

GENERAL ASSEMBLY OF NORTH CAROLINA
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SENATE BILL DRS15087-MR-76 (03/15)

Short Title: Utilization Review Laws Clarification. (Public)

Sponsors: Senators Tarte, Hise, and Pate (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THAT UTILIZATION REVIEW DOES NOT INCLUDE
3 STATISTICAL REVIEW OF A HEALTH CARE PROVIDER'S OR FACILITY'S
4 PRACTICE PATTERNS THAT IS NOT USED TO ADJUDICATE CLAIMS OR
5 APPROVE OR DENY THE PROVISION OF, OR PAYMENT FOR, SERVICES TO AN
6 INSURED INDIVIDUAL.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 58-50-61(a) reads as rewritten:

9 **"§ 58-50-61. Utilization review.**

10 (a) Definitions. – As used in this section, in G.S. 58-50-62, and in Part 4 of this Article,
11 the term:

12 ...

13 (17) "Utilization review" means a set of formal techniques designed to monitor
14 the use of or evaluate the clinical necessity, appropriateness, efficacy or
15 efficiency of health care services, procedures, providers, or
16 ~~facilities~~ facilities but does not include statistical review of a provider's or
17 facility's practice patterns that is not used to adjudicate claims or to approve
18 or deny the provision of, or payment for, services to an insured. These
19 techniques may ~~include~~ include all of the following:

- 20 a. Ambulatory review. – Utilization review of services performed or
21 provided in an outpatient setting.
- 22 b. Case management. – A coordinated set of activities conducted for
23 individual patient management of serious, complicated, protracted, or
24 other health conditions.
- 25 c. Certification. – A determination by an insurer or its designated URO
26 that an admission, availability of care, continued stay, or other
27 service has been reviewed and, based on the information provided,
28 satisfies the insurer's requirements for medically necessary services
29 and supplies, appropriateness, health care setting, level of care, and
30 effectiveness.
- 31 d. Concurrent review. – Utilization review conducted during a patient's
32 hospital stay or course of treatment.
- 33 e. Discharge planning. – The formal process for determining, before
34 discharge from a provider facility, the coordination and management
35 of the care that a patient receives after discharge from a provider
36 facility.



- 1 f. Prospective review. – Utilization review conducted before an
2 admission or a course of treatment including any required
3 preauthorization or precertification.
- 4 g. Retrospective review. – Utilization review of medically necessary
5 services and supplies that is conducted after services have been
6 provided to a patient, but not the review of a claim that is limited to
7 an evaluation of reimbursement levels, veracity of documentation,
8 accuracy of coding, or adjudication for payment. Retrospective
9 review includes the review of claims for emergency services to
10 determine whether the prudent layperson standard in G.S. 58-3-190
11 has been met.
- 12 h. Second opinion. – An opportunity or requirement to obtain a clinical
13 evaluation by a provider other than the provider originally making a
14 recommendation for a proposed service to assess the clinical
15 necessity and appropriateness of the proposed service.
- 16 (18) "Utilization review organization" or "URO" means an entity that conducts
17 utilization review under a managed care plan, but does not mean an insurer
18 performing utilization review for its own health benefit plan. An entity that
19 engages in a statistical review of a provider's or facility's practice patterns
20 that is not used to adjudicate claims or to approve or deny the provision of,
21 or payment for, services to an insured is not a utilization review
22 organization."

23 **SECTION 2.** This act is effective when it becomes law.