

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 517*

Short Title: Freedom to Negotiate Health Care Rates. (Public)

Sponsors: Senators Apodaca; and Pate.

Referred to: Insurance.

April 6, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW HEALTH PROVIDERS AND HEALTH INSURERS TO FREELY
3 NEGOTIATE REIMBURSEMENT RATES BY PROHIBITING CONTRACT
4 PROVISIONS THAT RESTRICT RATE NEGOTIATIONS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Part 7 of Article 50 of Chapter 58 of the General Statutes is amended
7 by adding a new section to read:

8 "**§ 50-58-270. Prohibited contract provisions related to reimbursement rates.**

9 No contract for the provision of health care services shall do any of the following:

- 10 (1) Prohibit, or grant a health carrier an option to prohibit, a participating
11 provider from contracting with another health carrier to provide health care
12 services at a rate that is equal to or lower than the payment specified in the
13 contract.
- 14 (2) Require a participating provider to accept a lower payment rate in the event
15 the participating provider agrees to provide health care services to any other
16 health carrier at a rate that is equal to or lower than the payment specified in
17 the contract.
- 18 (3) Require, or grant a health carrier an option to require, termination or
19 renegotiation of the existing health care contract in the event a participating
20 provider agrees to provide health care services to any other health carrier at a
21 rate that is equal to or lower than the payment specified in the contract.
- 22 (4) Require, or grant a health carrier an option to require, a participating
23 provider to disclose, directly or indirectly, the participating provider's
24 contractual rates with another health carrier.
- 25 (5) Require, or grant a health carrier an option to require, the nonnegotiated
26 adjustment by the issuer of a participating provider's contractual rate to equal
27 the lowest rate the provider has agreed to charge any other health carrier.
- 28 (6) Require, or grant a health carrier an option to require, a participating
29 provider to charge another health carrier a rate that is equal to or more than
30 the reimbursement rate specified in the contract."

31 SECTION 2. This act becomes effective October 1, 2011.

