

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

SENATE BILL 877  
RATIFIED BILL

AN ACT RELATING TO CONTRACTS BETWEEN HEALTH BENEFIT PLANS AND  
HEALTH CARE PROVIDERS.

The General Assembly of North Carolina enacts:

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

"Part 7. Contracts between health benefit plans and health care providers.

**"§ 58-50-270. Definitions.**

Unless the context clearly requires otherwise, the following definitions apply in this Part.

- (1) 'Amendment' – Any change to the terms of a contract, including terms incorporated by reference, that modifies fee schedules. A change required by federal or State law, rule, regulation, administrative hearing, or court order is not an amendment.
- (2) 'Contract' – An agreement between an insurer and a health care provider for the provision of health care services by the provider on a preferred or in-network basis.
- (3) 'Health benefit plan' – A policy, certificate, contract, or plan as defined in G.S. 58-3-167.
- (4) 'Insurer' – An entity as defined in G.S. 58-3-227(a)(4).

**"§ 58-50-271. Notice contact provisions.**

(a) All contracts shall contain a "notice contact" provision listing the name or title and address of the person to whom all correspondence, including proposed amendments and other notices, pertaining to the contractual relationship between parties shall be provided. Each party to a contract shall designate its notice contact under such contract.

(b) Date of receipt for all notices provided under a contract shall be calculated as five business days following the date the notice is placed, first-class postage prepaid, in the United States mail.

**"§ 58-50-272. Contract amendments.**

(a) A health benefit plan or insurer shall send any proposed contract amendment to the notice contact of a health care provider pursuant to G.S. 58-50-271. The proposed amendment shall be dated, labeled "Amendment," signed by the health benefit plan or insurer, and include an effective date for the proposed amendment.

(b) A health care provider receiving a proposed amendment shall be given at least 60 days from the date of receipt to object to the proposed amendment. The proposed amendment shall be effective upon the health care provider failing to object in writing within 60 days.

(c) If a health care provider objects to a proposed amendment, then the proposed amendment is not effective and the initiating health benefit plan or insurer shall be entitled to terminate the contract upon 60 days written notice to the health care provider.

**"§ 58-50-273. Policies and procedures.**

(a) A health benefit plan or insurer shall provide a copy of its policies and procedures to a health care provider prior to execution of a new or amended contract and annually to all contracted health care providers. Such policies and procedures may be provided to the health care provider in hard copy, CD, or other electronic format, and may also be provided by posting the policies and procedures on the Web site of the health plan or insurer.

(b) The policies and procedures of a health benefit plan or insurer shall not conflict with or override any term of a contract, including contract fee schedules. In the event of a conflict between a policy or procedure and the language in a contract, the contract language shall prevail."



**SECTION 2.** This act becomes effective January 1, 2010, and applies to health benefit plan contracts between health care providers and health benefit plans or insurers delivered, amended, or renewed on and after that date.

In the General Assembly read three times and ratified this the 16<sup>th</sup> day of July, 2009.

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Walter H. Dalton  
President of the Senate

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Joe Hackney  
Speaker of the House of Representatives

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Beverly E. Perdue  
Governor

Approved \_\_\_\_\_ .m. this \_\_\_\_\_ day of \_\_\_\_\_, 2009