

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 1195

Short Title: CON Repeal.

(Public)

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Sponsors: Representatives Pope; and Sizemore.

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Referred to: Human Resources.

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April 12, 1989

A BILL TO BE ENTITLED

AN ACT TO ABOLISH THE REQUIREMENT FOR A CERTIFICATE OF NEED IN  
THE HEALTH CARE INDUSTRY.

The General Assembly of North Carolina enacts:

Section 1. Article 9 of Chapter 131E of the General Statutes is repealed.

Sec. 2. G.S. 131E-13(a) reads as rewritten:

"(a) A municipality or hospital authority as defined in G.S.131E-16(14), may lease, sell, or convey any hospital facility, or part, to a corporation, foreign or domestic, authorized to do business in North Carolina, subject to these conditions, which shall be included in the lease, agreement of sale, or agreement of conveyance:

(1) The corporation shall continue to provide the same or similar clinical hospital services to its patients in medical-surgery, obstetrics, pediatrics, outpatient and emergency treatment, including emergency services for the indigent, that the hospital facility provided prior to the lease, sale, or conveyance. These services may be terminated only as prescribed by ~~Certificate of Need Law prescribed in Article 9 of Chapter 131E of the General Statutes, or, if Certificate of Need Law is inapplicable,~~ by review procedure designed to guarantee public participation pursuant to rules adopted by the Secretary of the Department of Human Resources.

(2) The corporation shall ensure that indigent care is available to the population of the municipality or area served by the hospital authority at levels related to need, as previously demonstrated and determined mutually by the municipality or hospital authority and the corporation.

1           (3)    The corporation shall not enact financial admission policies that have  
2                    the effect of denying essential medical services or treatment solely  
3                    because of a patient's immediate inability to pay for the services or  
4                    treatment.

5           (4)    The corporation shall ensure that admission to and services of the  
6                    facility are available to beneficiaries of governmental reimbursement  
7                    programs (Medicaid/Medicare) without discrimination or preference  
8                    because they are beneficiaries of those programs.

9           (5)    The corporation shall prepare an annual report that shows compliance  
10                   with the requirements of the lease, sale, or conveyance.

11           The corporation shall further agree that if it fails to substantially comply with these  
12           conditions, or if it fails to operate the facility as a community general hospital open to  
13           the general public and free of discrimination based on race, creed, color, sex, or national  
14           origin unless relieved of this responsibility by operation of law, or if the corporation  
15           dissolves without a successor corporation to carry out the terms and conditions of the  
16           lease, agreement of sale, or agreement of conveyance, all ownership or other rights in  
17           the hospital facility, including the building, land and equipment associated with the  
18           hospital, shall revert to the municipality or hospital authority or successor entity  
19           originally conveying the hospital; provided that any building, land, or equipment  
20           associated with the hospital facility that the corporation has constructed or acquired  
21           since the sale may revert only upon payment to the corporation of a sum equal to the  
22           cost less depreciation of the building, land, or equipment.

23           This section shall not apply to leases, sales, or conveyances of nonmedical services  
24           or commercial activities, including the gift shop, cafeteria, the flower shop, or to surplus  
25           hospital property that is not required in the delivery of necessary hospital services at the  
26           time of the lease, sale, or conveyance.

27           Neither G.S. 153A-176 nor Article 12 of Chapter 160A of the General Statutes shall  
28           apply to leases, sales or conveyances under this section."

29           Sec. 3. This act shall become effective July 1, 1989.