



HOUSE BILL 415: Stop Addiction Fraud Ethics Act of 2023.

2023-2024 General Assembly

Committee:		Date:	November 20, 2023
Introduced by:		Prepared by:	Theresa Matula
Analysis of:	S.L. 2023-141		Legislative Analyst

OVERVIEW: *S.L. 2023-141 creates the Stop Addition Fraud Ethics Act of 2023 (SAFE Act of 2023 - Article 5H of Chapter 90), which provides new laws for substance use disorder treatment providers and facilities related to truth in marketing and patient brokering and kickbacks. The new law would not apply to a hospital or a hospital authority.*

The act defines the following terms: patient, referral, recovery residence, treatment facility, and treatment provider. It establishes laws for advertising and marketing materials; the operation of a recovery residence or treatment facility while also providing outpatient services; and prohibited actions and consequences for violation. A violation of the prohibited acts outlined above constitutes an unfair or deceptive trade practice (under G.S. 75-1.1) and a person or entity in violation will be guilty of a Class G felony and each violation will be a separate offense.

The act makes it unlawful for a person, entity, treatment provider, treatment facility, recovery residence, or third party providing service, to knowingly offer to pay anything of value or engage in a split-fee arrangement: (i) to induce the referral of a patient or patronage to or from a treatment provider or laboratory; (ii) in return for referring a patient or patronage to or from a treatment provider or laboratory; (iii) in return for the acceptance or acknowledgement of treatment from a health care provider or any health care facility, or aiding or abetting conduct that violates these items. This section would not apply to a discount; payment; waiver of payment practice authorized by, or regulation adopted in accordance with federal law, (42 USC § 1320-7b(b)(3)); or a reasonable contingency management technique or motivational incentive that is part of a treatment provided by a treatment provider. A person who violates this section is guilty of a Class G felony.

The act also amends the law regarding ear wax removal by audiologists. This change is reflected in the audiology updates section of the summary of S.L. 2023-129.

The act became effective January 1, 2024, and applies to offenses committed on or after that date.

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578