



NORTH CAROLINA

Community Benefit Requirement

North Carolina law does not expressly require nonprofit hospitals to provide community benefits.

However, the state requires nonprofit hospitals to report community benefits as a condition of receiving authorization to issue tax-exempt financing. [N.C. Gen. Stat. §§131A-21; 131A-7](#); [North Carolina Medical Care Commission, Community Benefits Report \(Hospitals\)](#).

Minimum Community Benefit Requirement

North Carolina law does not expressly require nonprofit hospitals to provide community benefits.

Community Benefit Reporting Requirement

North Carolina requires nonprofit hospitals to report community benefits.

Tax-exempt hospitals must submit annually to the state health department the information contained on IRS Form 990, which the department then posts on its website. The same information must be conspicuously displayed in the hospital's original place of business. [HB 97/SL 2015-241 \(2015\)](#). North Carolina also requires nonprofit hospitals to report community benefits as a condition of receiving authorization from the state's Medical Care Commission to issue tax-exempt financing. [N.C. Gen. Stat. §§131A-21; 131A-7](#); [North Carolina Medical Care Commission, Community Benefits Report \(Hospitals\)](#).

Community Health Needs Assessment

North Carolina does not require nonprofit hospitals to conduct community health needs assessments.

Community Benefit Plan/Implementation Strategy

North Carolina does not require nonprofit hospitals to submit community benefit plans or implementation strategies.

Although North Carolina does not require nonprofit hospitals to submit community benefit plans/implementation strategies, it requires an individual applying for a certificate of need (required prior to offering a new "institutional health service") to include in the application a "commitment and



plan for serving indigent and medically underserved populations.” [N.C. Gen. Stat. §131E-178\(a\)\(4\)](#). The application must indicate how the new service will meet the needs of the “medically underserved,” including low-income and medically indigent individuals. [N.C. Gen. Stat. §131E-183\(13\)](#).

Financial Assistance Policy

North Carolina does not require nonprofit hospitals to adopt or implement financial assistance policies.

Financial Assistance Policy Dissemination

North Carolina requires nonprofit hospitals to provide the public access to their financial assistance policies.

Hospitals required to file IRC Form 990, Schedule H are also required to submit their financial assistance policies and financial assistance costs on an annual basis to the Department of Health and Human Services for display in one location on its website and in a manner that is searchable. Hospitals must also display this information “in a conspicuous place.” [N.C. Gen. Stat. §131E-214.14 \(2013\)](#).

Limitations on Charges, Billing, and Collections

North Carolina requires hospitals to provide to discharged patients an itemized list of charges upon request, as well as abide by reasonable collection practices.

Hospitals must provide an itemized list of charges to a patient upon request. A patient may request an itemized list at any time within three years after the date of discharge. [N.C. Gen. Stat. §131E-91\(a\) \(2013\)](#). Hospitals are also required to establish a method for patients to inquire about or dispute a bill. [N.C. Gen. Stat. §131E-91\(a\) \(2013\)](#). A hospital may not bill insured patients for charges that would have been covered by their insurance if the hospital had submitted the claim within the allotted time requirements. [N.C. Gen. Stat. §131E-91\(c\) \(2013\)](#).

Hospitals must also follow reasonable collection practices. Hospitals may not send a patient’s unpaid bill to collections while a decision on the patient’s charity care application is pending or attach a lien to a patient’s principal residence. [N.C. Gen. Stat. §131E-91\(d\)](#). Patients must be given written notice that their bill will be subject to collections activity at least 30 days prior to the referral for collection being made. [N.C. Gen. Stat. §131E-91\(d\) \(2013\)](#).

Income Tax Exemption

North Carolina law exempts nonprofit hospitals from state income tax.

North Carolina law exempts from state income tax corporations organized for charitable purposes and any other organizations that are exempt from federal income tax. [N. C. Gen. Stat. § 105-130.11\(a\)\(3\)](#).



Property Tax Exemption

North Carolina law exempts from taxation the real and personal property of nonprofit hospitals “actually and exclusively used for charitable hospital purposes.”

A “charitable hospital purpose” is defined as “a hospital purpose that has humane and philanthropic objectives [and] ... benefits humanity or a significant rather than limited segment of the community without expectation of pecuniary profit or reward.” [N. C. Gen. Stat. § 105.278.8](#).

Sales Tax Exemption

North Carolina law does not exempt nonprofit hospitals from sales and use tax.

North Carolina law specifies that nonprofit hospitals are subject to state sales and use tax at the time tangible personal property is purchased. North Carolina Department of Revenue, [State Taxation and Nonprofit Organizations](#), p. 4. However, subject to certain limitations, nonprofit hospitals are eligible to receive a semi-annual refund of sales and use taxes paid on purchases used to carry out their work. [N. C. Gen. Stat. § 105-164.14 \(b\)\(1\)](#).

