

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 681  
Senate Health Care Committee Substitute Adopted 5/22/24

Short Title: Healthcare Flexibility Act.

(Public)

Sponsors:

Referred to:

April 19, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH AN INTERSTATE COMPACT FOR THE LICENSURE OF THE  
3 PRACTICE OF MEDICINE, TO PROVIDE PRACTICE AUTHORITY FOR NURSE  
4 PRACTITIONERS, TO ENSURE FLEXIBILITY FOR ANESTHESIA SERVICE, TO  
5 REQUIRE NOTIFICATION FOR OUT-OF-NETWORK BILLING AT IN-NETWORK  
6 FACILITIES, AND TO LIMIT FACILITY FEES.

7 The General Assembly of North Carolina enacts:

8  
9 **PART I. INTERSTATE MEDICAL LICENSURE COMPACT**

10 **SECTION 1.(a)** Chapter 90 of the General Statutes is amended by adding a new  
11 Article to read:

12 "Article 1M.

13 "Interstate Medical Licensure Compact.

14 **"§ 90-21.140. Short title.**

15 This Article shall be known as the "Interstate Medical Licensure Compact."

16 **"§ 90-21.141. Purpose.**

17 (a) The purpose of this Article is to strengthen access to health care, and, in recognition  
18 of the advances in the delivery of health care, the member states of the Interstate Medical  
19 Licensure Compact (Compact) have allied in common purpose to develop a comprehensive  
20 process that complements the existing licensing and regulatory authority of state medical boards  
21 and to provide a streamlined process that allows physicians to become licensed in multiple states,  
22 thereby enhancing the portability of a medical license and ensuring the safety of patients.

23 (b) The Interstate Medical Licensure Compact creates another pathway for licensure and  
24 does not otherwise change a state's existing medical practice act or provisions. The Compact  
25 adopts the prevailing standard for licensure and affirms that the practice of medicine occurs  
26 where the patient is located at the time of the physician-patient encounter and, therefore, requires  
27 the physician to be under the jurisdiction of the state medical board where the patient is located.  
28 State medical boards that participate in the Compact retain the jurisdiction to impose an adverse  
29 action against a license to practice medicine in that state issued to a physician through the  
30 procedures of the Compact.

31 **"§ 90-21.142. Definitions.**

32 The following definitions apply in this Article:

33 (1) Bylaws. – Bylaws established by the Interstate Commission pursuant to  
34 G.S. 90-21.151.

35 (2) Commissioner. – The voting representative appointed by each member board  
36 pursuant to G.S. 90-21.151.



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- 1           (3)   Conviction. – A finding by a court that an individual is guilty of a criminal  
2           offense through adjudication, or entry of a plea of guilty or no contest to the  
3           charge by the offender. Evidence of an entry of a conviction of a criminal  
4           offense by a court shall be considered final for purposes of disciplinary action  
5           by a member board.
- 6           (4)   Expedited license. – A full and unrestricted medical license granted by a  
7           member state to an eligible physician through the process set forth in the  
8           Compact.
- 9           (5)   Interstate Commission. – The Interstate Medical Licensure Compact  
10          Commission created pursuant to G.S. 90-21.151.
- 11          (6)   License. – The authorization by a member state for a physician to engage in  
12          the practice of medicine, which would be unlawful without authorization.
- 13          (7)   Medical practice act. – Laws and regulations governing the practice of  
14          allopathic and osteopathic medicine within a member state.
- 15          (8)   Member board. – A state agency in a member state that acts in the sovereign  
16          interests of the state by protecting the public through licensure, regulation, and  
17          education of physicians as directed by the state government.
- 18          (9)   Member state. – A state that has enacted the Compact.
- 19          (10)   Offense. – A felony, gross misdemeanor, or crime of moral turpitude.
- 20          (11)   Physician. – Any person who meets all of the following qualifications:
- 21           a.    Is a graduate of a medical school accredited by the Liaison Committee  
22            on Medical Education, the Commission on Osteopathic College  
23            Accreditation, or a medical school listed in the International Medical  
24            Education Directory or its equivalent.
- 25           b.    Has passed each component of the United States Medical Licensing  
26            Examination (USMLE) or the Comprehensive Osteopathic Medical  
27            Licensing Examination (COMPLEX-USA) within three attempts, or  
28            any of its predecessor examinations accepted by a state medical board  
29            as an equivalent examination for licensure purposes.
- 30           c.    Has successfully completed graduate medical education approved by  
31            the Accreditation Council for Graduate Medical Education or the  
32            American Osteopathic Association.
- 33           d.    Holds specialty certification or a time-unlimited specialty certificate  
34            recognized by the American Board of Medical Specialties or the  
35            American Osteopathic Association's Bureau of Osteopathic  
36            Specialists.
- 37           e.    Possesses a full and unrestricted license to engage in the practice of  
38            medicine issued by a member board.
- 39           f.    Has never been convicted, received adjudication, deferred  
40            adjudication, community supervision, or deferred disposition for any  
41            offense by a court of appropriate jurisdiction.
- 42           g.    Has never held a license authorizing the practice of medicine subjected  
43            to discipline by a licensing agency in any state, federal, or foreign  
44            jurisdiction, excluding any action related to nonpayment of fees  
45            related to a license.
- 46           h.    Has never had a controlled substance license or permit suspended or  
47            revoked by a state or the United States Drug Enforcement  
48            Administration.
- 49           i.    Is not under active investigation by a licensing agency or law  
50            enforcement authority in any state, federal, or foreign jurisdiction.

1           (12) Practice of medicine. – Clinical prevention, diagnosis, or treatment of human  
2 disease, injury, or condition requiring a physician to obtain and maintain a  
3 license in compliance with the medical practice act of a member state.

4           (13) Rule – A written statement by the Interstate Commission promulgated  
5 pursuant to G.S. 90-21.152 that is of general applicability, implements,  
6 interprets, or prescribes a policy or provision of the Compact, or an  
7 organizational, procedural, or practice requirement of the Interstate  
8 Commission, and has the force and effect of statutory law in a member state,  
9 and includes the amendment, repeal, or suspension of an existing rule.

10          (14) State. – Any state, commonwealth, district, or territory of the United States.

11          (15) State of principal license. – A member state where a physician holds a license  
12 to practice medicine and which has been designated as such by the physician  
13 for purposes of registration and participation in the Compact.

14 **"§ 90-21.143. Eligibility.**

15          (a) A physician must meet the eligibility requirements as defined in G.S. 90-21.142(11)  
16 to receive an expedited license under the terms and provisions of the Compact.

17          (b) A physician who does not meet the requirements of G.S. 90-21.142(11) may obtain a  
18 license to practice medicine in a member state if the individual complies with all laws and  
19 requirements, other than the Compact, relating to the issuance of a license to practice medicine  
20 in that state.

21 **"§ 90-21.144. Designation of state of principal license.**

22          (a) A physician shall designate a member state as the state of principal license for  
23 purposes of registration for expedited licensure through the Compact if the physician possesses  
24 a full and unrestricted license to practice medicine in that state, and that state meets any one of  
25 the following qualifications:

26           (1) The state is the principal residence for the physician.

27           (2) The physician conducts at least twenty-five percent (25%) of their practice of  
28 medicine in the state.

29           (3) The state is the location of the physician's employer.

30          If no state qualifies under subdivision (1), (2), or (3) of this subsection, then the physician  
31 may designate the state of residence for the purpose of federal income tax as their state of  
32 principal license.

33          (b) A physician may redesignate a member state as a state of principal license at any time,  
34 as long as the state meets the requirements of subsection (a) of this section.

35          (c) The Interstate Commission is authorized to develop rules to facilitate redesignation  
36 of another member state as the state of principal license.

37 **"§ 90-21.145. Application and issuance of expedited licensure.**

38          (a) A physician seeking licensure through the Compact shall file an application for an  
39 expedited license with the member board of the state selected by the physician as the state of  
40 principal license.

41          (b) Upon receipt of an application for an expedited license, the member board within the  
42 state selected as the state of principal license shall evaluate whether the physician is eligible for  
43 expedited licensure and issue a letter of qualification, verifying or denying the physician's  
44 eligibility, to the Interstate Commission.

45          (c) Static qualifications, which include verification of medical education, graduate  
46 medical education, results of any medical or licensing examination, and other qualifications as  
47 determined by the Interstate Commission through rule, shall not be subject to additional primary  
48 source verification where already primary source verified by the state of principal license.

49          (d) The member board within the state selected as the state of principal license shall, in  
50 the course of verifying eligibility, perform a criminal background check of an applicant,  
51 including the use of the results of fingerprint or other biometric data checks in compliance with

1 the requirements of the Federal Bureau of Investigation, with the exception of federal employees  
2 who have suitability determination in accordance with 5 C.F.R. § 731.202.

3 (e) Appeal on the determination of eligibility to the member state shall be made to the  
4 member state where the application was filed and shall be subject to the laws of that state.

5 (f) Upon verification of eligibility in subsection (b) of this section, physicians eligible  
6 for an expedited license shall complete the registration process established by the Interstate  
7 Commission to receive a license in a member state selected pursuant to subsection (a) of this  
8 section, including the payment of any applicable fees.

9 (g) After receiving verification of eligibility under subsection (b) of this section and any  
10 fees under subsection (f) of this section, a member board shall issue an expedited license to the  
11 physician. This license shall authorize the physician to practice medicine in the issuing state  
12 consistent with the medical practice act and all applicable laws and regulations of the issuing  
13 member board and member state.

14 (h) An expedited license shall be valid for a period consistent with the licensure period  
15 in the member state and in the same manner as required for other physicians holding a full and  
16 unrestricted license within the member state.

17 (i) An expedited license obtained through the Compact shall be terminated if a physician  
18 fails to maintain a license in the state of principal licensure for a nondisciplinary reason, without  
19 redesignation of a new state of principal licensure.

20 (j) The Interstate Commission is authorized to develop rules regarding the application  
21 process, including payment of any applicable fees, and the issuance of an expedited license.

22 **"§ 90-21.146. Fees for expedited licensure.**

23 (a) A member state issuing an expedited license authorizing the practice of medicine in  
24 that state may impose a fee for a license issued or renewed through the Compact.

25 (b) The Interstate Commission is authorized to develop rules regarding fees for expedited  
26 licenses.

27 **"§ 90-21.147. Renewal and continued participation.**

28 (a) A physician seeking to renew an expedited license granted in a member state shall  
29 complete a renewal process with the Interstate Commission if the physician meets all of the  
30 following qualifications:

31 (1) Maintains a full and unrestricted license in a state of principal license.

32 (2) Has not been convicted, received adjudication, deferred adjudication,  
33 community supervision, or deferred disposition for any offense by a court of  
34 appropriate jurisdiction.

35 (3) Has not had a license authorizing the practice of medicine subject to discipline  
36 by a licensing agency in any state, federal, or foreign jurisdiction, excluding  
37 any action related to nonpayment of fees related to a license.

38 (4) Has not had a controlled substance license or permit suspended or revoked by  
39 a state or the United States Drug Enforcement Administration.

40 (b) Physicians shall comply with all continuing professional development or continuing  
41 medical education requirements for renewal of a license issued by a member state.

42 (c) The Interstate Commission shall collect any renewal fees charged for the renewal of  
43 a license and distribute the fees to the applicable member board.

44 (d) Upon receipt of any renewal fees collected under subsection (c) of this section, a  
45 member board shall renew the physician's license.

46 (e) Physician information collected by the Interstate Commission during the renewal  
47 process will be distributed to all member boards.

48 (f) The Interstate Commission is authorized to develop rules to address renewal of  
49 licenses obtained through the Compact.

50 **"§ 90-21.148. Coordinated information system.**

1        (a) The Interstate Commission shall establish a database of all physicians who are  
2 licensed, or who have applied for licensure, under G.S. 90-21.145.

3        (b) Notwithstanding any other provision of law, member boards shall report to the  
4 Interstate Commission any public action or complaints against a licensed physician who has  
5 applied or received an expedited license through the Compact.

6        (c) Member boards shall report disciplinary or investigatory information determined as  
7 necessary and proper by rule of the Interstate Commission.

8        (d) Member boards may report any nonpublic complaint, disciplinary, or investigatory  
9 information not required by subsection (c) of this section to the Interstate Commission.

10       (e) Member boards shall share complaint or disciplinary information about a physician  
11 upon request of another member board.

12       (f) All information provided to the Interstate Commission or distributed by member  
13 boards shall be confidential, filed under seal, and used only for investigatory or disciplinary  
14 matters.

15       (g) The Interstate Commission is authorized to develop rules for mandated or  
16 discretionary sharing of information by member boards.

17 **"§ 90-21.149. Joint investigations.**

18       (a) Licensure and disciplinary records are deemed investigative.

19       (b) In addition to authority granted to a member board by its respective medical practice  
20 act or other applicable state law, a member board may participate with other member boards in  
21 joint investigations of physicians licensed by the member boards.

22       (c) A subpoena issued by a member state shall be enforceable in other member states.

23       (d) Member boards may share any investigative, litigation, or compliance materials in  
24 furtherance of any joint or individual investigation initiated under the Compact.

25       (e) Any member state may investigate actual or alleged violations of the statutes  
26 authorizing the practice of medicine in any other member state in which a physician holds a  
27 license to practice medicine.

28 **"§ 90-21.150. Disciplinary actions.**

29       (a) Any disciplinary action taken by any member board against a physician licensed  
30 through the Compact shall be deemed unprofessional conduct which may be subject to discipline  
31 by other member boards, in addition to any violation of the medical practice act or regulations in  
32 that state.

33       (b) If a license granted to a physician by the member board in the state of principal license  
34 is revoked, surrendered, or relinquished in lieu of discipline, or suspended, then all licenses issued  
35 to the physician by member boards shall automatically be placed, without further action  
36 necessary by any member board, on the same status. If the member board in the state of principal  
37 license subsequently reinstates the physician's license, a license issued to the physician by any  
38 other member board shall remain encumbered until that respective member board takes action to  
39 reinstate the license in a manner consistent with the medical practice act of that state.

40       (c) If disciplinary action is taken against a physician by a member board not in the state  
41 of principal license, any other member board may deem the action conclusive as to matter of law  
42 and fact decided and take one of the following actions:

43           (1) Impose the same or lesser sanctions against the physician consistent with the  
44 medical practice act of that state.

45           (2) Pursue separate disciplinary action against the physician under its respective  
46 medical practice act, regardless of the action taken in other member states.

47       (d) If a license granted to a physician by a member board is revoked, surrendered, or  
48 relinquished in lieu of discipline, or suspended, then any licenses issued to the physician by any  
49 other member boards shall be suspended, automatically and immediately without further action  
50 necessary by the other member boards, for 90 days upon entry of the order by the disciplining  
51 board, to permit the member boards to investigate the basis for the action under the medical

1 practice act of that state. A member board may terminate the automatic suspension of the license  
2 it issued prior to the completion of the 90-day suspension period in a manner consistent with the  
3 medical practice act of that state.

4 **"§ 90-21.151. Interstate Medical Licensure Compact Commission.**

5 (a) The member states hereby create the "Interstate Medical Licensure Compact  
6 Commission."

7 (b) The purpose of the Interstate Commission is the administration of the Interstate  
8 Medical Licensure Compact, which is a discretionary state function.

9 (c) The Interstate Commission shall be a body corporate and joint agency of the member  
10 states and shall have all of the responsibilities, powers, and duties set forth in the Compact, and  
11 additional powers as may be conferred upon it by a subsequent concurrent action of the respective  
12 legislatures of the member states in accordance with the terms of the Compact.

13 (d) The Interstate Commission shall consist of two voting representatives appointed by  
14 each member state who shall serve as Commissioners. In states where allopathic and osteopathic  
15 physicians are regulated by separate member boards, or if the licensing and disciplinary authority  
16 is split between separate member boards, or if the licensing and disciplinary authority is split  
17 between multiple member boards within a member state, the member state shall appoint one  
18 representative from each member board. A Commissioner shall meet one of the following  
19 qualifications:

20 (1) An allopathic or osteopathic physician appointed to a member board.

21 (2) An executive director, executive secretary, or similar executive member of a  
22 member board.

23 (3) A member of the public appointed to a member board.

24 (e) The Interstate Commission shall meet at least once each calendar year. A portion of  
25 this meeting shall be a business meeting to address matters that come properly before the  
26 Commission and for the election of officers. The chairperson may call additional meetings and  
27 shall call for a meeting upon the request of a majority of the member states.

28 (f) The bylaws may provide for meetings of the Interstate Commission to be conducted  
29 by telecommunication or electronic communication.

30 (g) Each Commissioner participating at a meeting of the Interstate Commission is entitled  
31 to one vote. A majority of Commissioners shall constitute a quorum for the transaction of  
32 business, unless a larger quorum is required by the bylaws adopted by the Interstate Commission.  
33 A Commissioner shall not delegate a vote to another Commissioner. In the absence of its  
34 Commissioner, a member state may delegate voting authority for a specified meeting to another  
35 person from that state who shall meet the requirements of subsection (d) of this section.

36 (h) The Interstate Commission shall provide public notice of all meetings, and all  
37 meetings shall be open to the public. The Interstate Commission may close a meeting, in full or  
38 in portion, where it determines by a two-thirds vote of the Commissioners present that an open  
39 meeting would be likely to:

40 (1) Relate solely to the internal personnel practice and procedures of the Interstate  
41 Commission.

42 (2) Discuss matters specifically exempted from disclosure by federal statute.

43 (3) Discuss trade secrets, commercial, or financial information that is privileged  
44 or confidential.

45 (4) Involve accusing a person of a crime, or formally censuring a person.

46 (5) Discuss information of a personal nature where disclosure would constitute a  
47 clearly unwarranted invasion of personal privacy.

48 (6) Discuss investigative records compiled for law enforcement purposes.

49 (7) Specifically relate to the participation in a civil action or other legal  
50 proceeding.

1       (i)     The Interstate Commission shall keep minutes which shall fully describe all matters  
2 discussed in a meeting and shall provide a full and accurate summary of actions taken, including  
3 record of any roll call votes.

4       (j)     The Interstate Commission shall make its information and official records, to the  
5 extent not otherwise designated in the Compact or by its rules, available for public inspection.

6       (k)     The Interstate Commission shall establish an executive committee, which shall  
7 include officers, members, and others as determined by the bylaws. The executive committee  
8 shall have the power to act on behalf of the Interstate Commission, with the exception of  
9 rulemaking, during periods when the Interstate Commission is not in session. When acting on  
10 behalf of the Interstate Commission, the executive committee shall oversee the administration of  
11 the Compact, including enforcement and compliance with the provisions of the Compact, its  
12 bylaws and rules, and other such duties as necessary.

13       (l)     The Interstate Commission shall establish other committees for governance and  
14 administration of the Compact.

15 **"§ 90-21.152. Powers and duties of the Interstate Commission.**

16       The Interstate Commission has the following powers and duties:

17       (1)     Oversee and maintain the administration of the Compact.

18       (2)     Promulgate rules which shall be binding to the extent and in the manner  
19 provided for in the Compact.

20       (3)     Issue, upon the request of a member state or member board, advisory opinions  
21 concerning the meaning or interpretation of the Compact, its bylaws, rules,  
22 and actions.

23       (4)     Enforce compliance with Compact provisions, the rules promulgated by the  
24 Interstate Commission, and the bylaws, using all necessary and proper means,  
25 including, but not limited to, the use of the judicial process.

26       (5)     Establish and appoint committees, including, but not limited to, an executive  
27 committee as required by G.S. 90-21.151, which shall have the power to act  
28 on behalf of the Interstate Commission in carrying out its powers and duties.

29       (6)     Pay or provide payment of the expenses related to the establishment,  
30 organization, and ongoing activities of the Interstate Commission.

31       (7)     Establish and maintain one or more offices.

32       (8)     Borrow, accept, hire, or contract for services of personnel.

33       (9)     Purchase and maintain insurance and bonds.

34       (10)    Employ an executive director who shall have such powers to employ, select,  
35 or appoint employees, agents, or consultants, and to determine their  
36 qualifications, define their duties, and fix their compensation.

37       (11)    Establish personnel policies and programs relating to conflicts of interest,  
38 rates of compensation, and qualifications of personnel.

39       (12)    Accept donations and grants of money, equipment, supplies, materials, and  
40 services and to receive, utilize, and dispose of it in a manner consistent with  
41 the conflict of interest policies established by the Interstate Commission.

42       (13)    Lease, purchase, accept contributions or donations of, or otherwise to hold,  
43 own, improve, or use any property, real, personal, or mixed.

44       (14)    Sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise  
45 dispose of any property, real, personal, or mixed.

46       (15)    Establish a budget and make expenditures.

47       (16)    Adopt a seal and bylaws governing the management and operation of the  
48 Interstate Commission.

49       (17)    Report annually to the legislatures and governors of the member states  
50 concerning the activities of the Interstate Commission during the preceding

1                    year. Such reports shall also include reports of financial audits and any  
2                    recommendations that may have been adopted by the Interstate Commission.

3                    (18) Coordinate education, training, and public awareness regarding the Compact,  
4                    its implementation, and its operation.

5                    (19) Maintain records in accordance with the bylaws.

6                    (20) Seek and obtain trademarks, copyrights, and patents.

7                    (21) Perform such functions as may be necessary or appropriate to achieve the  
8                    purpose of the Compact.

9                    **"§ 90-21.153. Finance powers.**

10                  (a) The Interstate Commission may levy on and collect an annual assessment from each  
11 member state to cover the cost of the operations and activities of the Interstate Commission and  
12 its staff. The total assessment must be sufficient to cover the annual budget approved each year  
13 for which revenue is not provided by other sources. The aggregate annual assessment amount  
14 shall be allocated upon a formula to be determined by the Interstate Commission, which shall  
15 promulgate a rule binding upon all member states.

16                  (b) The Interstate Commission shall not incur obligations of any kind prior to securing  
17 the funds adequate to meet the same.

18                  (c) The Interstate Commission shall not pledge the credit of any of the member states,  
19 except by, and with the authority of, the member state.

20                  (d) The Interstate Commission shall be subject to a yearly financial audit conducted by a  
21 certified or licensed accountant, and the report of the audit shall be included in the annual report  
22 of the Interstate Commission.

23                  **"§ 90-21.154. Organization and operation of the Interstate Commission.**

24                  (a) The Interstate Commission shall, by a majority of Commissioners present and voting,  
25 adopt bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes  
26 of the Compact within 12 months of the first Interstate Commission meeting.

27                  (b) The Interstate Commission shall elect or appoint annually from among its  
28 Commissioners a chairperson, a vice-chairperson, and a treasurer, each of whom shall have such  
29 authority and duties as may be specified in the bylaws. The chairperson, or in the chairperson's  
30 absence or disability the vice-chairperson, shall preside at all meetings of the Interstate  
31 Commission.

32                  (c) Officers selected in subsection (b) of this section shall serve without remuneration for  
33 the Interstate Commission.

34                  (d) The officers and employees of the Interstate Commission shall be immune from suit  
35 and liability, either personally or in their official capacity, for a claim for damage to or loss of  
36 property or personal injury or other civil liability caused or arising out of, or relating to, an actual  
37 or alleged act, error, or omission that occurred, or that such person had a reasonable basis for  
38 believing occurred, within the scope of Interstate Commission employment, duties, or  
39 responsibilities, provided that such person shall not be protected from suit or liability for damage,  
40 loss, injury, or liability caused by the intentional or willful and wanton misconduct of such  
41 person.

42                  (e) The liability of the executive director and employees of the Interstate Commission or  
43 representatives of the Interstate Commission, acting within the scope of such person's  
44 employment or duties for acts, errors, or omissions occurring within such person's state, may not  
45 exceed the limits of liability set forth under the constitution and laws of that state for state  
46 officials, employees, and agents. The Interstate Commission is considered to be an  
47 instrumentality of the states for the purpose of any such action. Nothing in this subsection shall  
48 be construed to protect such person from suit or liability for damage, loss, injury, or liability  
49 caused by the intentional or willful and wanton misconduct of such person.

50                  (f) The Interstate Commission shall defend the executive director, its employees, and  
51 subject to the approval of the attorney general or other appropriate legal counsel of the member



1 state represented by an Interstate Commission representative, shall defend such Interstate  
2 Commission representative in any civil action seeking to impose liability arising out of an actual  
3 or alleged act, error, or omission that occurred within the scope of Interstate Commission  
4 employment, duties, or responsibilities, or that the defendant had a reasonable basis for believing  
5 occurred within the scope of Interstate Commission employment, duties, or responsibilities,  
6 provided that the actual or alleged act, error, or omission did not result from intentional or willful  
7 and wanton misconduct on the part of such person.

8 (g) To the extent not covered by the state involved, member state, or the Interstate  
9 Commission, the representatives or employees of the Interstate Commission shall be held  
10 harmless in the amount of a settlement or judgment, including attorneys' fees and costs, obtained  
11 against such persons arising out of an actual or alleged act, error, or omission that occurred within  
12 the scope of Interstate Commission employment, duties, or responsibilities, or that such persons  
13 had a reasonable basis for believing occurred within the scope of Interstate Commission  
14 employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission  
15 did not result from intentional or willful and wanton misconduct on the part of such person.

16 **"§ 90-21.155. Rulemaking functions of the Interstate Commission.**

17 (a) The Interstate Commission shall promulgate reasonable rules in order to effectively  
18 and efficiently achieve the purpose of the Compact. Notwithstanding the foregoing, in the event  
19 the Interstate Commission exercises its rulemaking authority in a manner that is beyond the scope  
20 of the purposes of the Compact, or the powers granted hereunder, then such an action by the  
21 Interstate Commission shall be invalid and have no force or effect.

22 (b) Rules deemed appropriate for the operations of the Interstate Commission shall be  
23 made pursuant to a rulemaking process that substantially conforms to the "Revised Model State  
24 Administrative Procedure Act" of 2010, and subsequent amendments thereto.

25 (c) Not later than 30 days after a rule is promulgated, any person may file a petition for  
26 judicial review of the rule in the United States District Court for the District of Columbia or the  
27 federal district where the Interstate Commission has its principal offices, provided that the filing  
28 of such a petition shall not stay or otherwise prevent the rule from becoming effective unless the  
29 court finds that the petitioner has substantial likelihood of success. The court shall give deference  
30 to the actions of the Interstate Commission consistent with applicable law and shall not find the  
31 rule to be unlawful if the rule represents a reasonable exercise of the authority granted to the  
32 Interstate Commission.

33 **"§ 90-21.156. Oversight of Interstate Compact.**

34 (a) The executive, legislative, and judicial branches of state government in each member  
35 state shall enforce the Compact and shall take all actions necessary and appropriate to effectuate  
36 the Compact's purposes and intent. The provisions of the Compact and the rules promulgated  
37 hereunder shall have standing as statutory law but shall not override existing state authority to  
38 regulate the practice of medicine.

39 (b) All courts shall take judicial notice of the Compact and the rules in any judicial or  
40 administrative proceeding in a member state pertaining to the subject matter of the Compact  
41 which may affect the powers, responsibilities, or action of the Interstate Commission.

42 (c) The Interstate Commission shall be entitled to receive all services of process in any  
43 such proceeding and shall have standing to intervene in the proceeding for all purposes. Failure  
44 to provide service of process to the Interstate Commission shall render a judgment or order void  
45 as to the Interstate Commission, the Compact, or promulgated rules.

46 **"§ 90-21.157. Enforcement of Interstate Compact.**

47 (a) The Interstate Commission, in the reasonable exercise of its discretion, shall enforce  
48 the provisions and rules of the Compact.

49 (b) The Interstate Commission may, by majority vote of the Commissioners, initiate legal  
50 action in the United States Court for the District of Columbia, or, at the discretion of the Interstate  
51 Commission, in the federal district where the Interstate Commission has its principal offices, to

1 enforce compliance with the provisions of the Compact, and its promulgated rules and bylaws,  
2 against a member state in default. The relief sought may include both injunctive relief and  
3 damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all  
4 costs of such litigation, including reasonable attorneys' fees.

5 (c) The remedies herein shall not be the exclusive remedies of the Interstate Commission.  
6 The Interstate Commission may avail itself of any other remedies available under state law or  
7 regulation of a profession.

8 **"§ 90-21.158. Default procedures.**

9 (a) The grounds for default include, but are not limited to, failure of a member state to  
10 perform such obligations or responsibilities imposed upon it by the Compact, or the rules and  
11 bylaws of the Interstate Commission promulgated under the Compact.

12 (b) If the Interstate Commission determines that a member state has defaulted in the  
13 performance of its obligations or responsibilities under the Compact, or the bylaws or  
14 promulgated rules, the Interstate Commission shall do all of the following:

15 (1) Provide written notice to the defaulting state and other member states of the  
16 nature of the default, the means of curing the default, and any action taken by  
17 the Interstate Commission. The Interstate Commission shall specify the  
18 conditions by which the defaulting state must cure its default.

19 (2) Provide remedial training and specific technical assistance regarding the  
20 default.

21 (c) If the defaulting state fails to cure the default, the defaulting state shall be terminated  
22 from the Compact upon an affirmative vote of a majority of the Commissioners, and all rights,  
23 privileges, and benefits conferred by the Compact shall terminate on the effective date of  
24 termination. A cure of the default does not relieve the offending state of obligations or liabilities  
25 incurred during the period of default.

26 (d) Termination of membership in the Compact shall be imposed only after all other  
27 means of securing compliance have been exhausted. Notice of intent to terminate shall be given  
28 by the Interstate Commission to the governor, the majority and minority leaders of the defaulting  
29 state's legislature, and each of the member states.

30 (e) The Interstate Commission shall establish rules and procedures to address licenses  
31 and physicians that are materially impacted by the termination of a member state or the  
32 withdrawal of a member state.

33 (f) The member state which has been terminated is responsible for all dues, obligations,  
34 and liabilities incurred through the effective date of termination, including obligations, the  
35 performance of which extends beyond the effective date of termination.

36 (g) The Interstate Commission shall not bear any costs relating to any state that has been  
37 found to be in default or which has been terminated from the Compact, unless otherwise mutually  
38 agreed upon in writing between the Interstate Commission and the defaulting state.

39 (h) The defaulting state may appeal the action of the Interstate Commission by petitioning  
40 the United States District Court for the District of Columbia or the federal district where the  
41 Interstate Commission has its principal offices. The prevailing party shall be awarded all costs  
42 of such litigation, including reasonable attorneys' fees.

43 **"§ 90-21.159. Dispute resolution.**

44 (a) The Interstate Commission shall attempt to resolve disputes upon the request of a  
45 member state, which are subject to the Compact and which may arise among member states or  
46 member boards.

47 (b) The Interstate Commission shall promulgate rules providing for both mediation and  
48 binding dispute resolution as appropriate.

49 **"§ 90-21.160. Member states; effective date; amendment.**

50 (a) Any state is eligible to become a member of the Compact.

1       (b) The Compact shall become effective and binding upon legislative enactment of the  
2 Compact into law by no less than seven states. Thereafter, it shall become effective and binding  
3 on a state upon enactment of the Compact into law in that state.

4       (c) The governors of nonmember states, or their designees, shall be invited to participate  
5 in the activities of the Interstate Commission on a nonvoting basis prior to adoption of the  
6 Compact by all states.

7       (d) The Interstate Commission may propose amendments to the Compact for enactment  
8 by the member states. No amendment shall become effective and binding upon the Interstate  
9 Commission and the member states unless and until it is enacted into law by unanimous consent  
10 of the member states.

11 **"§ 90-21.161. Withdrawal.**

12       (a) Once effective, the Compact shall continue in force and remain binding upon each  
13 and every member state, provided that a member state may withdraw from the Compact by  
14 specifically repealing the statutes which enacted the Compact into law.

15       (b) Withdrawal from the Compact shall be by the enactment of a statute repealing the  
16 same but shall not take effect until one year after the effective date of such statute and until  
17 written notice of the withdrawal has been given by the withdrawing state to the governor of each  
18 other member state.

19       (c) The withdrawing state shall immediately notify the chairperson of the Interstate  
20 Commission in writing upon the introduction of legislation repealing the Compact in the  
21 withdrawing state.

22       (d) The Interstate Commission shall notify the other member states of the withdrawing  
23 state's intent to withdraw within 60 days of its receipt of notice provided under subsection (c) of  
24 this section.

25       (e) The withdrawing state is responsible for all dues, obligations, and liabilities incurred  
26 through the effective date of withdrawal, including obligations, the performance of which extend  
27 beyond the effective date of withdrawal.

28       (f) Reinstatement following withdrawal of a member state shall occur upon the  
29 withdrawing date reenacting the Compact or upon such later date as determined by the Interstate  
30 Commission.

31       (g) The Interstate Commission is authorized to develop rules to address the impact of the  
32 withdrawal of a member state on licenses granted in other member states to physicians who  
33 designated the withdrawing member state as the state of principal license.

34 **"§ 90-21.162. Dissolution.**

35       (a) The Compact shall dissolve effective upon the date of the withdrawal or default of  
36 the member state which reduces the membership of the Compact to one member state.

37       (b) Upon the dissolution of the Compact, the Compact becomes null and void and shall  
38 be of no further force or effect, and the business and affairs of the Interstate Commission shall  
39 be concluded, and surplus funds shall be distributed in accordance with the bylaws.

40 **"§ 90-21.163. Severability and construction.**

41       The provisions of the Compact shall be severable, and if any phrase, clause, sentence, or  
42 provision is deemed unenforceable, the remaining provisions of the Compact shall be  
43 enforceable. The provisions of the Compact shall be liberally construed to effectuate its purposes.  
44 Nothing in the Compact shall be construed to prohibit the applicability of other interstate  
45 compacts to which the member states are members.

46 **"§ 90-21.164. Binding effect of Compact and other laws.**

47       (a) Nothing herein prevents the enforcement of any other law of a member state that is  
48 not inconsistent with the Compact.

49       (b) All laws in a member state in conflict with the Compact are superseded to the extent  
50 of the conflict.

1       (c) All lawful actions of the Interstate Commission, including all rules and bylaws  
2 promulgated by the Commission, are binding upon the member states.

3       (d) All agreements between the Interstate Commission and the member states are binding  
4 in accordance with their terms.

5       (e) In the event any provision of the Compact exceeds the constitutional limits imposed  
6 on the legislature of any member state, such provision shall be ineffective to the extent of the  
7 conflict with the constitutional provision in question in that member state."

8               **SECTION 1.(b)** G.S. 90-5.1 reads as rewritten:

9       **"§ 90-5.1. Powers and duties of the Board.**

10       (a) The Board shall have the following powers and duties:

11       ...

12       (11) Appoint two Commissioners to serve on the Interstate Medical Licensure  
13 Compact Commission. Commissioners must meet one of the following  
14 requirements: be (i) a current physician Board member, (ii) an executive  
15 director or similar executive member, or (iii) a current public Board member.

16       ...."

17               **SECTION 1.(c)** G.S. 90-11(b) reads as rewritten:

18       (b) The Department of Public Safety may provide a criminal record check to the Board  
19 for a person who has applied for a license through the ~~Board~~ Board and for purposes of  
20 G.S. 90-21.145. The Board shall provide to the Department of Public Safety, along with the  
21 request, the fingerprints of the applicant, any additional information required by the Department  
22 of Public Safety, and a form signed by the applicant consenting to the check of the criminal  
23 record and to the use of the fingerprints and other identifying information required by the State  
24 or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of  
25 Investigation for a search of the State's criminal history record file, and the State Bureau of  
26 Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a  
27 national criminal history check. The Board shall keep all information pursuant to this subsection  
28 privileged, in accordance with applicable State law and federal guidelines, and the information  
29 shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

30       The Department of Public Safety may charge each applicant a fee for conducting the checks  
31 of criminal history records authorized by this subsection. The Board has the authority to collect  
32 this fee from each applicant and remit it to the Department of Public Safety."

33               **SECTION 1.(d)** G.S. 90-13.1 reads as rewritten:

34       **"§ 90-13.1. License fees.**

35       ...

36       (g) Each applicant for a license issued or renewed through the Interstate Medical  
37 Licensure Compact in accordance with Article 1M of Chapter 90 of the General Statutes shall be  
38 subject to any additional fees or assessments as determined by the Board or the Interstate Medical  
39 Licensure Compact Commission to cover any costs incurred by the Board for the participation  
40 in the Interstate Medical Licensure Compact."

41               **SECTION 1.(e)** G.S. 90-13.2 reads as rewritten:

42       **"§ 90-13.2. Registration every year with Board.**

43       (a) ~~Every~~ Except as provided for in Article 1M of Chapter 90 of the General Statutes,  
44 every licensee shall register annually with the Board no later than 30 days after the person's  
45 birthday.

46       ...

47       (g) Upon payment of all accumulated fees and penalties, the license of the licensee may  
48 be reinstated, subject to the Board requiring the licensee to appear before the Board for an  
49 interview and to comply with other licensing requirements. ~~The~~ Except as provided in  
50 G.S. 90-21.146, the penalty may not exceed the applicable maximum fee for a license under  
51 G.S. 90-13.1.

1       ...."

2               **SECTION 1.(f)** G.S. 90-14 reads as rewritten:

3       "**§ 90-14. Disciplinary Authority.**

4       (a)     The Board shall have the power to place on probation with or without conditions,  
5 impose limitations and conditions on, publicly reprimand, assess monetary redress, issue public  
6 letters of concern, mandate free medical services, require satisfactory completion of treatment  
7 programs or remedial or educational training, fine, deny, annul, suspend, or revoke a license, or  
8 other authority to practice medicine in this State, issued by the Board to any person who has been  
9 found by the Board to have committed any of the following acts or conduct, or for any of the  
10 following reasons:

11             ...

12             (18)   A violation of Article 1M of Chapter 90 of the General Statutes, consistent  
13             with the provisions of that Article for qualifying licensees.

14       ...."

15               **SECTION 1.(g)** G.S. 90-14.2 reads as rewritten:

16       "**§ 90-14.2. Hearing before disciplinary action.**

17       (a)     ~~Before~~ Except as provided in G.S. 90-21.150, before the Board shall take disciplinary  
18 action against any license granted by it, the licensee shall be given a written notice indicating the  
19 charges made against the licensee and stating that the licensee will be given an opportunity to be  
20 heard concerning the charges at a time and place stated in the notice, or at a time and place to be  
21 thereafter designated by the Board, and the Board shall hold a public hearing not less than 30  
22 days from the date of the service of notice upon the licensee, at which the licensee may appear  
23 personally and through counsel, may cross examine witnesses and present evidence in the  
24 licensee's own behalf. A licensee who is mentally incompetent shall be represented at such  
25 hearing and shall be served with notice as herein provided by and through a guardian ad litem  
26 appointed by the clerk of the court of the county in which the licensee resides. The licensee may  
27 file written answers to the charges within 30 days after the service of the notice, which answer  
28 shall become a part of the record but shall not constitute evidence in the case.

29       ...."

30               **SECTION 1.(h)** This Part is effective when it becomes law.

31  
32       **PART II. PRACTICE AUTHORITY FOR NURSE PRACTITIONERS**

33               **SECTION 2.(a)** G.S. 90-18 reads as rewritten:

34       "**§ 90-18. Practicing without license; penalties.**

35             ...

36       (c)     The following shall not constitute practicing medicine or surgery as defined in this  
37 Article:

38             ...

39             (14)   The practice of nursing by a ~~registered~~ licensed advanced practice registered  
40             nurse engaged in the practice of advanced practice nursing and the  
41             performance of acts otherwise constituting medical practice by a registered  
42             nurse when performed in accordance with rules and regulations developed by  
43             a joint subcommittee of the North Carolina Medical Board and the Board of  
44             Nursing and adopted by both boards. Nursing. The Board of Nursing shall  
45             develop these rules with input from the Nurse Practitioner Advisory  
46             Committee.

47             ...."

48               **SECTION 2.(b)** G.S. 90-18.2 reads as rewritten:

49       "**§ 90-18.2. Limitations on nurse practitioners.**

50       (a)     Any nurse approved under the provisions of G.S. 90-18(c)(14) to perform ~~medical~~  
51       ~~acts, tasks~~ advanced nursing practice or functions may use the title "nurse practitioner." Any

1 other person who uses the title in any form or holds out to be a nurse practitioner or to be so  
2 approved, shall be deemed to be in violation of this Article.

3 (a1) The Nurse Practitioner Advisory Committee (NPAC) is created. The membership of  
4 the NPAC shall consist of three nurse practitioners licensed under Article 9A of this Chapter and  
5 two physicians licensed under this Article. The NPAC shall assist the Board of Nursing in  
6 proposing regulations for nurse practitioner practice pursuant to this Chapter and shall comply  
7 with all open meeting requirements.

8 (a2) Any nurse practitioner with 4,000 hours of practice as a nurse practitioner who has  
9 not been disciplined by the Board of Nursing in the preceding five years shall have independent  
10 authority to engage in advanced practice nursing.

11 (a3) A nurse practitioner with less than 4,000 hours of practice as a nurse practitioner shall  
12 practice with a collaborating provider.

13 (b) Nurse practitioners are authorized to write prescriptions for drugs under all of the  
14 following conditions:

15 (1) ~~The North Carolina Medical Board and~~ Board of Nursing ~~have~~has adopted  
16 rules and regulations developed by a joint subcommittee governing the  
17 approval of individual nurse practitioners to write prescriptions with such  
18 limitations as the ~~boards~~ Board of Nursing may determine to be in the best  
19 interest of patient health and safety.

20 (2) The nurse practitioner has a current approval from the boards advanced  
21 practice registered nurse license issued by the Board of Nursing.

22 (3) Repealed by Session Laws 2019-191, s. 36, effective October 1, 2019.

23 (4) ~~The supervising physician has provided to~~ If the nurse practitioner is required  
24 to have a collaborating provider pursuant to a collaborative provider  
25 agreement, the collaborating provider has provided to the nurse practitioner  
26 written instructions about indications and contraindications for prescribing  
27 drugs and a written policy for periodic review by the ~~physician~~ collaborating  
28 provider of the drugs prescribed.

29 ~~A~~ If the nurse practitioner is required to have a collaborating provider, the  
30 nurse practitioner shall personally consult with the ~~supervising physician~~  
31 collaborating provider prior to prescribing a targeted controlled substance as  
32 defined in Article 5 of this Chapter when all of the following conditions apply:  
33 a. The patient is being treated by a facility that primarily engages in the  
34 treatment of pain by prescribing narcotic medications.  
35 b. The therapeutic use of the targeted controlled substance will or is  
36 expected to exceed a period of 30 days.

37 When a targeted controlled substance prescribed in accordance with this  
38 subdivision is continuously prescribed to the same patient, the nurse  
39 practitioner required to have a collaborating provider shall consult with the  
40 ~~supervising physician~~ collaborating provider at least once every 90 days to  
41 verify that the prescription remains medically appropriate for the patient.

42 (c) Nurse practitioners are authorized to compound and dispense drugs under the  
43 following conditions:

44 (1) The function is performed under the supervision of a licensed pharmacist; and

45 (2) Rules and regulations of the North Carolina Board of Pharmacy governing  
46 this function are complied with.

47 (d) Nurse practitioners are authorized to order medications, tests and treatments in  
48 hospitals, clinics, nursing ~~homes~~ homes, home health, and other health facilities under all of the  
49 following conditions:

50 (1) ~~The North Carolina Medical Board and~~ Board of Nursing ~~have~~has adopted  
51 rules and regulations developed by a joint subcommittee governing the

1 ~~approval/licensure~~ of individual nurse practitioners ~~to order medications, tests~~  
2 ~~and for diagnosing, treating, and facilitating patients' management, including~~  
3 ~~prescribing pharmacologic and nonpharmacologic interventions or treatments~~  
4 with such limitations as the ~~boards~~ Board of Nursing may determine to be in  
5 the best interest of patient health and safety.

6 (2) The nurse practitioner has a current ~~approval~~ APRN license from the  
7 ~~boards~~ Board of Nursing.

8 (3) ~~The supervising physician~~ If the nurse practitioner is required to be supervised  
9 by a collaborating provider, the collaborating provider has provided to the  
10 nurse practitioner written instructions about ordering medications, tests and  
11 treatments, and when appropriate, specific oral or written instructions for an  
12 individual patient, with provision for review by the ~~physician~~ collaborating  
13 provider of the order within a reasonable time, as determined by the ~~Board,~~  
14 Board of Nursing after the medication, test or treatment is ordered.

15 (4) The hospital or other health facility has adopted a written ~~policy, approved by~~  
16 ~~the medical staff after consultation with the nursing administration, policy~~  
17 about ordering medications, tests and treatments, including procedures for  
18 verification of the nurse practitioners' orders by nurses and other facility  
19 employees and such other procedures as are in the interest of patient health  
20 and safety.

21 (e) Any prescription written by a nurse practitioner required to have a collaborating  
22 provider or order given by a nurse practitioner required to have a collaborating provider  
23 for medications, tests or treatments shall be deemed to have been authorized by the ~~physician~~  
24 approved by the boards as the supervisor of the nurse practitioner and such supervising physician  
25 collaborating provider, who shall be responsible for authorizing such prescription or order. Nurse  
26 practitioners who are not required to have a collaborating provider shall be responsible for their  
27 own authorization of prescriptions or orders.

28 (e1) Any medical certification completed by a nurse practitioner required to have a  
29 collaborating provider for a death certificate shall be deemed to have been authorized by the  
30 ~~physician~~ collaborating provider approved by the boards as the supervisor of the nurse  
31 ~~practitioner,~~ Board of Nursing, and the supervising physician collaborating provider shall be  
32 responsible for authorizing the completion of the medical certification. Nurse practitioners who  
33 are not required to have a collaborating provider shall be responsible for their own authorization  
34 and completion of a death certificate.

35 (f) Any registered nurse or licensed practical nurse who receives an order from a nurse  
36 practitioner for medications, tests or treatments is authorized to perform that ~~order in the same~~  
37 ~~manner as if it were received from a licensed physician order.~~

38 (g) Definitions. – For purposes of this section, the following definitions apply:

39 (1) Advanced nursing practice. – The nursing services provided by an individual  
40 licensed as a registered nurse who has completed graduate-level education,  
41 passed a national certification examination, and has maintained competency  
42 to assume responsibility and accountability for health promotion, complex  
43 decision making, maintenance, assessment, diagnosis, and management of  
44 patient problems, including the prescribing of pharmacologic and  
45 non-pharmacologic interventions.

46 (2) Advanced Practice Registered Nurse (APRN). – A certified nurse midwife,  
47 certified registered nurse anesthetist, clinical nurse specialist, or nurse  
48 practitioner licensed by the Board of Nursing who has completed an advanced  
49 graduate-level education program in a specialty category of nursing and has  
50 passed a national certification examination for that specialty. The Board of  
51 Nursing shall issue an Advanced Practice Registered Nurse license to any

individual who meets the criteria in this subdivision and applies to the Board of Nursing for an Advanced Practice Registered Nurse license in a manner the Board shall establish by rule.

(3) Collaborating provider. – A physician licensed under this Article with at least 8,000 hours of practice experience, or a nurse practitioner licensed under Article 9A of this Chapter with at least 8,000 hours of practice experience. Collaborating providers must be in good standing with their licensing boards and not have received any professional discipline in the preceding five years.

(4) Collaborative provider agreement. – The arrangement between a nurse practitioner and collaborating provider that provides for the continuous availability to each other for ongoing supervision, consultation, collaboration, referral, and evaluation of care provided by the nurse practitioner."

SECTION 2.(c) G.S. 90-171.27(b) reads as rewritten:

"§ 90-171.27. Expenses payable from fees collected by Board.

(b) The schedule of fees shall not exceed the following rates:

Application for license as advanced practice registered nurse.....	\$100.00
Renewal of license to practice as advanced practice registered nurse (two-year period).....	100.00
Reinstatement of lapsed license to practice as advanced practice registered nurse and renewal fee.....	180.00
Application for examination leading to <del>certificate and</del> license as registered nurse.....	<del>\$75.00</del> 75.00
Application for <del>certificate and</del> license as registered nurse by endorsement.....	150.00
Application for each re-examination leading to <del>certificate and</del> license as registered nurse.....	75.00
Renewal of license to practice as registered nurse (two-year period).....	100.00
Reinstatement of lapsed license to practice as a registered nurse and renewal fee.....	180.00
Application for examination leading to <del>certificate and</del> license as licensed practical nurse by examination.....	75.00
Application for <del>certificate and</del> license as licensed practical nurse by endorsement.....	150.00
Application for each re-examination leading to <del>certificate and</del> license as licensed practical nurse.....	75.00
Renewal of license to practice as a licensed practical nurse (two-year period).....	100.00
Reinstatement of lapsed license to practice as a licensed practical nurse and renewal fee.....	180.00
Application fee for retired registered nurse status or retired licensed practical nurse status.....	50.00
Reinstatement of retired registered nurse to practice as a registered nurse or a retired licensed practical nurse to practice as a licensed practical nurse (two-year period).....	100.00

Reasonable charge for duplication services and materials.

A fee for an item listed in this schedule shall not increase from one year to the next by more than twenty percent (20%)."

SECTION 2.(d) No later than January 1, 2025, the Board of Nursing shall adopt rules to implement the provisions of this Part.



1           **SECTION 2.(e)** Sections 2(a), 2(b), and 2(c) of this Part are effective January 1,  
2 2025. The remainder of this Part is effective when it becomes law.

3  
4 **PART III. ANESTHESIA SERVICE FLEXIBILITY**

5           **SECTION 3.(a)** Article 1 of Chapter 90 of the General Statutes is amended by adding  
6 a new section to read:

7 **"§ 90-18.9. Anesthesiologist TEFRA compliance.**

8           (a) Definitions. – The following definitions shall apply in this section:

- 9           (1) Anesthesia care. – The performance of activities by a certified registered nurse  
10 anesthetist under 21 NCAC 36 .0226.  
11           (2) Anesthesiologist. – A licensed physician who has successfully completed an  
12 anesthesiology training program approved by the Accreditation Committee on  
13 Graduate Medical Education or the American Osteopathic Association or who  
14 is credentialed to practice anesthesiology by a hospital or an ambulatory  
15 surgical facility.  
16           (3) Certified registered nurse anesthetist. – A licensed registered nurse who  
17 completes a program accredited by the Council on Accreditation of Nurse  
18 Anesthesia Educational Programs, is credentialed as a certified registered  
19 nurse anesthetist by the Council on Certification of Nurse Anesthetists, and  
20 who maintains recertification through the Council on Recertification of Nurse  
21 Anesthetists and performs nurse anesthesia activities in collaboration with a  
22 physician, dentist, podiatrist, or other lawfully qualified health care provider.  
23 Nurse anesthesia activities do not constitute the practice of medicine.  
24           (4) Medical direction. – The direction of anesthesia care by an anesthesiologist to  
25 up to four certified registered nurse anesthetists performing concurrent cases.  
26           (5) TEFRA. – The Tax Equity and Fiscal Responsibility Act of 1982, Public Law  
27 97-248.

28           (b) Compliance. – Consistent with TEFRA, an anesthesiologist providing medical  
29 direction to a certified registered nurse anesthetist performing anesthesia care must comply with  
30 all of the following requirements in order to bill any third-party payor for medical direction  
31 services:

- 32           (1) Perform a pre-anesthetic examination and evaluation and document it in the  
33 medical record.  
34           (2) Prescribe the anesthesia plan.  
35           (3) Personally participate in and document the most demanding procedures in the  
36 anesthesia plan, including induction and emergence, if applicable.  
37           (4) Ensure that any procedures in the anesthesia plan that the anesthesiologist  
38 does not perform are performed by a certified nurse anesthetist or  
39 anesthesiologist assistant, as appropriate.  
40           (5) Monitor the course of anesthesia administration at frequent intervals and  
41 document that they were present during some portion of the anesthesia  
42 monitoring.  
43           (6) Remain physically present and available for immediate diagnosis and  
44 treatment of emergencies."

45           **SECTION 3.(b)** Article 3 of Chapter 58 of the General Statutes is amended by  
46 adding a new section to read:

47 **"§ 58-3-301. Medical direction of nurse anesthetists.**

48           (a) Definitions. – The following definitions shall apply in this section:

- 49           (1) Anesthesia care. – The performance of activities by a certified registered nurse  
50 anesthetist under 21 NCAC 36 .0226.

- 1           (2)    Anesthesiologist. – A licensed physician who has successfully completed an  
 2           anesthesiology training program approved by the Accreditation Committee on  
 3           Graduate Medical Education or the American Osteopathic Association or who  
 4           is credentialed to practice anesthesiology by a hospital or an ambulatory  
 5           surgical facility.
- 6           (3)    Certified registered nurse anesthetist. – A licensed registered nurse who  
 7           completes a program accredited by the Council on Accreditation of Nurse  
 8           Anesthesia Educational Programs, is credentialed as a certified registered  
 9           nurse anesthetist by the Council on Certification of Nurse Anesthetists, and  
 10          who maintains recertification through the Council on Recertification of Nurse  
 11          Anesthetists and performs nurse anesthesia activities in collaboration with a  
 12          physician, dentist, podiatrist, or other lawfully qualified health care provider.  
 13          Nurse anesthesia activities do not constitute the practice of medicine.
- 14          (4)    Medical direction. – The direction of anesthesia care by an anesthesiologist to  
 15          up to four certified registered nurse anesthetists performing concurrent cases.
- 16          (5)    TEFRA. – The Tax Equity and Fiscal Responsibility Act of 1982, Public Law  
 17          97-248.

18          (b)    An insurer offering a health benefit plan in this State shall reimburse claims for  
 19          medical direction of a nurse anesthetist at fifty percent (50%) of the rate of reimbursement the  
 20          anesthesiologist would have received for services if the services had been performed without the  
 21          nurse anesthetist.

22          (c)    Consistent with TEFRA, an insurer offering a health benefit plan in this State shall  
 23          require that any anesthesiologist providing medical direction to a certified registered nurse  
 24          anesthetist performing anesthesia care comply with all of the following requirements in order for  
 25          a claim for medical direction services to be payable under that health benefit plan:

- 26           (1)    Perform a pre-anesthetic examination and evaluation and document it in the  
 27           medical record.
- 28           (2)    Prescribe the anesthesia plan.
- 29           (3)    Personally participate in and document the most demanding procedures in the  
 30           anesthesia plan, including induction and emergence, if applicable.
- 31           (4)    Ensure that any procedures in the anesthesia plan that the anesthesiologist  
 32           does not perform are performed by a certified nurse anesthetist or  
 33           anesthesiologist assistant, as appropriate.
- 34           (5)    Monitor the course of anesthesia administration at frequent intervals and  
 35           document that they were present during some portion of the anesthesia  
 36           monitoring.
- 37           (6)    Remain physically present and available for immediate diagnosis and  
 38           treatment of emergencies.
- 39           (7)    Provide indicated post-anesthesia care."

40          **SECTION 3.(c)** G.S. 135-48.51 reads as rewritten:

41          **"§ 135-48.51. Coverage and operational mandates related to Chapter 58 of the General**  
 42          **Statutes.**

43          The following provisions of Chapter 58 of the General Statutes apply to the State Health Plan:

- 44           ...
- 45           (11a) G.S. 58-3-301, Medical direction of nurse anesthetists.  
 46           ...."

47          **SECTION 3.(d)** G.S. 58-93-120 reads as rewritten:

48          **"§ 58-93-120. Other laws applicable to PHPs.**

49          The following provisions of this Chapter are applicable to PHPs in the manner in which they  
 50          are applicable to insurers:

51           ...

1           (14a) G.S. 58-3-301, Medical direction of nurse anesthetists.

2           ...."

3           **SECTION 3.(e)** The Department of Health and Human Services, Division of Health  
4 Benefits (DHB), shall review the Medicaid State Plan and all applicable Medicaid clinical  
5 coverage policies to ensure that the Medicaid program is paying anesthesiologists for medical  
6 direction of nurse anesthetists at fifty percent (50%) of the reimbursement the anesthesiologists  
7 would receive if they performed the work alone. DHB shall further ensure that all requirements  
8 for reimbursement of anesthesiologist medical direction services are in compliance with the Tax  
9 Equity and Fiscal Responsibility Act of 1982, Public Law 97-248 (TEFRA). This includes  
10 verification that all prepaid health plans and local management entities/managed care  
11 organizations are also in compliance.

12           **SECTION 3.(f)** Section 3(a) of this Part is effective October 1, 2024, and applies to  
13 services rendered on or after that date. Sections 3(b) and 3(c) of this Part are effective October 1,  
14 2024, and apply to insurance contracts issued, renewed, or amended on or after that date. The  
15 remainder of this Part is effective when it becomes law.

#### 16 17 **PART IV. OUT-OF-NETWORK BILLING NOTIFICATION**

18           **SECTION 4.(a)** Article 3 of Chapter 58 of the General Statutes is amended by adding  
19 a new section to read:

20 **"§ 58-3-295. Contract requirements for limitations on billing by in-network health service**

21 **facilities.**

22           (a) The following definitions apply in this section:

23           (1) Health service facility. – As defined in G.S. 131E-176(9b) and including any  
24 office location of the facility.

25           (2) Healthcare provider. – Any individual licensed, registered, or certified under  
26 Chapter 90 of the General Statutes, or under the laws of another state, to  
27 provide healthcare services in the ordinary care of business or practice, as a  
28 profession, or in an approved education or training program in any of the  
29 following:

30           a. Anesthesia or anesthesiology.

31           b. Emergency services, as defined under G.S. 58-3-190(g).

32           c. Pathology.

33           d. Radiology.

34           e. Rendering assistance to a physician performing any of the services  
35 listed in this subdivision.

36           (3) Out-of-network provider. – A healthcare provider that has not entered into a  
37 contract or agreement with an insurer to participate in one or more of the  
38 insurer's provider networks for the provision of healthcare services at a  
39 pre-negotiated rate.

40           (b) All contracts or agreements for participation as an in-network health service facility  
41 between an insurer offering at least one health benefit plan in this State and a health service  
42 facility at which there are out-of-network providers who may be part of the provision of covered  
43 services to an insured while receiving care at the health service facility shall require that an  
44 in-network health service facility give written notification to an insured that has scheduled an  
45 appointment at that health service facility and receive signed confirmation from an insured that  
46 the written notice has been received.

47           (c) The written notice described in subsection (b) of this section shall include all of the  
48 following:

49           (1) All of the healthcare providers that will be rendering services to the insured  
50 and that are not participating as in-network healthcare providers in the  
51 applicable insurer's network.

1           (2)   The estimated cost to the insured of the covered healthcare services being  
2           rendered by the out-of-network providers identified in subdivision (1) of this  
3           subsection.

4           (d)   The written notice required under subsection (b) of this section shall be given at least  
5           72 hours prior to the rendering of healthcare services at the in-network health service facility. If  
6           there are not at least 72 hours between the time that the appointment for healthcare services is  
7           made and the scheduled appointment, then the in-network health service facility shall give the  
8           required written notice to the insured on the day the appointment is scheduled, unless the  
9           healthcare services provided are emergency services, as defined in G.S. 58-3-190(g). If the  
10          healthcare services provided are emergency services, then the in-network health service facility  
11          shall give written notice to the insured as soon as reasonably possible.

12          (e)   The signed proof of receipt of written notice required under subsection (b) of this  
13          section shall be obtained by the in-network prior to the healthcare services being provided, unless  
14          the healthcare services provided are emergency services, as defined in G.S. 58-3-190(g). If the  
15          healthcare services provided are emergency services, the signed proof of receipt of written notice  
16          shall be obtained as soon as reasonably possible.

17          (f)   If any provision of this section conflicts with the federal Consolidated Appropriations  
18          Act, 2021, P.L. 116-260, and any amendments to that act or regulations promulgated pursuant to  
19          that act, then the provisions of P.L. 116-260 will be applied."

20          **SECTION 4.(b)** This Part is effective October 1, 2024, and applies to contracts  
21 entered into, amended, or renewed on or after that date.

## 22 23 **PART V. FACILITY FEES**

24          **SECTION 5.(a)** Article 16 of Chapter 131E of the General Statutes is amended by  
25 adding a new section to read:

### 26 **"§ 131E-274. Facility fees.**

27          (a)   Definitions. – The following definitions apply in this section:

28           (1)   Campus. – The main building of a hospital, the physical area immediately  
29           adjacent to a hospital's main building, other structures not contiguous to the  
30           main building of a hospital that are within 250 yards of the main building, or  
31           any other area that has been determined to be part of a hospital's campus by  
32           the Centers for Medicare and Medicaid Services.

33           (2)   Facility fee. – Any fee charged or billed by a health care provider for  
34           outpatient services provided in a hospital-based facility that is (i) intended to  
35           compensate the health care provider for the operational expenses of the health  
36           care provider, (ii) separate and distinct from a professional fee, and (iii)  
37           charged regardless of the modality through which the health care services  
38           were provided.

39           (3)   Health care provider. – As defined in G.S. 90-410.

40           (4)   Health systems. – A parent corporation of one or more hospitals and any entity  
41           affiliated with that parent corporation through ownership, governance,  
42           membership, or other means, or a hospital and any entity affiliated with that  
43           hospital through ownership, governance, membership, or other means.

44           (5)   Hospital. – As defined in G.S. 131E-76.

45           (6)   Hospital-based facility. – A facility that is owned or operated, in whole or in  
46           part, by a hospital where hospital or professional medical services are  
47           provided.

48           (7)   Professional fee. – Any fee charged or billed by a provider for professional  
49           medical services provided in a hospital-based facility.

50           (8)   Remote location of a hospital. – A hospital-based facility that is created by a  
51           hospital for the purpose of furnishing services under the name, ownership, and

1 financial and administrative control of the hospital. This does not include any  
2 healthcare organization or facility that was acquired or purchased by a  
3 hospital.

4 (b) Limits on Facility Fees. – The following limitations are applicable to facility fees:

5 (1) No health care provider shall charge, bill, or collect a facility fee unless the  
6 services are provided on a hospital's main campus, at a remote location of a  
7 hospital, or at a facility that includes an emergency department.

8 (2) Regardless of where the services are provided, no health care provider shall  
9 charge, bill, or collect a facility fee to outpatient evaluation and management  
10 services, or any other outpatient, diagnostic, or imaging services identified by  
11 the Department.

12 (c) Identification of Services. – The Department shall annually identify services subject  
13 to the limitations on facility fees provided in subdivision (2) of subsection (b) of this section that  
14 may reliably be provided safely and effectively in non-hospital settings.

15 (d) Reporting Requirements. – Each hospital and health system shall submit a report to  
16 the Department annually on July 1. The report shall be published on the Department's website  
17 and shall contain the following:

18 (1) The name and full address of each facility owned or operated by the hospital  
19 or health system that provides services for which a facility fee is charged or  
20 billed.

21 (2) The number of patient visits at each such hospital-based facility for which a  
22 facility fee was charged or billed.

23 (3) The number, total amount, and range of allowable facility fees paid at each  
24 facility by Medicare, Medicaid, and private insurance.

25 (4) For each hospital-based facility and for the hospital or health system as a  
26 whole, the total amount billed and the total revenue received from facility fees.

27 (5) The top 10 procedures or services, identified by current procedural  
28 terminology (CPT) category I codes, provided by the hospital or health system  
29 that generated the greatest amount of facility fee gross revenue; the number of  
30 each of these 10 procedures or services provided; the gross and net revenue  
31 totals for each such procedure or service; and, the total net amount of revenue  
32 received by the hospital or health system derived from facility fees for each  
33 procedure or service.

34 (6) Any other information the Department may require.

35 (e) Enforcement. – This section shall be enforced as follows:

36 (1) Any violation of any provision of this section shall be considered an unfair  
37 and deceptive trade practice and shall be subject to the provisions of Article 1  
38 of Chapter 75 of the General Statutes.

39 (2) In addition to the remedies described in subdivision (1) of this subsection, any  
40 health care provider who violates any provision of this section shall be subject  
41 to an administrative penalty of not more than one thousand dollars (\$1,000)  
42 per occurrence."

43 **SECTION 5.(b)** No later than January 1, 2025, the Department of Health and Human  
44 Services shall adopt rules necessary to implement the provisions of this section.

45 **SECTION 5.(c)** Section 5(a) of this Part is effective January 1, 2025. The remainder  
46 of this Part is effective when it becomes law.

## 47 **PART VI. EFFECTIVE DATE**

48 **SECTION 6.** Except as otherwise provided, this act is effective when it becomes  
49 law.  
50