

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 1073
Committee Substitute Favorable 6/27/12

Short Title: Modify UNCHCS Board.

(Public)

Sponsors:

Referred to:

May 23, 2012

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY THE COMPOSITION AND APPOINTMENT PROCESS FOR
3 MEMBERS OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF NORTH
4 CAROLINA HEALTH CARE SYSTEM.

5 The General Assembly of North Carolina enacts:

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

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

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

- 11 a. ~~A minimum of six~~ Eight members ex officio ~~of said board~~ shall be
12 the President of The University of North Carolina (or the President's
13 designee); the Chief Executive Officer of the University of North
14 Carolina Health Care System; the Chancellor of the University of
15 North Carolina at Chapel Hill and one additional administrative
16 officer of the University of North Carolina at Chapel Hill designated
17 by the Chancellor; the President of the University of North Carolina
18 Hospitals; the President of the UNC Faculty Physicians; and two
19 members of the faculty of the School of Medicine of the University
20 of North Carolina at Chapel Hill designated by the Dean of the
21 School of Medicine; provided, that if not such a member ex officio
22 by virtue of holding one or more of the offices aforementioned,
23 additional ex officio memberships shall be held by the President of
24 the University of North Carolina Hospitals at Chapel Hill, the faculty
25 member responsible for leading the clinical patient care programs of
26 the School of Medicine, and Medicine. If the Dean of the School of
27 Medicine of the University of North Carolina at Chapel Hill
28 does not also hold one of the positions designated as an ex officio
29 member of the board, the Dean shall serve in one of the positions
30 reserved for a member of the faculty.
- 31 b. ~~No less than nine and no more than 21~~ Sixteen members at large,
32 ~~which number shall be determined by the board of directors, large~~
33 ~~shall be appointed for four-year terms, commencing on November 1~~
34 ~~of the year of appointment; provided, that the initial appointment.~~
35 Twelve of the members at large shall be appointed by the Board of
36 Governors after consultation with the President of The University of



1 North Carolina. Four of the members at large shall be appointed by
2 the board of directors.

3 c. The initial class of at-large members shall ~~include~~ be composed of
4 the following individuals:

5 1. ~~the~~ The persons who hold the appointed memberships on the
6 board of directors of the University of North Carolina
7 Hospitals at Chapel Hill incumbent as of October 31, 1998,
8 directors as of October 31, 2012, and whose terms do not
9 expire on that date. The ~~with their~~ terms of membership on
10 the board of directors of the University of North Carolina
11 Health Care System to for these at-large members will expire
12 on the last day of October of the year in which their term as a
13 member of the board of directors of the University of North
14 Carolina Hospitals at Chapel Hill would have expired.

15 2. Three persons appointed by the Board of Governors after
16 consultation with the President of The University of North
17 Carolina whose terms will commence on November 1, 2012,
18 and will expire on October 31, 2016.

19 3. One person appointed by the board of directors whose term
20 will commence on November 1, 2012, and will expire on
21 October 31, 2016.

22 The Board of Governors shall appoint successor at-large
23 members for those members whose terms end on October 31, 2013,
24 October 31, 2014, and four of the five members whose terms end on
25 October 31, 2016. The board of directors shall appoint successor
26 at-large members for those members whose terms end on October 31,
27 2015, and one of the five members whose terms end on October 31,
28 2016.

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

- 1 filled by the appointing authority for the balance of the term
2 remaining.
- 3 (2) The board of directors, with each ex officio and at-large member having a
4 vote, shall elect a chairman only from among the at-large members, for a
5 term of two years. Notwithstanding the foregoing limitation, the Chancellor
6 of the University of North Carolina at Chapel Hill may serve as Chairman.
7 No person shall be eligible to serve as chairman for more than three terms in
8 succession.
- 9 (3) The board of directors of the University of North Carolina Health Care
10 System shall meet at least every 60 days and may hold special meetings at
11 any time and place within the State at the call of the chairman. Board
12 members, other than ex officio members, shall receive the same per diem
13 and reimbursement for travel expenses as members of the State boards and
14 commissions generally.
- 15 (4) In meeting the patient-care, educational, research, and public-service goals
16 of the University of North Carolina Health Care System, the board of
17 directors is authorized to exercise such authority and responsibility and
18 adopt such policies, rules, and regulations as it deems necessary and
19 appropriate, not inconsistent with the provisions of this section or the
20 policies of the Board of Governors or, to the extent the board's actions affect
21 employees of the University of North Carolina at Chapel Hill, the policies of
22 the University of North Carolina at Chapel Hill. The board may authorize
23 any component of the University of North Carolina Health Care System,
24 including the University of North Carolina Hospitals at Chapel Hill, to
25 contract in its individual capacity, subject to such policies and procedures as
26 the board of directors may direct. The board of directors may enter into
27 formal agreements with the University of North Carolina at Chapel Hill with
28 respect to the provision of clinical experience for students and for the
29 provision of maintenance and supporting services. The board's action on
30 matters within its jurisdiction is final, except that appeals may be made, in
31 writing, to the Board of Governors with a copy of the appeal to the
32 Chancellor of the University of North Carolina at Chapel Hill. The board of
33 directors shall keep the Board of Governors and the board of trustees of the
34 University of North Carolina at Chapel Hill fully informed about health care
35 policy and recommend changes necessary to maintain adequate health care
36 delivery, education, and research for improvement of the health of the
37 citizens of North Carolina."

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