

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL 408
Judiciary Committee Substitute Adopted 5/5/21

Short Title: Stop Addiction Fraud Emergency Act of 2021.

(Public)

Sponsors:

Referred to:

March 31, 2021

1 A BILL TO BE ENTITLED
2 AN ACT ESTABLISHING THE STOP ADDICTION FRAUD EMERGENCY (SAFE) ACT
3 OF 2021.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** This act shall be known and may be cited as the "Stop Addiction Fraud
6 Emergency Act of 2021" or the "SAFE Act of 2021."

7 **SECTION 2.** Chapter 90 of the General Statutes is amended by adding a new Article
8 to read:

9 "Article 5H.

10 "Stop Addiction Fraud Emergency Act.

11 **"§ 90-113.150. Definitions.**

12 The following definitions apply in this Article:

- 13 (1) Patient. – An individual who meets any one of the following criteria:
14 a. Will potentially be admitted to, or receive services from, a treatment
15 facility or recovery residence.
16 b. Is admitted to, or receiving services from, a treatment facility or
17 recovery residence.
18 c. Has been admitted to, or received services from, a treatment facility or
19 recovery residence.
20 (2) Recovery residence. – An unlicensed shared living environment that is
21 intended to be free from alcohol and illicit drug use and centered on peer
22 support and connection to services that promote sustained recovery from
23 substance use disorders.
24 (3) Referral. – A person or entity shall be considered to have made a referral if
25 the provider or operator of a recovery residence has provided, by any means,
26 the name, address, or other identifying information for a treatment facility or
27 recovery residence to a patient.
28 (4) Treatment facility. – A facility, program, person, or entity that is licensed
29 under 10A NCAC 27G. 3100 (Non-hospital Medical Detoxification), 10A
30 NCAC 27G. 3200 (Social Setting Detoxification for Substance Abuse), 10A
31 NCAC 27G. 3300 (Outpatient Detoxification for Substance Abuse), 10A
32 NCAC 27G. 3400 (Residential Treatment-Individuals with Substance Abuse
33 Disorders), 10A NCAC 27G. 3600 (Outpatient Opioid Treatment), 10A
34 NCAC 27G. 3700 (Day Treatment Facilities for Individuals with Substance
35 Abuse Disorders), 10A NCAC 27G. 4400 (Substance Abuse Intensive
36 Outpatient Program), 10A NCAC 27G. 4500 (Substance Abuse



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1 Comprehensive Outpatient Treatment), or 10A NCAC 27G. 5600E
2 (Supervised Living for Adults with Substance Abuse Dependency)."

3 **"§ 90-113.152. Patient brokering and kickbacks.**

4 (a) It is unlawful for any treatment facility, recovery residence, or third party contracted
5 or paid to provide advertising, marketing, or referral services to any treatment facility or recovery
6 residence to do any of the following:

7 (1) Offer money, goods, services, or anything else of value or engage in any form
8 of split-fee arrangement to induce the referral of a patient, or aid and abet such
9 conduct.

10 (2) Solicit money, goods, services, or anything else of value or engage in any form
11 of split-fee arrangement to induce the referral of a patient, or aid and abet such
12 conduct.

13 (3) Solicit money, goods, services, or anything else of value or engage in any form
14 of split-fee arrangement in return for the acceptance or acknowledgment of
15 treatment from a treatment facility, or aid and abet such conduct.

16 (b) This section does not apply to any of the following:

17 (1) A discount, payment, waiver of payment, or payment practice that is expressly
18 authorized by 42 U.S.C. § 1320a-7b(b)(3) or any regulation adopted under
19 that statute.

20 (2) A reasonable contingency management technique or other reasonable
21 motivational incentive that is part of the treatment provided by a treatment
22 facility.

23 (c) A person who knowingly violates subsection (a) of this section shall be guilty of a
24 Class G felony."

25 **"§ 90-113.153. Exemption.**

26 This Article shall not apply to any of the following:

27 (1) Any general hospital licensed under Article 5 of Chapter 131E of the General
28 Statutes.

29 (2) Any hospital authority organized under Article 2 of Chapter 131E of the
30 General Statutes."

31 **SECTION 3.** This act becomes effective December 1, 2021, and applies to offenses
32 committed on or after that date.