GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

SENATE BILL 397

Short Title:	Utilization Review Laws Clarification.	(Public)
Sponsors:	Senators Tarte, Hise, and Pate (Primary Sponsors).	
Referred to:	Rules and Operations of the Senate	

March 28, 2017

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

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

"**§ 58-50-61. Utilization review.**

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

…

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

a. Ambulatory review. – Utilization review of services performed or provided in an outpatient setting.

b. Case management. – A coordinated set of activities conducted for individual patient management of serious, complicated, protracted, or other health conditions.

c. Certification. – A determination by an insurer or its designated URO that an admission, availability of care, continued stay, or other service has been reviewed and, based on the information provided, satisfies the insurer's requirements for medically necessary services and supplies, appropriateness, health care setting, level of care, and effectiveness.

d. Concurrent review. – Utilization review conducted during a patient's hospital stay or course of treatment.

e. Discharge planning. – The formal process for determining, before discharge from a provider facility, the coordination and management of the care that a patient receives after discharge from a provider facility.

f. Prospective review. – Utilization review conducted before an admission or a course of treatment including any required preauthorization or precertification.

g. Retrospective review. – Utilization review of medically necessary services and supplies that is conducted after services have been provided to a patient, but not the review of a claim that is limited to an evaluation of reimbursement levels, veracity of documentation, accuracy of coding, or adjudication for payment. Retrospective review includes the review of claims for emergency services to determine whether the prudent layperson standard in G.S. 58-3-190 has been met.

h. Second opinion. – An opportunity or requirement to obtain a clinical evaluation by a provider other than the provider originally making a recommendation for a proposed service to assess the clinical necessity and appropriateness of the proposed service.

(18) "Utilization review organization" or "URO" means an entity that conducts utilization review under a managed care plan, but does not mean an insurer performing utilization review for its own health benefit plan. An entity that engages in a statistical review of a provider's or facility's practice patterns that is not used to adjudicate claims or to approve or deny the provision of, or payment for, services to an insured is not a utilization review organization."

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