

1 10A NCAC 13B .3503 is proposed for readoption with substantive changes as follows:

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3 **10A NCAC 13B .3503 FUNCTIONS**

4 (a) The governing body shall:

- 5 (1) provide management, physical ~~resources~~ resources, and personnel determined by the governing
6 body to be required to meet the needs of the patients for which it is licensed; treatment as authorized
7 by the facility's license;
- 8 (2) require ~~management~~ facility administration to establish a quality control mechanism ~~which that~~
9 ~~includes as an integral part~~ a risk management component and an infection control program;
- 10 (3) formulate short-range and long-range plans ~~for the development of the facility;~~ as defined in the
11 facility bylaws, policies, rules, and regulations;
- 12 (4) conform to all applicable ~~federal,~~ State and federal laws, rules, and regulations, and applicable local
13 laws and regulations; ordinances;
- 14 (5) provide for the control and use of the physical and financial resources of the facility;
- 15 (6) review the annual audit, ~~budget~~ budget, and periodic reports of the financial operations of the
16 facility;
- 17 (7) consider the ~~advice~~ recommendation of the medical staff in granting and defining the scope of
18 clinical privileges to ~~individuals. When the governing body does not concur in the medical staff~~
19 ~~recommendation regarding the clinical privileges of an individual, there shall be a review of the~~
20 ~~recommendation by a joint committee of the medical staff and governing body before a final~~
21 ~~decision is reached by the governing body;~~ individuals in accordance with medical staff bylaws
22 requirements for making such recommendations and the facility bylaws established by the
23 governing body for the review and final determination of such recommendations;
- 24 (8) require that applicants be informed of the disposition of their application for medical staff
25 membership or clinical ~~privileges, or both, within an established period of time after their privileges~~
26 in accordance with the facility bylaws established by the governing body, after an application has
27 been submitted;
- 28 (9) review and approve the medical staff bylaws, ~~rules~~ rules, and ~~regulations~~ regulations;
- 29 (10) delegate to the medical staff the authority ~~to~~ to:
- 30 (A) evaluate the professional competence of medical staff members and applicants for ~~staff~~
31 ~~privileges~~ medical staff membership and clinical privileges; and
- 32 (B) ~~hold the medical staff responsible for recommending~~ recommend to the governing body
33 initial medical staff appointments, ~~reappointments~~ reappointments, and assignments or
34 curtailments of privileges;
- 35 (11) require that resources be made available to address the emotional and spiritual needs of patients
36 either directly or through referral or arrangement with community agencies;

- 1 (12) maintain ~~effective~~ communication with the medical staff which ~~shall may be established, established~~
2 through:
- 3 ~~(a)(A)~~ meetings with the ~~Executive Committee~~ executive committee of the ~~Medical Staff; medical~~
4 staff;
- 5 ~~(b)(B)~~ service by the president of the medical staff as a member of the governing body with or
6 without a vote;
- 7 ~~(c)(C)~~ appointment of individual medical staff members to ~~governing body committees; or the~~
8 medical review committee; or
- 9 ~~(d)(D)~~ a joint conference ~~committee; committee that will be a committee of the governing body~~
10 and the medical staff composed of equal representatives of each of the governing body, the
11 chairman of the board or designee, the medical staff, and the chief of the medical staff or
12 designee, respectively;
- 13 (13) require the medical staff to establish controls that are designed to provide that standards of ethical
14 professional practices are met;
- 15 (14) provide ~~the necessary~~ administrative staff support to facilitate utilization review and infection
16 control within the ~~facility and facility,~~ to support quality ~~control, control and~~ any other medical staff
17 functions required by this Subchapter or by the facility bylaws;
- 18 (15) meet the following disclosure requirements:
- 19 ~~(a)(A)~~ provide data required by the Division;
- 20 ~~(b)(B)~~ disclose the facility's average daily inpatient charge upon request of the Division; and
- 21 ~~(c)(C)~~ disclose the identity of persons owning ~~5.0~~ five percent or more of the facility as well as
22 the facility's officers and members of the governing body upon request;
- 23 (16) establish a procedure for reporting the occurrence and disposition of ~~any unusual incidents.~~
24 allegations of abuse or neglect of patients and incidents involving quality of care or physical
25 environment at the facility. These procedures shall require that:
- 26 ~~(a)(A)~~ incident reports are analyzed and ~~summarized; summarized by a designated party; and~~
- 27 ~~(b)(B)~~ corrective action is taken ~~as indicated by~~ based upon the analysis of incident reports;
- 28 (17) in a facility with one or more units, or portions of units, however described, utilized for psychiatric
29 or substance abuse treatment, adopt policies implementing the provisions of G.S. 122C, Article 3,
30 and Article 5, Parts, 2, 3, 4, 5, 7, and 8;
- 31 (18) develop arrangements for the provision of extended care and other long-term healthcare services.
32 Such services shall be provided in the facility or by outside resources through a transfer agreement
33 or referrals;
- 34 (19) provide and implement a written plan for the care or for the referral, or ~~for~~ both, of patients who
35 require mental health or substance abuse services while in the ~~hospital; facility;~~

1 (20) develop a conflict of interest policy which shall apply to all governing body members and ~~corporate~~
 2 ~~officers; facility administration.~~ All governing body members shall execute a conflict of interest
 3 ~~statement; statement; and~~

4 ~~(21) prohibit members of the governing body from engaging in the following forms of self dealing:~~

5 ~~(a) the sale, exchange or leasing of property or services between the facility and a governing~~
 6 ~~board member, his employer or an organization substantially controlled by him on a basis~~
 7 ~~less favorable to the facility than that on which such property or service is made available~~
 8 ~~to the general public;~~

9 ~~(b) furnishing of goods, services or facilities by a facility to a governing board member, unless~~
 10 ~~such furnishing is made on a basis not more favorable than that on which such goods,~~
 11 ~~services, or facilities are made available to the general public or employees of the facility;~~

12 ~~or~~

13 ~~(c) any transfer to or use by or for the benefit of a governing board member of the income or~~
 14 ~~assets of a facility, except by purchase for fair market value; and~~

15 ~~(22) prohibit the lease, sale, or exclusive use of any facility buildings or facilities receiving a license in~~
 16 ~~accordance with this Subchapter to any entity which provides medical or other health services to the~~
 17 ~~facility's patients, unless there is full, complete disclosure to and approval from the Division.~~

18 ~~(21) conduct direct consultations with the medical staff at least twice during the year.~~

19 (b) For the purposes of this Rule, "direct consultations" means the governing body, or a subcommittee of the
 20 governing body, meets with the leader(s) of the medical staff(s), or his or her designee(s) either face-to-face or via a
 21 telecommunications system permitting immediate, synchronous communication.

22 (c) The direct consultations shall consist of discussions of matters related to the quality of medical care provided to
 23 the hospital's patients, including quality matters arising out of the following:

24 (1) the scope and complexity of services offered by the facility;

25 (2) specific clinical populations served by the facility;

26 (3) limitations on medical staff membership other than peer review or corrective action in individual
 27 cases;

28 (4) circumstances relating to medical staff access to a facility resource; or

29 (5) any issues of patient safety and quality of care that a hospital's quality assessment and performance
 30 improvement program might identify as needing the attention of the governing body in consultation
 31 with the medical staff.

32 (d) For the purposes of this Rule, "specific clinical populations" includes those individuals who may be treated at the
 33 facility by the medical staff in place at the time of the consultation.

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 35 *History Note: Authority G.S. 131E-14.2; 131E-79; 42 CFR 482.12; 42 CFR 482.22;*

36 *Eff. January 1, 1996; 1996;*

37 *Readopted Eff. July 1, 2020.*