

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

H

D

HOUSE BILL 1090  
PROPOSED COMMITTEE SUBSTITUTE H1090-PCS30609-BCa-74

Short Title: RURAL Care Act.

(Public)

Sponsors:

Referred to:

April 30, 2026

1 A BILL TO BE ENTITLED  
2 AN ACT TO ENACT THE REVITALIZING, UPLIFTING REGIONS & ACCESS LOCAL  
3 (RURAL) CARE ACT TO PROVIDE FOR THE CREATION OF A RURAL  
4 HEALTHCARE INFRASTRUCTURE FUND AND A RURAL HEALTHCARE  
5 INFRASTRUCTURE PROGRAM TO BE ADMINISTERED BY THE NEWLY  
6 CREATED NORTH CAROLINA RURAL HEALTHCARE INFRASTRUCTURE  
7 COUNCIL; TO DIRECT THE NORTH CAROLINA RURAL HEALTHCARE  
8 INFRASTRUCTURE COUNCIL TO DEVELOP A PLAN FOR THE ESTABLISHMENT  
9 AND ADMINISTRATION OF THE RURAL HEALTHCARE INFRASTRUCTURE  
10 PROGRAM; AND TO REPEAL THE RURAL HEALTH CARE STABILIZATION  
11 PROGRAM.

12 The General Assembly of North Carolina enacts:

13  
14 **PART I. RURAL HEALTHCARE INFRASTRUCTURE FUND**

15 **SECTION 1.1.(a)** Chapter 131E of the General Statutes is amended by adding a new  
16 Article to read:

17 "Article 4A.

18 "Rural Healthcare Infrastructure Fund."

19 **SECTION 1.1.(b)** G.S. 131A-32 is recodified as G.S. 131E-74 in Article 4A of  
20 Chapter 131E of the General Statutes, as enacted by subsection (a) of this section, and reads as  
21 rewritten:

22 "**§ 131E-74. The Rural ~~Health Care Stabilization~~ Healthcare Infrastructure Fund.**

23 (a) Legislative Intent. – The General Assembly recognizes the need to establish and  
24 maintain a sufficient funding source to address the ongoing capital and healthcare infrastructure  
25 needs of the rural areas of the State. The General Assembly further recognizes the need to protect  
26 the State's substantial improvements in existing healthcare facilities while providing a stable  
27 funding source to pay for new facilities to meet the needs of a growing rural population.

28 (b) Creation and Source of Funds. – The Rural ~~Health Care Stabilization~~ Healthcare  
29 Infrastructure Fund is created as a nonreverting special fund in the ~~Office of State Budget and~~  
30 ~~Management~~ Department of Health and Human Services to provide financial assistance in the  
31 form of grants and loans at below market interest rates with structured repayment terms to support  
32 the construction, renovation, or modernization of healthcare facilities located in rural areas of the  
33 State. The Fund shall operate as a revolving fund consisting of funds appropriated to, or otherwise  
34 received by, the Rural ~~Health Care Stabilization~~ Healthcare Infrastructure Program and all funds  
35 received as repayment of the principal of or interest on a loan made from the Fund. The North  
36 Carolina Rural Healthcare Infrastructure Council shall administer the Fund. The State Treasurer



1 is the custodian of the Fund and shall invest its assets in accordance with G.S. 147-69.2 and  
2 G.S. 147-69.3. ~~Moneys in the Fund shall only be used for loans made pursuant to this Article.~~

3 (c) Use of Funds. – Monies in the Fund shall first be used to meet the debt service  
4 obligations supported by the General Fund. In addition to meeting the debt service obligations  
5 supported by the General Fund, the North Carolina Rural Healthcare Infrastructure Council may  
6 allocate money from the Fund to provide financial assistance for the following purposes:

7 (1) New capital projects for facilities licensed under this Chapter or Chapter 122C  
8 of the General Statutes that are located in rural areas of the State.

9 (2) Repair and renovation projects for existing facilities licensed under this  
10 Chapter or Chapter 122C of the General Statutes that are located in rural areas  
11 of the State.

12 (3) Other healthcare infrastructure projects located in rural areas of the State  
13 determined by the North Carolina Rural Healthcare Infrastructure Council to  
14 be consistent with the intent of the General Assembly, as specified in  
15 subsection (a) of this section.

16 (4) Administrative costs incurred by the North Carolina Rural Healthcare  
17 Infrastructure Council for administering the Fund, provided that such costs  
18 shall not exceed one hundred thousand dollars (\$100,000) in any fiscal year.

19 (d) Unexpended Funds. – Funds appropriated for a project that are unspent and  
20 unencumbered upon completion of the project shall revert to the Fund. For the purposes of this  
21 subsection, a project includes any allocation from the Fund for a purpose specified in subsection  
22 (c) of this section.

23 (e) Report. – Annually on March 1, the North Carolina Rural Healthcare Infrastructure  
24 Council shall report to the Joint Legislative Oversight Committee on Health and Human Services  
25 and the Fiscal Research Division on the use of funds allocated from the Fund. The report shall  
26 include at least all of the following information for the preceding fiscal year:

27 (1) Amounts credited to the Fund.

28 (2) Amounts expended from the Fund and the purposes of the expenditures,  
29 including, at a minimum:

30 a. A description of each project funded and for each project, the location  
31 and the type and amount of financial assistance provided.

32 b. A detailed list of administrative costs incurred by the North Carolina  
33 Rural Healthcare Infrastructure Council for administering the Rural  
34 Healthcare Infrastructure Fund.

35 (3) Proposed expenditures of the monies in the Fund for the current and upcoming  
36 fiscal years.

37 (4) Any other information the North Carolina Rural Healthcare Infrastructure  
38 Council deems relevant to the financial sustainability of the Fund.

39 **§§ 131E-74.1 through 131E-74.25.** Reserved for future codification purposes."

40 **SECTION 1.1.(c)** The North Carolina Rural Healthcare Infrastructure Council shall  
41 not begin awarding financial assistance from the Rural Healthcare Infrastructure Fund created by  
42 G.S. 131E-74, as enacted by subsection (b) of this section, until the plan for a Rural Healthcare  
43 Infrastructure Program developed by the North Carolina Rural Healthcare Infrastructure Council  
44 pursuant to Part II of this act has been approved by an act of the General Assembly. The North  
45 Carolina Rural Healthcare Infrastructure Council shall not be required to make the report required  
46 by G.S. 131E-74(e), as enacted by subsection (b) of this section, until March 1 after the plan for  
47 a Rural Healthcare Infrastructure Program developed by the North Carolina Rural Healthcare  
48 Infrastructure Council pursuant to Part II of this act has been approved by an act of the General  
49 Assembly.

50 **SECTION 1.2.** Section 1.1(c) of this Part is effective when it becomes law.  
51

**PART II. PLAN FOR RURAL HEALTHCARE INFRASTRUCTURE PROGRAM**

**SECTION 2.1.(a)** By July 1, 2027, the North Carolina Rural Healthcare Infrastructure Council, in consultation with the Office of Rural Health of the Department of Health and Human Services, shall develop and submit to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division a plan for the North Carolina Rural Healthcare Infrastructure Council to establish and administer a Rural Healthcare Infrastructure Program (the program) funded by the Rural Healthcare Infrastructure Fund created by G.S. 131E-74, as enacted by Section 1.1(b) of this act (the Fund). The purpose of the program is to award financial assistance from the Fund in the form of grants and loans at below market interest rates with structured repayment terms to support the construction, renovation, or modernization of healthcare infrastructure located in rural areas of the State. The plan shall include recommendations for at least all of the following:

- (1) An application process, including factors to be considered in approving or denying applications for financial assistance from the Fund.
- (2) A description of the entities and projects eligible to receive financial assistance from the Fund.
- (3) A process and criteria for evaluating the financial viability and sustainability of healthcare facilities seeking financial assistance from the Fund.
- (4) A process for administering and monitoring funds awarded from the Rural Healthcare Infrastructure Fund.
- (5) A process for monitoring compliance with contractual obligations and performance indicators established for recipients of financial assistance.
- (6) A long-term plan for financial sustainability of the Fund, including the identification of all potential State and federal sources of funding.
- (7) Any legislative changes necessary to implement the Rural Healthcare Infrastructure Program.
- (8) The amount of State appropriations needed to establish and administer the Rural Healthcare Infrastructure Program.
- (9) An assessment of the state of rural healthcare infrastructure in the State, including ongoing needs assessment, progress toward improving access to healthcare in rural areas of the State, and financial sustainability of existing and planned infrastructure projects.
- (10) Any other information the North Carolina Rural Healthcare Infrastructure Council deems relevant to implementing the program and administering the Fund.

**SECTION 2.1.(b)** The North Carolina Rural Healthcare Infrastructure Council shall not implement the plan developed pursuant to subsection (a) of this section without an act by the General Assembly.

**SECTION 2.2.** This Part is effective when it becomes law.

**PART III. CREATION OF THE NORTH CAROLINA RURAL HEALTHCARE INFRASTRUCTURE COUNCIL**

**SECTION 3.1.(a)** G.S. 131E-191.1 is recodified as G.S. 131E-74.2.

**SECTION 3.1.(b)** G.S. 131E-74.2, as enacted by subsection (a) of this section, reads as rewritten:

**"§ 131E-74.2. ~~Lobbyists prohibited from serving on the~~ Creation of the North Carolina State Health Coordinating Council, Rural Healthcare Infrastructure Council; powers and duties; composition; qualifications of members; terms; removal; vacancies; quorum; per diem.**

(a) Powers and Duties. – The North Carolina Rural Healthcare Infrastructure Council has the following powers and duties:

- 1           (1) To work with the Department to prepare an annual Rural Healthcare  
2           Infrastructure Plan.
- 3           (2) To administer the Rural Healthcare Infrastructure Fund created by  
4           G.S. 131E-74.
- 5       (b) Composition. – The North Carolina Rural Healthcare Infrastructure Council shall  
6 consist of the following 17 members:
- 7           (1) Nine members appointed by the Governor as follows:
- 8           a. One at-large member.
- 9           b. One member with experience in health economics.
- 10          c. One member with experience in medical education.
- 11          d. One member with experience in public health.
- 12          e. One member with experience operating a small business employing  
13 fewer than 50 employees on a full-time basis.
- 14          f. One member with experience operating a large business employing  
15 more than 50 employees on a full-time basis.
- 16          g. One member licensed to practice medicine in this State under Chapter  
17 90 of the General Statutes.
- 18          h. One member who is a registered nurse licensed to practice nursing in  
19 this State under Chapter 90 of the General Statutes.
- 20          i. One member with experience in data analytics.
- 21       (2) Eight members appointed by the General Assembly in accordance with  
22 G.S. 120-121 as follows:
- 23          a. One at-large member appointed on the recommendation of the Speaker  
24 of the House of Representatives.
- 25          b. One member with experience in hospital management appointed on  
26 the recommendation of the Speaker of the House of Representatives.
- 27          c. One member with experience in home health care appointed on the  
28 recommendation of the Speaker of the House of Representatives.
- 29          d. One member representing health insurers appointed on the  
30 recommendation of the Speaker of the House of Representatives.
- 31          e. One at-large member appointed on the recommendation of the  
32 President Pro Tempore of the Senate.
- 33          f. One member with experience in nursing home management appointed  
34 on the recommendation of the President Pro Tempore of the Senate.
- 35          g. One member representing local governments appointed on the  
36 recommendation of the President Pro Tempore of the Senate.
- 37          h. One member of the public appointed on the recommendation of the  
38 President Pro Tempore of the Senate.
- 39       No person registered as a lobbyist or lobbyist principal under Chapter 120C of the General  
40 Statutes shall be appointed to or serve on the North Carolina ~~State Health Coordinating Rural~~  
41 Healthcare Infrastructure Council. No person previously registered as a lobbyist or lobbyist  
42 principal under Chapter 120C of the General Statutes shall be appointed to or serve on the North  
43 Carolina ~~State Health Coordinating Rural Healthcare Infrastructure~~ Council within 120 days after  
44 the expiration of the lobbyist's or lobbyist principal's registration.
- 45       (c) Chair. – The members shall elect a chair who shall preside for the duration of the  
46 chair's term as a member. In the event a vacancy occurs in the chair before the expiration of the  
47 chair's term, the members shall elect an acting chair to serve for the remainder of the unexpired  
48 term.
- 49       (d) Length of Terms. – Members appointed to the Council shall serve for a term of three  
50 years. At the end of the respective terms of office of members of the Council, their successors  
51 shall be appointed for terms of three years. Any appointment to fill a vacancy on the Council

1 created by the resignation, dismissal, death, or disability of a member shall be filled by the  
2 appointing authority for the balance of the unexpired term. As used in this section, the term  
3 "appointing authority" means the General Assembly in the case of members appointed by the  
4 General Assembly and the Governor in the case of members appointed by the Governor.

5 (e) Removal of Members. – Each appointing authority may remove any member  
6 appointed by that appointing authority for misfeasance, malfeasance, or nonfeasance.

7 (f) Filling of Vacancies. – Vacancies on the Council among the membership appointed  
8 by the General Assembly shall be filled by the General Assembly as provided in subdivision  
9 (b)(2) of this section for the unexpired term. Vacancies on the Council among the membership  
10 appointed by the Governor shall be filled by the Governor for the unexpired term.

11 (g) Quorum. – A majority of the members of the Council constitutes a quorum for the  
12 transaction of business.

13 (h) Per Diem and Expenses. – The members of the Council shall receive per diem and  
14 necessary traveling and subsistence expenses in accordance with the provisions of G.S. 138-5.

15 (i) Administrative Assistance. – The Secretary of Health and Human Services shall  
16 supply all clerical and other services required by the Council."

17 **SECTION 3.1.(c)** Initial appointments to the membership of the North Carolina  
18 Rural Healthcare Infrastructure Council shall be made no later than October 1, 2026.  
19 Notwithstanding G.S. 131E-74.2, as enacted by subsection (a) of this section and as amended by  
20 subsection (b) of this section, the initial terms for the members of the North Carolina Rural  
21 Healthcare Infrastructure Council shall be as follows:

22 (1) A term of three years:

- 23 a. The member licensed to practice medicine in this State under  
24 G.S. 131E-74.2(b)(1)g.
- 25 b. The member who is a registered nurse licensed to practice nursing in  
26 this State under G.S. 131E-74.2(b)(1)h.
- 27 c. The member with experience in data analytics under  
28 G.S. 131E-74.2(b)(1)i.
- 29 d. The member with experience in home health care under  
30 G.S. 131E-74.2(b)(2)c.
- 31 e. The member representing health insurers appointed under  
32 G.S. 131E-74.2(b)(2)d.
- 33 f. The member representing local governments appointed under  
34 G.S. 131E-74.2(b)(2)g.
- 35 g. The public member appointed under G.S. 131E-74.2(b)(2)h.

36 (2) A term of two years:

- 37 a. The member with experience in public health appointed under  
38 G.S. 131E-74.2(b)(1)d.
- 39 b. The member with experience operating a small business employing  
40 fewer than 50 employees on a full-time basis appointed under  
41 G.S. 131E-74.2(b)(1)e.
- 42 c. The member with experience operating a large business employing  
43 more than 50 employees on a full-time basis appointed under  
44 G.S. 131E-74.2(b)(1)f.
- 45 d. The member with experience in hospital management appointed under  
46 G.S. 131E-74.2(b)(2)b.
- 47 e. The member with experience in nursing home management appointed  
48 under G.S. 131E-74.2(b)(2)f.

49 (3) A term of one year:

- 50 a. The at-large members appointed under G.S. 131E-74.2(b)(1)a.,  
51 (b)(2)a., and (b)(2)e.

- 1                   b.     The member with experience in health economics appointed under
- 2                             G.S. 131E-74.2(b)(1)b.
- 3                   c.     The member with experience in medical education appointed under
- 4                             G.S. 131E-74.2(b)(1)c.

5                   **SECTION 3.1.(d)** This Part is effective when it becomes law.

6

7                   **PART IV. REPEAL OF RURAL HEALTH CARE STABILIZATION PROGRAM**

8                   **SECTION 4.1.** Article 2 of Chapter 131A of the General Statutes, with the exception

9 of G.S. 131A-32, as recodified and amended by Part I of this act, is repealed.

10

11                   **PART V. TRANSFERS AND APPROPRIATIONS**

12                   **SECTION 5.1.** Effective July 1, 2026, the entire unrestricted cash balance of the

13 Rural Health Care Stabilization Fund within the Office of State Budget and Management (Budget

14 Code 23018) is transferred to the Rural Healthcare Infrastructure Fund created by G.S. 131E-74,

15 as enacted by Section 1.1(b) of this act. The funds transferred are appropriated for the fiscal year

16 in which they are transferred. Any remaining principal and interest payments due to the Rural

17 Health Care Stabilization Fund on or after July 1, 2026, shall be paid to the Rural Healthcare

18 Infrastructure Fund.

19                   **SECTION 5.2.** Notwithstanding G.S. 131E-74(c), as enacted by Section 1.1(b) of

20 this act, there is appropriated from the Rural Healthcare Infrastructure Fund to the Department

21 of Health and Human Services, Division of Central Management and Support, Office of Rural

22 Health, the sum of one million dollars (\$1,000,000) in nonrecurring funds to fund a contract with

23 Rural Healthcare Initiative, Inc., a nonprofit organization, to continue the work funded by S.L.

24 2023-134 involving the creation of effective models of sustainable healthcare for North Carolina

25 rural communities; to develop cost estimates for achieving the healthcare facilities described in

26 these initial models of sustainable healthcare; and to support the work of the North Carolina Rual

27 Healthcare Infrastructure Council and the Office of Rural Health in developing a plan for the

28 establishment and administration of a Rural Healthcare Infrastructure Program funded by the

29 Rural Healthcare Infrastructure Fund created by G.S. 131E-74, as enacted by Section 1.1(b) of

30 this act.

31

32                   **PART VI. EFFECTIVE DATE**

33                   **SECTION 6.1.** Except as otherwise provided, this act is effective July 1, 2026.