the providers
9 whose expertise, methods, time, effort, and resources are responsible
10 for generating the savings.
- 11 (7) The anticipated cost to the affected providers or provider groups to
12 implement the cost-saving measure or policy change on behalf of the
13 health benefit plan.
- 14 (8) The methods for communicating the cost-saving measure or policy
15 change to affected providers or groups of providers.
- 16 (9) The adjustments to the rate of payment to the provider required to
17 compensate for the additional costs to the provider incurred during the
18 course of implementation of the cost-saving measure or policy change.
- 19 (10) The projected savings that will be distributed to the providers that
20 generate the savings to the health benefit plan.

21 (c) An insurer that provides a health benefit plan as defined in G.S. 58-3-167, or
22 an entity licensed to administer health care benefits on behalf of any other entity, may
23 not implement a cost-saving measure or policy change that substantially affects the cost
24 of delivery health services by licensed providers or groups of providers without having
25 developed a plan to fully compensate the enrolled health care providers for the costs
26 associated with implementing the cost-saving measure or policy change, including a
27 share of the savings attributable to the providers' actual investment of time, expertise,
28 and expense required to implement the cost-saving measure or policy change on behalf
29 of the health benefit plan. The amount of savings projected shall include any long-term
30 benefits and savings accruing to the health benefit plan realized by the implementation
31 of the cost-saving measure or policy change."

32 **SECTION 2.** This act becomes effective January 1, 2008, and applies to
33 health benefit plans issued, delivered, or renewed on and after that date.