

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 855
House Committee Substitute Favorable 6/18/96

Short Title: Public Hospitals Managed Care.

(Public)

Sponsors:

Referred to:

April 26, 1995

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE PUBLIC HOSPITALS TO DEVELOP VARIOUS
MANAGED CARE ORGANIZATIONS AND MANAGED CARE PRODUCTS
WITH PROVIDERS AND INSURERS AND TO AMEND THE PUBLIC
RECORDS LAW.

The General Assembly of North Carolina enacts:

Section 1. Article 2 of Chapter 131E of the General Statutes is amended by
inserting a new section to read:

"§ 131E-7.1. Public hospitals' managed care development authorized.

A public hospital as defined in G.S. 159-39(a) may acquire an ownership
interest, in whole or in part, in a nonprofit or for-profit managed care company, including
a health maintenance organization, physician hospital organization, physician
organization, management services organization, or preferred provider organization with
which the public hospital is also directly or indirectly a contracting provider. Ownership
interest may be evidenced by the ownership, or acquired by the purchase of stock. This
ownership or acquisition of stock is the exercise of a health care function and is not the
investment of idle funds within the meaning of G.S. 159-30 and G.S.159-39(g)."

Sec. 2. Part F of Article 5 of Chapter 131E of the General Statutes is amended
by adding the following new section:

1 **"§ 131E-99. Confidentiality of health care contracts.**

2 A contract related to the provision of health care between a hospital and a managed
3 care organization, insurance company, employer, or other payer is confidential and not a
4 public record under Chapter 132 of the General Statutes.

5 Sec. 3. Chapter 116 of the General Statutes is amended by adding the
6 following new section:

7 **"§ 116-40.6. Confidentiality of alumni records.**

8 Information about alumni of the constituent institutions of The University of North
9 Carolina collected by or on behalf of or received by those institutions is not a public
10 record under Chapter 132 of the General Statutes."

11 Sec. 4. Section 1 of this act becomes effective July 1, 1996, and applies to
12 acquisitions on or after that date. The remainder of this act is effective upon ratification.
13 Section 2 of this act shall not affect any litigation pending as of the effective date of
14 Section 2.