

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 37

Short Title: Health Benefit Plan Disclosure.

(Public)

Sponsors: Representatives Nye, Nesbitt, Cunningham, Edwards, Insko; Justus, Luebke, Wainwright, Weiss, and Womble.

Referred to: Insurance.

February 1, 2001

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR HEALTH BENEFIT PLAN DISCLOSURE TO AND SUMMARY PLAN INFORMATION FOR PROSPECTIVE INSURED.

The General Assembly of North Carolina enacts:

SECTION 1. Article 3 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"§ 58-3-240. Health benefit plan disclosure and summary plan information.

An insurer shall provide every prospective applicant and prospective enrollee with a clear and concise description of the coverage provided by the insurer's health benefit plan. The description shall be printed on a form prescribed by the Commissioner. The description shall specify:

- (1) Definitions of terms used in the health benefit plan.
- (2) A brief description of the principal benefits and coverage provided, including any coverage exclusions or limitations.
- (3) A brief description of how coverage determinations are made, including whether factors other than medical necessity and coverage exclusions and limitations are considered.
- (4) A brief explanation of insurer and insured payment responsibilities, including how plan allowances, such as 'usual and customary charges', are developed.
- (5) A brief explanation of provider network limitations and requirements, including requirements for the use of sub-networks, prior authorization or precertification, and the arrangements of tertiary and quaternary care.
- (6) Tax and health plan accreditation status of the insurer.

1 (7) A statement that the outline is a summary of the health benefit plan
2 and that the health benefit plan should be examined to determine
3 specific health benefit plan provisions."

4 **SECTION 2.** This act is effective when it becomes law. This act applies to
5 all health benefit plans that are delivered, issued for delivery, or renewed on or after
6 January 1, 2003.