



HOUSE BILL 798: NC Accountability/Safety Net.

2023-2024 General Assembly

Committee:	House Health. If favorable, re-refer to Judiciary 1. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	May 2, 2023
Introduced by:	Reps. Chesser, Wheatley, Willis	Prepared by:	Jessica Boney* Staff Attorney
Analysis of:	First Edition		

OVERVIEW: *House Bill 798 would clarify that nongovernmental organizations who provide healthcare services pursuant to a contract with a public health entity are only liable for the injuries and damage they cause, and not those of the public health entity. Nongovernmental independent contractors who provide healthcare services pursuant to a contract with a public health entity would be deemed to be the equivalent of the public health entity. The contractors would only be liable for the first \$1,000,000 in damages for their actions and could seek indemnification from the state for any excess amounts.*

The Proposed Committee Substitute would do the following:

- *Change "health care services" to "health, human, and welfare services" which include all services provided by Department of Health and Human Services (DHHS) in conjunction with a nongovernmental organization or a nongovernmental independent contractors.*
- *Amend the definition of nongovernmental organization to include any corporation, organization, or association, instead of nonprofit ones.*

BILL ANALYSIS:

Section 1 would clarify that nongovernmental organizations who contract with DHHS or a local or county health department to provide healthcare services are liable only for the injuries and damages they cause while providing those services and are not liable for injury and damages caused by those public entities, or an employee or agent of those public entities. These provisions cannot be waived by any court, and any contracts purporting to waive these provisions are void. Nongovernmental organizations and public health entities will each bear their own costs of defending suits for their own acts.

Section 2 would also clarify that nongovernmental independent contractors who contract with DHHS or a local or county health department to provide healthcare services are deemed to be the equivalent of the public entity while providing those services. Claims against the contractors would be subject to the \$1,000,000 recovery limit that is applicable to claims against the state, and the state must indemnify the contractor for any amount liability over that limit. Claims against the contractor must be filed in civil court, and the contractor's claims for state indemnification must be filed with the Industrial Commission. If indemnification is sought for a final judgment in excess of the \$1,000,000 limit, the claim must be filed with the Industrial Commission within 60 days of entry of that judgment.

EFFECTIVE DATE: This act would be effective October 1, 2023, and apply to claims arising from acts or omissions occurring on or after that date.

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Director



Legislative Analysis
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