

GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 23
SENATE BILL 33

AN ACT TO AUTHORIZE THE DEPARTMENT OF HUMAN RESOURCES TO
COMPROMISE ACCOUNTS, FIX PAYMENTS AND DETERMINE WHO IS
ABLE TO PAY FOR SERVICES RENDERED TO THE PUBLIC.

The General Assembly of North Carolina enacts:

Section 1. G.S. 143-118.1 is amended and rewritten to read:

"§ 143-118.1. Secretary of Human Resources may compromise account. – The Secretary of Human Resources or the agent of the Secretary to whom this power has been delegated by the Secretary of Human Resources is hereby empowered to enter into contracts of compromise of accounts owing the said institutions for past, present or future care at the said institutions, including but not limited to the authority to enter into a contract to charge nothing, which contract shall be binding on the respective institution under the terms and for the period specified in such contract. The rate of charge fixed by such contract shall be paid on a monthly basis, or in lump sum for those amounts already accrued for the duration of the contract; said rates or decision to make no charge shall be determined in the discretion of the Secretary or the agent by the ability to pay of the patient or those responsible in law for his support. In any action by any of the said institutions for the recovery of the cost of the care, maintenance and treatment of any inmate, a verified and itemized statement of account accompanied by a contract entered into pursuant to this section shall have the same effect in instituting a prima facie case as the statement of account filed pursuant to G.S. 143-118. This section shall not be construed as mandatory and if such contract is not entered into or shall terminate, or if the obligor shall default in the payment of the said compromise amount or any installment thereof, then the full monthly charge shall accrue on the patient's account."

Sec. 2. G.S. 143-119 is amended and rewritten to read:

"§ 143-119. Payments. – Such cost, when so fixed and determined by the Secretary of Human Resources or the agent of the Secretary to whom this power has been delegated by the Secretary of Human Resources shall be paid by the patient, pupil or inmate thereof, or by his parent, guardian, trustee or other person legally responsible therefor, and the payment thereof shall constitute a valid expenditure of the control of such funds, and a receipt for the payment of such costs in the hands of such fiduciary shall be a valid voucher to the extent thereof in the settlement of his accounts of his trust. Immediately upon the determination of the cost, as herein provided for, the Director of the institution shall notify the patient, pupil, inmate, parent, guardian, trustee, or such other person who shall be legally responsible for the payment thereof, of the monthly

amount thereof, and such statement shall be rendered from month to month. The Secretary or agent is vested with full and complete authority to arrange with the patient, pupil, inmate, parent, guardian, trustee, or other person legally responsible for the cost, for the payment of any portion of such cost monthly or otherwise, in the event such patient, pupil, inmate, parent, guardian, trustee or other person legally responsible therefor shall not be able to pay the total cost. The head of the various institutions shall annually file with the Auditor of the State a list of all unpaid accounts. The provisions of the Article directing the Secretary or agent to ascertain which of the inmates are nonindigent and able to pay for their care, maintenance and treatment, and also directing said Secretary or agent to make certain periodical demands upon the guardians or other persons responsible for said inmates for the payment of said charges, and which further directs the Secretary or agent to remove all of those inmates found able to pay but who refuse to pay and all of the other provisions of this Article relating to the manner in which the Secretary or agent shall collect said costs, shall be construed to be directory provisions on the part of the Secretary or agent and not mandatory, and the failure on the part of the Secretary or agent to perform any or all of said provisions shall not affect the right of the State institutions so named to recover in any action brought for that purpose, either during the lifetime of said inmates or after their death, in an action against their guardian if alive, or other fiduciary, or against the inmate himself, and if dead, against their personal representatives for the cost of their care, maintenance and treatment in said institutions."

Sec. 3. G.S. 143-120 is amended and rewritten to read:

"§ 143-120. Determining who is able to pay. – From and after March 4, 1925, the Secretary of Human Resources or the agent of the Secretary to whom this power has been delegated by the Secretary of Human Resources shall ascertain which of the various patients, pupils or inmates thereof, or which of the parents, guardians, trustees, or other persons legally responsible therefor, are financially able to pay the cost, to be fixed and determined by this Article, and so soon as it shall be ascertained such patient, pupil, inmate, parent, guardian, trustee or other person legally responsible therefor shall be notified of such cost, and in general of the provisions of this Article and such patient, pupil, inmate or the parent, guardian, trustee, or other person legally responsible therefor shall have the option to pay the same or to remove the patient, pupil, or inmate from such institution, unless such person was committed by an order of a court of competent jurisdiction, in which event the liability for the cost as fixed by this Article shall be fixed or determined and payment shall be made in accordance with the terms of this Article."

Sec. 4. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 22nd day of February, 1983.