

Article 37B.

East Carolina University Health Care Operations.

**§ 116-360.5. Definitions.**

The following definitions apply in this Article:

- (1) Board of Trustees. – The Board of Trustees of East Carolina University.
- (2) Career State employee status. – As defined in G.S. 126-1.1.
- (3) Chancellor. – The Chancellor of East Carolina University.
- (4) ECU Dental School Clinical Operations. – A division of the School of Dental Medicine at East Carolina University that operates clinical programs and facilities in Greenville, North Carolina, and across the State for the purpose of providing medical care to the general public and training dentists and other health care professionals.
- (5) Medical Faculty Practice Plan. – A division of the School of Medicine of East Carolina University that operates clinical programs and facilities for the purpose of providing medical care to the general public and training physicians and other health care professionals.
- (6) President. – The President of The University of North Carolina.
- (7) School of Medicine. – The Brody School of Medicine of East Carolina University. (2023-134, s. 4.10(b).)

**§ 116-360.10. East Carolina University School of Medicine; establishment; mission.**

(a) Establishment. – The Board of Trustees of East Carolina University is hereby authorized to establish a school of medicine at East Carolina University, Greenville, North Carolina. The school of medicine shall meet all requirements and regulations of the Council on Medical Education and Hospitals of the American Medical Association, the Association of American Medical Colleges, and other such accrediting agencies whose approval is normally required for the establishment and operation of a two-year medical school.

(b) Mission. – The School of Medicine shall provide instruction and training leading to a medical degree, advanced and doctoral degrees in biomedical sciences and related fields, and other credentials; facilitate the education of physicians and other health care providers in partnership with schools and colleges within East Carolina University, The University of North Carolina System, and its affiliated enterprises; provide patient care and facilitate the financial sustainability of East Carolina University's School of Medicine and health sciences programs through clinical collaboration with and joint operation of health care facilities with one or more hospitals or health systems; engage in research and render other services designed to promote the health and well-being of the citizens of North Carolina, with particular focus on rural areas of the State; and drive innovation and transformation in health care services delivery, with particular focus on rural health care services delivery. (2023-134, s. 4.10(b).)

**§ 116-360.15. Personnel and operations.**

(a) Employment Authority. – East Carolina University School of Medicine may employ a workforce to conduct its operations of the Medical Faculty Practice Plan and the ECU Dental School Clinical Operations. Employees who are employed directly by Medical Faculty Practice Plan and the ECU Dental School Clinical Operations, and not by an affiliated hospital or health system, are State employees whose terms and conditions of employment, including benefit plans and programs, are determined by the Chancellor, subject to the direction of the President. Only

Articles 5, 6, 7, and 14 of Chapter 126 of the General Statutes, the State Human Resources Act, apply to these State employees. Subject to the approval of the President, the Chancellor may authorize East Carolina University to employ the faculty and staff of the School of Medicine and other health affairs schools and components of East Carolina University, subject to the provisions of this section. All employees who are faculty members shall remain subject to the faculty policies of East Carolina University, as established or adopted pursuant to delegation from the Board of Governors of The University of North Carolina. A State employee employed by East Carolina University as part of the Medical Faculty Practice Plan or ECU Dental School Clinical Operations prior to January 1, 2024, has the right to (i) continued State employment if the employee remains in the employee's current role or position, unless terminated in accordance with the terms of employment that existed immediately prior to January 1, 2024, subject to all relevant provisions of State and federal law and (ii) continued participation in the State Teachers' and State Employees' Retirement System if the employee was enrolled in the Retirement System immediately prior to January 1, 2024, and maintains State employee status.

(b) Certain Career State Employees. – Notwithstanding subsection (a) of this section, all of the following applies:

- (1) For employees of the Medical Faculty Practice Plan. – The compensation of a State employee who achieved career State employee status by October 31, 1998, shall not be reduced as a result of this section and that employee shall (i) remain subject to the rules regarding discipline or discharge that were effective on October 31, 1998, and (ii) not be subject to the rules regarding discipline or discharge adopted after that date.
- (2) For employees of the ECU Dental School Clinical Operations. – The compensation of a State employee who achieved career State employee status by June 30, 2022, shall not be reduced as a result of this section and that employee shall (i) remain subject to the rules regarding discipline or discharge that were effective on June 30, 2022, and (ii) not be subject to the rules regarding discipline or discharge adopted after that date.

(c) [Authority For Certain Actions. –] Subject to the direction of the President and so long as it is to the benefit of the School of Medicine, East Carolina University, or The University of North Carolina System, the Chancellor may take any of the following actions:

- (1) Enter into partnerships, affiliations, joint operating agreements, and other arrangements with hospitals, health systems, and other health care partners on behalf of the School of Medicine or East Carolina University.
- (2) Assign employees to assist with the establishment and operation of any partnerships, affiliations, joint operating agreements, and other arrangements entered into pursuant to this subsection.
- (3) Make available office space, equipment, supplies, and other related resources as part of any partnerships, affiliations, joint operating agreements, and other arrangements entered into pursuant to this subsection. (2023-134, s. 4.10(b).)

#### **§ 116-360.20. Finances.**

(a) Budgeting. – The School of Medicine, the Medical Faculty Practice Plan, and ECU Dental School Clinical Operations, shall not be subject to the provisions of the State Budget Act, except for General Fund appropriations, or otherwise subject to the authority, oversight, or control of the Office of the State Controller. The School of Medicine, the Medical Faculty Practice Plan,

and ECU Dental School Clinical Operations shall be subject to the authority and oversight of the Office of the State Auditor. The Chancellor, subject to the direction of the President, shall be responsible for all aspects of budget preparation, budget execution, and expenditure reporting for the School of Medicine, the Medical Faculty Practice Plan, and ECU Dental School Clinical Operations. Except for General Fund appropriations, all receipts for the Medical Faculty Practice Plan and ECU Dental School Clinical Operations may be invested pursuant to G.S. 116-36.1. General Fund appropriations for support of the Medical Faculty Practice Plan shall be budgeted in a General Fund code under a single purpose, "Contributions to Medical Faculty Practice Plan at East Carolina University," and be transferable to a special fund operating code as receipts. All revenues generated from operations, appropriations, or funds of the Medical Faculty Practice Plan shall exclusively be used in furtherance of the missions and goals of the Medical Faculty Practice Plan and School of Medicine as determined or approved by the Chancellor.

(b) Medicare Receipts. – The East Carolina University School of Medicine shall request, on a regular basis consistent with the State's cash management plan, funds earned by the School from Medicare reimbursements for education costs. Upon receipt, these funds are appropriated and shall be allocated as follows:

- (1) The portion of the Medicare reimbursement generated through the effort and expense of the School of Medicine's Medical Faculty Practice Plan shall be transferred to the appropriate Medical Faculty Practice Plan account within the School of Medicine. The Medical Faculty Practice Plan shall assume responsibility for any of these funds that subsequently must be refunded due to final audit settlements.
- (2) Funds that were received pursuant to this section prior to July 1, 2005, and that were transferred to a special fund account on deposit with the State Treasurer are appropriated to the Brody School of Medicine at East Carolina University and may be expended by the Brody School of Medicine for the family medicine center and for purposes consistent with its stated mission. (2023-134, s. 4.10(b).)

#### **§ 116-360.25. Purchases.**

Notwithstanding the provisions of Articles 3, 3A, and 3C of Chapter 143 of the General Statutes to the contrary, the Chancellor shall establish policies and regulations governing the purchasing requirements of the School of Medicine, the Medical Faculty Practice Plan, and ECU Dental School Clinical Operations. These policies and regulations shall provide for requests for proposals, competitive bidding, or purchasing by means other than competitive bidding, contract negotiations, and contract awards for purchasing supplies, materials, equipment, and services which are necessary and appropriate to fulfill the clinical and educational missions of the School of Medicine, the Medical Faculty Practice Plan, and ECU Dental School Clinical Operations. Pursuant to such policies and regulations, purchases for the School of Medicine, the Medical Faculty Practice Plan, and ECU Dental School Clinical Operations shall be effected by East Carolina University.

The Chancellor shall submit all initial policies and regulations adopted under this section to the Division of Purchase and Contract for review upon adoption by the Chancellor. Any subsequent changes to these policies and regulations adopted by the Chancellor shall be submitted to the Division of Purchase and Contract for review. Any comments by the Division of Purchase and

Contract shall be submitted to the Chancellor of East Carolina University and to the President of The University of North Carolina. (2023-134, s. 4.10(b).)

**§ 116-360.30. Public records.**

The following records of East Carolina University School of Medicine and ECU Dental School Clinical Operations are not public records under Chapter 132 of the General Statutes:

- (1) Records related to research, patient care, and patient services, including, but not limited to, patient records, vendor contracts, quality initiatives, quality measures, and reports related to quality requirements; provided, however, that any contracts with other State agencies or documents publicly reported to government regulatory or oversight bodies shall be considered public records.
- (2) Records related to strategic planning or initiatives, including potential affiliations and new services or businesses.
- (3) Consultations with the Joint Legislative Commission on Governmental Operations as provided by law. (2023-134, s. 4.10(b).)

**§ 116-360.35. Real property.**

(a) Acquisition and Disposition. – The Chancellor of East Carolina University shall establish rules and regulations for acquiring or disposing of any interest in real property for the use of the School of Medicine, the Medical Faculty Practice Plan, and ECU Dental School Clinical Operations. These rules and regulations shall include provisions for development of specifications, advertisement, and negotiations with owners for acquisition of an interest in real property by purchase, gift, lease, or rental, but not by condemnation or exercise of eminent domain, on behalf of the School of Medicine, the Medical Faculty Practice Plan, and ECU Dental School Clinical Operations. Acquisitions and dispositions of interests in real property pursuant to this section shall not be subject to State laws applicable to the acquisition or disposition of interest in real property by or on behalf of State agencies, including, without limitation, the provisions of Article 36 of Chapter 143 of the General Statutes or the provisions of Chapter 146 of the General Statutes.

(b) Design and Construction. – The Chancellor may, subject to rules and regulations generally applicable to educational facilities and health care facilities in the State, adopt policies and procedures that shall exclusively govern the design, construction, and renovation of buildings, infrastructure, utilities, and other property developments of the School of Medicine, the Medical Faculty Practice Plan, and ECU Dental School Clinical Operations, including all aspects of vendor selections, contracting, negotiation, and approvals. Design and construction for the School of Medicine, the Medical Faculty Practice Plan, and ECU Dental School Clinical Operations are subject to the requirements of G.S. 44A-26 and G.S. 133-1.1 but are otherwise exempt from other State laws applicable to design and construction projects by or on behalf of State agencies.

(c) Plan Review and Code Enforcement of Certain Construction Projects. – Notwithstanding any other provision of law to the contrary, a local building code inspection department has general authority over plan review, administration, and enforcement of all sections of the North Carolina State Building Code with respect to construction or renovation projects undertaken by the School of Medicine, the Medical Faculty Practice Plan, or ECU Dental Clinical Operations that are on or within privately owned real property leased by the School of Medicine, the Medical Faculty Practice Plan, or ECU Dental Clinical Operations within the jurisdiction of the local building code inspection department. Nothing in this subsection shall be construed to

abrogate the authority of the Department of Labor under subsections (c) and (d) of G.S. 143-139. (2023-134, s. 4.10(b); 2024-1, s. 1.7(l).)