

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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SENATE BILL 698  
House Committee Substitute Favorable 9/24/15  
Third Edition Engrossed 9/28/15

Short Title: Legacy Medical Care Facility/CON Exempt.

(Public)

Sponsors:

Referred to:

March 30, 2015

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE FOR CERTAIN EXEMPTIONS UNDER THE CERTIFICATE OF  
3 NEED LAW.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 131E-176 is amended by adding a new subdivision to read:

6 "(14f) "Legacy Medical Care Facility" means an institution that meets all of the  
7 following requirements:

8 a. Is not presently operating.

9 b. Has not continuously operated for at least the past six months.

10 c. Within the last 24 months:

11 1. Was operated by a person holding a license under  
12 G.S. 131E-77; and

13 2. Was primarily engaged in providing to inpatients, by or under  
14 supervision of physicians, (i) diagnostic services and  
15 therapeutic services for medical diagnosis, treatment, and  
16 care of injured, disabled, or sick persons or (ii) rehabilitation  
17 services for the rehabilitation of injured, disabled, or sick  
18 persons."

19 **SECTION 2.** G.S. 131E-184 is amended by adding a new subsection to read:

20 "(h) The Department shall exempt from certificate of need review the acquisition or  
21 reopening of a Legacy Medical Care Facility. The person seeking to operate a Legacy Medical  
22 Care Facility must give the Department written notice (i) of its intention to acquire or reopen a  
23 Legacy Medical Care Facility and (ii) that the hospital will be operational within 36 months of  
24 the notice."

25 **SECTION 3.** G.S. 131E-13 is amended by adding a new subsection to read:

26 "(h) A municipality or hospital authority that has complied with the requirements of  
27 subdivisions (1) through (6) of subsection (d) of this section but has not, following good-faith  
28 negotiations, approved any lease, sale, or conveyance as required by subdivisions (7) and (8) of  
29 subsection (d) of this section may, not less than 120 days following the public hearing required  
30 by subdivision (5) of subsection (d) of this section, solicit additional prospective lessees or  
31 buyers not previously solicited as required by subdivision (2) of subsection (d) of this section  
32 and may approve any lease, sale, or conveyance without the necessity to repeat compliance  
33 with the requirements of subdivisions (1) through (6) of subsection (d) of this section, except  
34 for the following:



- 1           (1) Before considering any proposal to lease or purchase the hospital facility or  
2 part thereof, the municipality or hospital authority shall require information  
3 on charges, services, and indigent care at similar facilities leased, owned, or  
4 operated by the proposed lessee or buyer.
- 5           (2) The municipality or hospital authority shall declare its intent to approve any  
6 lease or sale in the manner authorized by this subsection at a regular or  
7 special meeting held on 10 days' public notice. Such notice shall state that  
8 copies of the lease, sale, or conveyance proposed for approval will be  
9 available 10 days prior to the regular or special meeting required by  
10 subdivision (3) of this subsection and that the lease, sale, or conveyance  
11 shall be considered for approval at a regular or special meeting not less than  
12 10 days following the regular or special meeting required by this subsection.  
13 Notice shall be given by publication in one or more papers of general  
14 circulation in the affected area describing the intent to lease, sell, or convey  
15 the hospital facility involved and the potential buyer or lessee.
- 16           (3) Not less than 10 days following the regular or special meeting required by  
17 subdivision (2) of this subsection, the municipality or hospital authority shall  
18 approve any lease, sale, or conveyance by a resolution at a regular or special  
19 meeting.
- 20           (4) At least 10 days before the regular or special meeting at which any lease,  
21 sale, or conveyance is approved, the municipality or hospital authority shall  
22 make copies of the proposed contract available to the public."

23           **SECTION 4.** Article 1E of Chapter 90 of the General Statutes and Article 9A of  
24 Chapter 131E of the General Statutes are repealed.

25           **SECTION 5.** G.S. 131E-23 is amended by adding a new subdivision to read:

26 **"§ 131E-23. Powers of the authority.**

27           (a) An authority shall have all powers necessary or convenient to carry out the purposes  
28 of this Part, including the following powers, which are in addition to those powers granted  
29 elsewhere in this Part:

30           ...

31           (38) To engage in health care activities outside the State."

32           **SECTION 6.** Section 4 of this act is effective January 1, 2018. The remainder of  
33 this act is effective when it becomes law.