

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 744

Short Title: Transparency in the Cost of Health Care. (Public)

Sponsors: Senators Goolsby; and Hunt.

Referred to: Health Care.

April 20, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW EMPLOYERS ACCESS TO INFORMATION ABOUT THEIR
3 GROUP HEALTH PLANS.

4 The General Assembly of North Carolina enacts:

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

7 "Part 8. Reporting of Group Claims Information to Employers.

8 **"§ 58-50-300. Definitions.**

9 In this Part, "protected health information" is as defined in the Health Insurance Portability
10 and Accountability Act of 1996, Pub. L. No. 104-191, as amended.

11 **"§ 58-50-305. Access to information by employers.**

12 (a) An employer shall be entitled to a report of claim information from its health
13 benefits provider for its employee group health plan. The report shall include the following
14 information for the 36 months prior to the employer's request, subject to the other provisions of
15 this Part:

16 (1) Aggregate paid claims experience by month, including claims experience for
17 medical, dental, and pharmacy benefits, as applicable.

18 (2) Total premium paid by month.

19 (3) Total number of covered employees on a monthly basis by coverage tier,
20 including whether coverage was for:

21 a. An employee only.

22 b. An employee with dependents only.

23 c. An employee with a spouse only.

24 d. An employee with a spouse and dependents.

25 (4) The total dollar amount of claims pending as of the date of the report.

26 (5) A separate description and individual claims report for any individual whose
27 total paid claims exceed fifteen thousand dollars (\$15,000) during the
28 12-month period preceding the date of the report, including the following
29 information related to the claims for that individual:

30 a. A unique identifying number, characteristic, or code for the
31 individual, so as not to identify the individual by name, social
32 security number, subscriber or member identification number, policy
33 number, or other information that could allow the employer to
34 identify the individual.

35 b. The amounts paid.

36 c. Dates of service.

37 d. Applicable procedure codes and diagnosis codes.



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1 (6) For claims that are not part of the report described by subdivisions (1)
2 through (5) of this subsection, a statement describing precertification
3 requests for hospital stays of five days or longer that were made during the
4 30-day period preceding the date of the report.

5 (b) In order to receive the information contained in subdivisions (5) through (6) of
6 subsection (a) of this section, an appropriately authorized representative of the employer must
7 issue to the health care benefits provider a certification substantially similar to the following:

8 'I hereby certify that the plan documents comply with the requirements of 45
9 C.F.R. Section 164.504(f)(2) and that the employer will safeguard and limit
10 the use and disclosure of protected health information that the employer may
11 receive from the health care benefits provider only to perform plan
12 administration functions.'

13 (c) An employer shall be entitled to request and receive information under this Part up
14 to two years following the termination of the contract with the health care benefits provider to
15 provide health care benefits for the employer's employees.

16 **"§ 58-50-310. Provision of report by health benefits provider.**

17 (a) Upon written request by an employer under G.S. 58-50-305, a health care benefits
18 provider shall, within 30 days of the request, provide the information required under
19 G.S. 58-50-305 in one of the following forms:

20 (1) In a written report.

21 (2) Through an electronic file transmitted by secure electronic mail or a secure
22 file transfer protocol site.

23 (3) By making the required information available through a secure Web site or
24 Web portal accessible by the requesting employer.

25 (b) A health care benefits provider shall not disclose protected health information in a
26 report of claim information provided under this Part if the health insurance issuer is prohibited
27 from disclosing that information under another State or federal law that imposes more stringent
28 privacy restrictions than those imposed under the Health Insurance Portability and
29 Accountability Act of 1996, Pub. L. No. 104-191, as amended. To withhold information in
30 accordance with this subsection, the health insurance issuer must do all of the following:

31 (1) Notify the plan, plan sponsor, or plan administrator requesting the report that
32 information is being withheld.

33 (2) Provide to the plan, plan sponsor, or plan administrator a list of categories of
34 claim information that the health insurance issuer has determined are subject
35 to the more stringent privacy restrictions under another State or federal law.

36 (c) A health care benefits provider shall not be required to provide a report to an
37 employer more than twice in a 12-month period.

38 **"§ 58-50-315. Request for additional information on specific employees.**

39 (a) An employer may, within 10 days of receipt of the report, make a written request to
40 the health care benefits provider for additional information on specific employees for whom
41 information was provided under G.S. 58-50-305(a)(5).

42 (b) Following a request under subsection (a) of this section, a health care benefits
43 provider shall provide the following, if they are available:

44 (1) Information on the prognosis or recovery.

45 (2) For individuals in active case management, the most recent case
46 management information, including any future expected costs and treatment
47 plan, that relate to the claims for that individual.

48 (c) The health care benefits provider shall respond within 15 days of the receipt of the
49 request for additional information, unless the employer agrees to a request of the health care
50 benefits provider for additional time.

1 (d) The health insurance issuer shall not produce the report described by this section
2 unless the employer provides the certification required under G.S. 58-50-305(b).

3 **"§ 58-50-320. Applicability of Part to governmental entities; reports not public record.**

4 (a) A governmental entity that contracts with a health care benefits provider may
5 request a report under this Part as an employer.

6 (b) A report of claim information provided under this Part to a governmental entity
7 shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

8 **"§ 58-50-325. Compliance with Part does not create liability.**

9 A health care benefits provider issuer that releases information, including protected health
10 information, in accordance with this Part has not violated a standard of care and is not liable for
11 civil damages resulting from, and is not subject to criminal prosecution for, releasing that
12 information.

13 **"§ 58-50-330. Penalty for noncompliance.**

14 A health care benefits provider that does not comply with the provisions of this Part shall be
15 subject to the provisions of G.S. 58-2-70."

16 **SECTION 2.** This act becomes effective October 1, 2011.