

NORTH CAROLINA GENERAL ASSEMBLY  
1971 SESSION

CHAPTER 134  
HOUSE BILL 369

AN ACT TO REVISE THE STATUTE ESTABLISHING THE MEDICAL CARE  
COMMISSION'S FUNCTIONS REGARDING CONSTRUCTION OF HOSPITALS IN  
THE STATE.

The General Assembly of North Carolina do enact:

**Section 1.** G.S. 131-120 is revised and rewritten to read as follows:

**"§ 131-120. Construction and enlargement of local hospitals.** — (a) The North Carolina Medical Care Commission is hereby authorized and empowered to continue surveys of each county in the State to determine:

- (1) the hospital needs of each county or area;
- (2) the economic ability of each county or area to support adequate hospital service;
- (3) what assistance by the State, if any, is necessary to supplement all other available funds, to finance the construction of new hospitals and health centers, additions to existing hospitals and health centers, and necessary equipment to provide adequate hospital service for the citizens of each county or area;

and to periodically report this information, together with its recommendations, to the Governor, who shall transmit the reports to the General Assembly for such legislative action as it may deem necessary to effectuate an adequate State-wide hospital program.

(b) The North Carolina Medical Care Commission is hereby authorized and empowered to act as the agency of the State of North Carolina for the purpose of setting up and administering any State-wide plan for the construction and maintenance of hospitals, public health centers and related facilities, and to receive and administer any funds which may be provided by the General Assembly of North Carolina and/or by the Congress of the United States for such purpose. The Commission, as such agency of the State of North Carolina with the advice of the State Advisory Council hereinafter provided, shall have the right to promulgate such State-wide plans for the construction and maintenance of hospitals, medical centers and related facilities, or such other plans as may be found desirable and necessary in order to meet the requirements and receive the benefits of any federal legislation with regard thereto. The Commission shall be authorized to receive and administer any funds which may be appropriated by any act of Congress or of the General Assembly of North Carolina for the construction of hospitals, medical centers and related activities or facilities, which may at any time in the future become available for such purposes. The Commission shall be further authorized to receive and administer any other federal funds or State funds which may be available in the furtherance of any activity in which the Commission is authorized and empowered to engage under the provisions of this Article establishing said Commission, and in connection therewith the Commission is authorized to adopt such rules and regulations as may be necessary to carry out the intent and purposes of this Article; to adopt such reasonable and necessary standards with reference thereto as may be proper to fully cooperate with the Surgeon General or other agency or department of the United States with the approval of the federal advisory council in the use of funds provided by the federal government, and at all

times make such reports and give such information to the Surgeon General or other agency or department of the United States as may be required.

(c) The Governor is hereby authorized and empowered to set up and establish a State Advisory Council to the North Carolina Medical Care Commission, to consist of seven members, who shall each serve for a term of four years, with the right on the part of the Governor to fill vacancies for unexpired terms, said Council to include representatives of nongovernmental organizations or groups, and of public agencies, concerned with the operation, construction, or utilization of hospital or other facilities for diagnosis, prevention, or treatment of illness or disease, or for provision of rehabilitation services, and representatives particularly concerned with education or training of health professions personnel; and an equal number of representatives of consumers familiar with the need for the services provided by such facilities, to consult with the State agency in carrying out the plan, and provide, if such council does not include any representatives of nongovernmental organizations or groups, or State agencies, concerned with rehabilitation, for consultation with organizations, groups, and State agencies so concerned, which Advisory Council, when set up by the Governor, shall advise with the North Carolina Medical Care Commission with respect to carrying out the purposes and provisions of this Article. The Governor shall consider the requirements of federal laws and regulations with regard to representation on the Council. The members of the State Advisory Council to the North Carolina Medical Care Commission shall receive a per diem of seven dollars (\$7.00) and necessary travel expenses except that this shall not apply to members of the State Advisory Council to the North Carolina Medical Care Commission who are representatives of a State agency or department and who receive a regular salary paid by appropriations to their agency or department; but such representatives of such State agencies or departments shall be entitled to necessary subsistence and travel expenses.

(d) The North Carolina Medical Care Commission and the said State Advisory Council set up by the Governor as herein authorized, shall be fully authorized and empowered to do all such acts and things as may be necessary, to authorize the State of North Carolina to receive the full benefits of any federal laws which are or may be enacted for the construction and maintenance of hospitals, health centers or allied facilities.

(e) Out of the funds appropriated and made available by the State, the North Carolina Medical Care Commission shall make grants-in-aid to counties, cities, towns and subdivisions of government to acquire real estate and construct thereon hospital facilities, including the reconstruction, remodeling or addition to any hospital facilities which have been or may be acquired by such municipalities or subdivisions of government for use as community hospitals. The appropriations and funds made available by the State shall be allocated, apportioned and granted for the purposes above set forth and for such other related objects or purposes as shall be determined in each case by the North Carolina Medical Care Commission in accordance with the standards, rules and regulations as determined, adopted and promulgated by the North Carolina Medical Care Commission. The North Carolina Medical Care Commission may furnish financial and other types of aid and assistance to any nonprofit hospital owned and operated by a corporation or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual, upon the same terms and conditions as such aid and financial assistance is granted to municipalities and subdivisions of government: Provided, that hospitals now in the course of construction and approved by the North Carolina Medical Care Commission and the appropriate federal authority shall be entitled to receive financial assistance on the same basis as any hospital of the same classification and type that may be hereafter constructed and approved by the North Carolina Medical Care Commission and the appropriate federal authority.

(f) The North Carolina Medical Care Commission may make available to any eligible hospital, sanatorium, clinic, or other medical facilities for the treatment of disease operated by the State of North Carolina or under its direction and control, or under the direction and control

of any of its agencies or institutions, any unallocated federal sums or balances remaining after all grants-in-aid for local approvable projects made by the said Commission have been completed, disbursed or encumbered for all objects for which such grants-in-aid are available and for which said unallocated balances remain."

**Sec. 2.** This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 29th day of March, 1971.