

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

**HOUSE BILL 1073
RATIFIED BILL**

AN ACT TO MODIFY THE COMPOSITION AND APPOINTMENT PROCESS FOR MEMBERS OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-37(b) reads as rewritten:

"(b) Board of Directors. – ~~There is hereby established a~~ The board of directors of the University of North Carolina Health Care System, effective November 1, 1998. System is hereby restructured effective November 1, 2012.

(1) The board of directors shall be composed of 24 members as follows:

- a. ~~A minimum of six~~ Eight members ex officio ~~of said board~~ shall be the President of The University of North Carolina (or the President's designee); the Chief Executive Officer of the University of North Carolina Health Care System; the Chancellor of the University of North Carolina at Chapel Hill and one additional administrative officer of the University of North Carolina at Chapel Hill designated by the Chancellor; the President of the University of North Carolina Hospitals; the President of the UNC Faculty Physicians; and two members of the faculty of the School of Medicine of the University of North Carolina at Chapel Hill designated by the Dean of the School of Medicine; provided, that if not such a member ex officio by virtue of holding one or more of the offices aforementioned, additional ex officio memberships shall be held by the President of the University of North Carolina Hospitals at Chapel Hill, the faculty member responsible for leading the clinical patient care programs of the School of Medicine, and Medicine. If the Dean of the School of Medicine of the University of North Carolina at Chapel Hill-Hill does not also hold one of the positions designated as an ex officio member of the board, the Dean shall serve in one of the positions reserved for a member of the faculty.
- b. ~~No less than nine and no more than 21~~ Sixteen members at large, which number shall be determined by the board of directors, large shall be appointed for four-year terms, commencing on November 1 of the year of appointment; provided, that the initial appointment. Twelve of the members at large shall be appointed by the Board of Governors after consultation with the President of The University of North Carolina. Four of the members at large shall be appointed by the board of directors.
- c. The initial class of at-large members shall include be composed of the following individuals:
 1. ~~the~~ The persons who hold the appointed memberships on the board of directors of the University of North Carolina Hospitals at Chapel Hill incumbent as of October 31, 1998, directors as of October 31, 2012, and whose terms do not expire on that date. The with their terms of membership on the board of directors of the University of North Carolina Health Care System to for these at-large members will expire



~~on the last day of October of the year in which their term as a member of the board of directors of the University of North Carolina Hospitals at Chapel Hill would have expired.~~

- ~~2. Three persons appointed by the Board of Governors after consultation with the President of The University of North Carolina whose terms will commence on November 1, 2012, and will expire on October 31, 2016.~~
- ~~3. One person appointed by the board of directors whose term will commence on November 1, 2012, and will expire on October 31, 2016.~~

~~The Board of Governors shall appoint successor at-large members for those members whose terms end on October 31, 2013, October 31, 2014, and four of the five members whose terms end on October 31, 2016. The board of directors shall appoint successor at-large members for those members whose terms end on October 31, 2015, and one of the five members whose terms end on October 31, 2016.~~

- ~~d. All Vacant at-large positions shall be filled by the appointment of persons from the business and professional public at large who have special competence in business management, hospital administration, health care delivery, or medical practice or who otherwise have demonstrated dedication to the improvement of health care in North Carolina, and who are neither members of the Board of Governors, members of the board of trustees of a constituent institution of The University of North Carolina, nor officers or employees of the State. Members shall be appointed by the President of the University, and ratified by the Board of Governors, from among a slate of nominations made by the board of directors of the University of North Carolina Health Care System. No member may be appointed to more than two full four-year terms in succession; provided, that persons holding appointed memberships on November 1, 1998, by virtue of their previous membership on the board of directors of the University of North Carolina Hospitals at Chapel Hill, shall not be eligible, for a period of one year following expiration of their term, to be reappointed to the board of directors of the University of North Carolina Health Care System. succession, including members serving as of June 30, 2012. Any vacancy in an unexpired term shall be filled by an appointment made by the President, and ratified by the Board of Governors, upon the nomination of the board of directors, shall be filled by the appointing authority for the balance of the term remaining.~~

- (2) The board of directors, with each ex officio and at-large member having a vote, shall elect a chairman only from among the at-large members, for a term of two years. Notwithstanding the foregoing limitation, the Chancellor of the University of North Carolina at Chapel Hill may serve as Chairman. No person shall be eligible to serve as chairman for more than three terms in succession.
- (3) The board of directors of the University of North Carolina Health Care System shall meet at least every 60 days and may hold special meetings at any time and place within the State at the call of the chairman. Board members, other than ex officio members, shall receive the same per diem and reimbursement for travel expenses as members of the State boards and commissions generally.
- (4) In meeting the patient-care, educational, research, and public-service goals of the University of North Carolina Health Care System, the board of directors is authorized to exercise such authority and responsibility and adopt such policies, rules, and regulations as it deems necessary and appropriate, not inconsistent with the provisions of this section or the policies of the Board of Governors or, to the extent the board's actions affect

employees of the University of North Carolina at Chapel Hill, the policies of the University of North Carolina at Chapel Hill. The board may authorize any component of the University of North Carolina Health Care System, including the University of North Carolina Hospitals at Chapel Hill, to contract in its individual capacity, subject to such policies and procedures as the board of directors may direct. The board of directors may enter into formal agreements with the University of North Carolina at Chapel Hill with respect to the provision of clinical experience for students and for the provision of maintenance and supporting services. The board's action on matters within its jurisdiction is final, except that appeals may be made, in writing, to the Board of Governors with a copy of the appeal to the Chancellor of the University of North Carolina at Chapel Hill. The board of directors shall keep the Board of Governors and the board of trustees of the University of North Carolina at Chapel Hill fully informed about health care policy and recommend changes necessary to maintain adequate health care delivery, education, and research for improvement of the health of the citizens of North Carolina."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2012.

s/ Neal Hunt
Presiding Officer of the Senate

s/ Paul Stam
Presiding Officer of the House of Representatives

Beverly E. Perdue
Governor

Approved _____ .m. this _____ day of _____, 2012