

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL DRS35145-NB-125

Short Title: Physician Passive Income Prohibited. (Public)

Sponsors: Senators Adcock, Hise, and Krawiec (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROHIBIT PASSIVE INCOME FROM SUPERVISION AGREEMENTS AND
3 COLLABORATIVE PRACTICE AGREEMENTS BETWEEN PHYSICIANS AND
4 CERTIFIED NURSE MIDWIVES AND NURSE PRACTITIONERS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1.(a) G.S. 90-18.2 reads as rewritten:
7 "§ 90-18.2. Limitations on nurse practitioners.

8 ...
9 (g) Neither a primary supervising physician nor a backup supervising physician, as those
10 terms are defined in 21 NCAC 36 .0801, shall require payment or be paid for the performance of
11 any activity in accordance with a collaborative practice agreement, as defined in 21 NCAC 32M
12 .0101, with a nurse practitioner, including supervision, as defined in 21 NCAC 36 .0801, and any
13 activity under 21 NCAC 36 .0810 or 21 NCAC 32M .0110.

14 (h) A physician violating subsection (g) of this section shall be guilty of a Class 2
15 misdemeanor. A physician violating subsection (g) of this section shall also be subject to a fine
16 not to exceed one thousand dollars (\$1,000) for the first violation or five thousand dollars
17 (\$5,000) for a second or subsequent violation. A violation of subsection (g) of this section shall
18 be considered unprofessional conduct under this Article and shall be grounds for discipline under
19 G.S. 90-14(a)(6)."

20 SECTION 1.(b) G.S. 90-178.3 reads as rewritten:
21 "§ 90-178.3. Regulation of midwifery.

22 ...
23 (d) Neither a primary supervising physician nor a backup supervising physician, as those
24 terms are defined in 21 NCAC 36 .0801, shall require payment or be paid for the performance of
25 any activity in accordance with a supervision agreement, as described in 21 NCAC 33 .0104,
26 with a certified nurse midwife, including supervision, as defined in 21 NCAC 36 .0801, and any
27 activity under 21 NCAC 33 .0104.

28 (e) A physician violating subsection (d) of this section shall be guilty of a Class 2
29 misdemeanor. A physician violating subsection (d) of this section shall also be subject to a fine
30 not to exceed one thousand dollars (\$1,000) for the first violation or five thousand dollars
31 (\$5,000) for a second or subsequent violation. A violation of subsection (d) of this section shall
32 be considered unprofessional conduct as defined in G.S. 90-14(a) and shall be grounds for
33 discipline by the North Carolina Medical Board."

34 SECTION 2. This act applies to collaborative practice agreements under 21 NCAC
35 36.0810 and 21 NCAC 32M .0110 and supervision agreements under 21 NCAC 33 .0104 entered
36 into, renewed, re-signed, or amended on or after the date this act becomes law.



1 **SECTION 3.** The North Carolina Medical Board and the North Carolina Board of
2 Nursing shall adopt temporary rules to implement the provisions of this act. Those temporary
3 rules shall remain in effect until permanent rules that replace the temporary rules become
4 effective.

5 **SECTION 4.** Sections 1 and 2 of this act become effective October 1, 2023, and
6 apply to acts on or after that date. The remainder of this act is effective when it becomes law.