

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

**H**

**1**

**HOUSE BILL 1858**

Short Title: Funds for Rural Hospital Operations/Maint. (Public)

---

Sponsors: Representatives Nye; Lewis and Underhill.

---

Referred to: Appropriations.

---

May 10, 2006

A BILL TO BE ENTITLED  
AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND  
HUMAN SERVICES FOR OPERATIONS AND MAINTENANCE ASSISTANCE  
TO SMALL RURAL HOSPITALS.

The General Assembly of North Carolina enacts:

**SECTION 1.** There is appropriated from the General Fund to the Department of Health and Human Services, Office of Rural Health and Community Care, the sum of six million dollars (\$6,000,000) for the 2006-2007 fiscal year. These funds shall be allocated to small rural hospitals in need of assistance with the operations and infrastructure maintenance of the hospital. These funds may be used for:

- (1) Capital and operational needs of small rural hospitals. The Office of Rural Health and Community Care shall convene an advisory group to establish criteria for distribution of these funds. The criteria shall include the number of indigent patients served, the number of Medicaid recipients served, the per capita income of the area served by the hospital, and the financial needs of the hospital; and
- (2) Pilot demonstration programs that address issues critical to the long-term survivability of rural hospitals such as: development of regional care networks for mental health services; restructuring of emergency department and outpatient services; and disease-focused regional referral and care networks. The Office of Rural Health and Community Care shall convene an advisory group to establish criteria for the pilot demonstration projects, distribution of funds, and monitoring and evaluation of the pilot projects.

The Office of Rural Health and Community Care shall report on the allocation of funds appropriated under this section to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division not later than April 1, 2007.

1

**SECTION 2.** This act becomes effective July 1, 2006.