

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 855

House Committee Substitute Favorable 6/18/96

House Committee Substitute #2 Favorable 6/19/96

Short Title: Pub. Hosp. Managed Care/Registry.

(Public)

Sponsors:

Referred to:

April 26, 1995

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE PUBLIC HOSPITALS TO DEVELOP VARIOUS  
MANAGED CARE ORGANIZATIONS AND MANAGED CARE PRODUCTS  
WITH PROVIDERS AND INSURERS, TO AMEND THE PUBLIC RECORDS  
LAW, AND TO PROVIDE A HEALTH CARE PERSONNEL REGISTRY.

The General Assembly of North Carolina enacts:

Section 1. Article 2 of Chapter 131E of the General Statutes is amended by  
inserting a new section to read:

**"§ 131E-7.1. Public hospitals' managed care development authorized.**

A public hospital as defined in G.S. 159-39(a) may acquire an ownership  
interest, in whole or in part, in a nonprofit or for-profit managed care company, including  
a health maintenance organization, physician hospital organization, physician  
organization, management services organization, or preferred provider organization with  
which the public hospital is also directly or indirectly a contracting provider. Ownership  
interest may be evidenced by the ownership or acquired by the purchase of stock. This  
ownership or acquisition of stock is the exercise of a health care function and is not the  
investment of idle funds within the meaning of G.S. 159-30 and G.S.159-39(g)."



1       (a) The Department shall establish and maintain a health care personnel registry  
2 containing the names of all health care personnel working in health care facilities in  
3 North Carolina who have:

4           (1) Been subject to findings by the Department of:

5           a. Neglect or abuse of a resident in a health care facility or a person  
6 to whom home care services as defined by G.S. 131E-136 or  
7 hospice services as defined by G.S. 131E-201 are being  
8 provided.

9           b. Misappropriation of the property of a resident in a health care  
10 facility, as defined in subsection (b) of this section including  
11 places where home care services as defined by G.S. 131E-136 or  
12 hospice services as defined by G.S. 131E-201 are being  
13 provided.

14           c. Misappropriation of the property of a health care facility.

15           d. Diversion of drugs belonging to a health care facility or to a  
16 patient or client.

17           e. Fraud against a health care facility or against a patient or client  
18 for whom the employee is providing services.

19           (2) Been accused of any of the acts listed in subdivision (1) of this  
20 subsection, but only after the Department has screened the allegation  
21 and determined that an investigation is required.

22       The health care personnel registry shall also contain all findings by the Department of  
23 neglect of a resident in a nursing facility or abuse of a resident in a nursing facility or  
24 misappropriation of the property of a resident in a nursing facility by a nurse aide that are  
25 contained in the nurse aide registry under G.S. 131E-255.

26       (b) For the purpose of this section, the following are considered to be 'health care  
27 facilities':

28           (1) Adult Care Homes as defined in G.S. 131D-2.

29           (2) Hospitals as defined in G.S. 131E-76.

30           (3) Home Care Agencies as defined in G.S. 131E-136.

31           (4) Nursing Pools as defined by G.S. 131E-154.2.

32           (5) Hospices as defined by G.S. 131E-201.

33           (6) Nursing Facilities as defined by G.S. 131E-255.

34       (c) For the purpose of this section, the following are considered to be 'health care  
35 personnel':

36           (1) In an adult care home, an adult care personal aide who is any person  
37 who either performs or directly supervises others who perform task  
38 functions in activities of daily living which are personal functions  
39 essential for the health and well-being of residents such as bathing,  
40 dressing, personal hygiene, ambulation or locomotion, transferring,  
41 toileting, and eating.

42           (2) A nurse aide.

1           (3) An in-home aide or an in-home personal care aide who provides hands-  
2           on paraprofessional services.

3           (d) Health care personnel who wish to contest a finding under subdivision (a)(1) of  
4 this section or the placement of information under subdivision (a)(2) of this section are  
5 entitled to an administrative hearing as provided by the Administrative Procedure Act,  
6 Chapter 150B of the General Statutes. A petition for a contested case shall be filed  
7 within 30 days of the mailing of the written notice by certified mail of the Department's  
8 intent to place information about the person in the health care personnel registry.

9           (e) The Department shall provide an employer or potential employer of any person  
10 listed on the health care personnel registry of the nature of the finding or allegation and  
11 the status of the investigation.

12           (f) No person shall be liable for providing any information for the health care  
13 personnel registry if the information is provided in good faith. Neither an employer,  
14 potential employer, nor the Department shall be liable for using any information from the  
15 health care personnel registry if the information is used in good faith for the purpose of  
16 screening prospective applicants for employment or reviewing the employment status of  
17 an employee.

18           (g) Upon investigation and documentation, health care facilities shall ensure that  
19 the Department is notified of all allegations against health care personnel which appear to  
20 a reasonable person to be related to any act listed in subdivision (a)(1) of this section, and  
21 shall promptly report to the Department any resulting disciplinary action, demotion, or  
22 termination of employment of health care personnel.

23           (h) The North Carolina Medical Care Commission shall adopt, amend, and repeal  
24 all rules necessary for the implementation of this section."

25           (c) The North Carolina Medical Care Commission shall monitor the  
26 implementation of the Health Care Personnel Registry and shall report to the General  
27 Assembly in 1998 any amendments needed to implement the purposes of the Health Care  
28 Personnel Registry.

29           (d) Of the funds appropriated from the General Fund to the Department of  
30 Human Resources for fiscal year 1996-97 the sum of one hundred sixty thousand dollars  
31 (\$160,000) shall be used to implement this section.

32           Sec. 5. This act is effective upon ratification. Section 2 of this act shall not  
33 affect any litigation pending as of the effective date of Section 2.