

1 11 NCAC 20 .0202 is readopted as published in ~~32:19 32.18~~ NCR 1742-1743 with changes as follows:

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3 **11 NCAC 20 .0202 CONTRACT PROVISIONS**

4 All contract forms ~~that are created or amended on or after the effective date of this Section, and all contract forms that are~~
5 ~~executed later than six months after the effective date of this Section,~~ shall contain provisions addressing the following:

- 6 (1) Whether the contract and any attached or incorporated amendments, exhibits, or appendices constitute
7 the entire contract between the parties.
- 8 (2) Definitions of technical insurance or managed care terms used in the contract, and whether those
9 definitions reference other documents distributed to providers and are consistent with definitions
10 included in the evidence of coverage issued in conjunction with the network plan.
- 11 (3) ~~An indication of the term Term~~ of the contract.
- 12 (4) Any requirements for written notice of termination and each party's grounds for termination.
- 13 (5) The provider's continuing obligations after termination of the provider contract or in the case of the
14 carrier or intermediary's insolvency. The obligations shall address:
 - 15 (a) Transition of administrative duties and records.
 - 16 (b) Continuation of care, when inpatient care is on-going. If the carrier provides or arranges for
17 the delivery of health care services on a prepaid basis, inpatient care shall be continued until
18 the patient is ready for discharge.
- 19 (6) The provider's obligation to maintain licensure, accreditation, and credentials ~~sufficient to that~~ meet
20 the carrier's credential verification program requirements and to notify the carrier of subsequent
21 changes in status of any information relating to the provider's professional credentials.
- 22 (7) The provider's obligation to maintain professional liability insurance coverage in an amount acceptable
23 to the carrier and notify the carrier of subsequent changes in status of professional liability ~~insurance~~
24 ~~on a timely basis. insurance.~~
- 25 (8) With respect to member billing:
 - 26 (a) If the carrier provides or arranges for the delivery of health care services on a prepaid basis
27 under G.S. 58, ~~Article 67,~~ the provider shall not bill any network plan member for covered
28 services, except for specified coinsurance, copayments, and applicable deductibles. This
29 provision shall not prohibit a provider and member from agreeing to continue non-covered
30 services at the member's own expense, as long as the provider has notified the member in
31 advance that the carrier may not cover or continue to cover specific services and the member
32 chooses to receive the service.
 - 33 (b) Any provider's responsibility to collect applicable member deductibles, copayments,
34 coinsurance, and fees for noncovered services shall be specified.
- 35 (9) Any provider's obligation to arrange for call coverage or other back-up to provide service in
36 accordance with the carrier's standards for provider accessibility.

- 1 (10) The carrier's obligation to provide a mechanism that allows providers to verify member eligibility,
2 based on current information held by the carrier, before rendering health care services. Mutually
3 agreeable provision may be made for cases where incorrect or retroactive information was submitted
4 by employer groups.
- 5 (11) Provider requirements regarding patients' records. The provider shall:
- 6 (a) Maintain confidentiality of enrollee medical records and personal information as required by
7 G.S. 58, Article 39 and other health records as required by law.
- 8 (b) Maintain adequate medical and other health records according to industry and carrier
9 standards; standards established by the carrier and as required by law.
- 10 (c) Make copies of such records available to the carrier and Department in conjunction with its
11 regulation of the carrier.
- 12 (12) The provider's obligation to cooperate with members in member grievance procedures.
- 13 (13) A provision that the provider shall not discriminate against members on the basis of race, color,
14 national origin, gender, age, religion, marital status, health status, or health insurance coverage.
- 15 (14) Provider payment that describes the methodology to be used as a basis for payment to the provider (for
16 provider. For example, Medicare DRG reimbursement, discounted fee for service, withhold
17 arrangement, HMO provider capitation, or capitation with bonus); bonus.
- 18 (15) The carrier's obligations to provide data and information to the provider, such as:
- 19 (a) Performance feedback reports or information to the provider, if compensation is related to
20 efficiency criteria.
- 21 (b) Information on benefit exclusions; administrative and utilization management requirements;
22 credential verification programs; quality assessment programs; and provider sanction
23 policies. Notification of changes in these requirements shall also be provided by the carrier,
24 allowing providers time to comply with such changes. on:
- 25 (i) benefit exclusions;
- 26 (ii) administrative and utilization management requirements;
- 27 (iii) credential verification programs;
- 28 (iv) quality assessment programs; and
- 29 (v) provider sanction policies.
- 30 Notification of changes in these requirements shall also be provided by the carrier, allowing providers
31 time to comply with such changes.
- 32 (16) The provider's obligations to comply with the carrier's utilization management programs, credential
33 verification programs, quality management programs, and provider sanctions programs with the
34 provide stipulation that none of these shall override the professional or ethical responsibility of the
35 provider or interfere with the provider's ability to provide information or assistance to their patients.
- 36 (17) The provider's authorization and the carrier's obligation to include the name of the provider or the
37 provider group in the provider directory distributed to its members.

- 1 (18) Any process to be followed to resolve contractual differences between the carrier and the provider.
2 (19) Provisions on assignment of the contract shall contain:
3 (a) The provider's duties and obligations under the contract shall not be assigned, delegated, or
4 transferred without the prior written consent of the carrier.
5 (b) The carrier shall notify the provider, in writing, of any duties or obligations that are to be
6 delegated or transferred, before the delegation or transfer.
7

8 *History Note:* Authority G.S. 58-2-40(1); 58-2-131; 58-39-45; 58-39-75; ~~58-50-50; 58-50-55~~; 58-65-25; 58-65-105;
9 ~~58-65-140~~; 58-67-10; 58-67-20; 58-67-35; 58-67-65; 58-67-100; 58-67-115; 58-67-140; 58-67-150;
10 *Eff. ~~October 1, 1996.~~ October 1, 1996;*
11 *Readopted Eff. August 1, 2018*
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1 11 NCAC 20 .0204 is readopted as published in ~~32:19~~ 32.18 NCR 1742-1743 with changes as follows:

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3 **11 NCAC 20 .0204 CARRIER AND INTERMEDIARY CONTRACTS**

4 (a) If a carrier contracts with an intermediary for the provision of a network to deliver health care services, the carrier shall
5 file with the Division for prior approval its form contract with the intermediary. The filing shall be accompanied by a
6 certification from the carrier that the intermediary will, by the terms of the contract, be required to comply with all statutory
7 and regulatory requirements which that apply to the functions delegated. The certification shall also state that the carrier shall
8 monitor such compliance.

9 (b) A carrier's contract form with the intermediary shall state that:

10 (1) All provider contracts used by the intermediary shall comply with, and include applicable with the
11 provisions of, of 11 NCAC 20 .0202. Rule .0202 of this Section.

12 (2) The network carrier retains its legal responsibility to monitor and oversee the offering of services to its
13 members and financial responsibility to its members.

14 (3) The intermediary may not subcontract for its services without the carrier's written permission.

15 (4) The carrier may approve or disapprove participation of individual providers contracting with the
16 intermediary for inclusion in or removal from the carrier's own network plan.

17 (5) The carrier shall retain copies or the intermediary shall make available for review by the Department all
18 provider contracts and subcontracts held by the intermediary.

19 (6) If the intermediary organization assumes risk from the carrier or pays its providers on a risk basis or is
20 responsible for claims payment to its providers:

21 (A) The carrier shall receive documentation of utilization and claims payment and maintain
22 accounting systems and records necessary to support the arrangement. records.

23 (B) The carrier shall arrange for financial protection of itself and its members through such
24 approaches as member hold harmless language, retention of signatory control of the funds to be
25 disbursed, or financial reporting requirements.

26 (C) To the extent provided by law, the Department shall have access to the books, records, and
27 financial information to examine activities performed by the intermediary on behalf of the carrier.

28 Such books and records shall be maintained in the State of North Carolina.

29 (7) The intermediary shall comply with all applicable statutory and regulatory requirements that apply to the
30 functions delegated by the carrier and assumed by the intermediary.

31 (c) If a carrier contracts with an intermediary to provide health care services and pays that intermediary directly for the
32 services provided, the carrier shall either monitor the financial condition of the intermediary to ensure that providers are paid
33 for services, or maintain member hold harmless agreements with providers.

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35 *History Note:* Authority G.S. 58-2-40(1); 58-2-131; 58-34-10; 58-34-15; ~~58-50-50; 58-50-55;~~ 58-65-1; 58-65-25;
36 58-65-105; 58-65-140; 58-67-10; 58-67-20; 58-67-30; 58-67-35; 58-67-65; 58-67-100; 58-67-115;
37 ~~58-67-140;~~ 58-67-150;

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