

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE BILL 517\*  
Insurance Committee Substitute Adopted 6/7/11

Short Title: Freedom to Negotiate Health Care Rates.

(Public)

Sponsors:

Referred to:

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 "**§ 58-50-290. 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 insurance carrier an option to prohibit, a  
11 participating provider from contracting with another health insurance carrier  
12 to provide health care services at a rate that is equal to or lower than the  
13 payment specified in the 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 insurance carrier at a rate that is equal to or lower than the payment  
17 specified in the contract.
- 18 (3) Require, or grant a health insurance carrier an option to require, termination  
19 or renegotiation of the existing health care contract in the event a  
20 participating provider agrees to provide health care services to any other  
21 health insurance carrier at a rate that is equal to or lower than the payment  
22 specified in the contract.
- 23 (4) Require, or grant a health insurance carrier an option to require, a  
24 participating provider to disclose, directly or indirectly, the participating  
25 provider's contractual rates with another health insurance carrier.
- 26 (5) Require, or grant a health insurance carrier an option to require, the  
27 nonnegotiated adjustment by the issuer of a participating provider's  
28 contractual rate to equal the lowest rate the provider has agreed to charge  
29 any other health insurance carrier.
- 30 (6) Require, or grant a health insurance carrier an option to require, a  
31 participating provider to charge another health insurance carrier a rate that is  
32 equal to or more than the reimbursement rate specified in the contract."

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

