

§ 122C-55. Exceptions; care and treatment.

(a) Any facility may share confidential information regarding any client of that facility with any other facility when necessary to coordinate appropriate and effective care, treatment, or habilitation of the client. For the purposes of this section, the following definitions apply:

- (1) "Client" includes an enrollee as defined in G.S. 108D-1.
- (1a) Coordinate. – The provision, coordination, or management of mental health, developmental disabilities, and substance abuse services and other health or related services by one or more facilities and includes the referral of a client from one facility to another.
- (2) Facility or area facility. – Include[s] an area authority or a prepaid health plan.
- (3) Secretary. – Includes any primary care case management programs that contract with the Department to provide a primary care case management program for recipients of publicly funded health and related services.

(a1) Any facility may share confidential information regarding any client of that facility with the Secretary, and the Secretary may share confidential information regarding any client with a facility when necessary to conduct quality assessment and improvement activities or to coordinate appropriate and effective care, treatment, or habilitation of the client. For purposes of this subsection, subsection (a6), and subsection (a7) of this section, the purposes or activities for which confidential information may be disclosed include, but are not limited to, case management and care coordination, disease management, outcomes evaluation, the development of clinical guidelines and protocols, the development of care management plans and systems, population-based activities relating to improving or reducing health care costs, and the provision, coordination, or management of mental health, developmental disabilities, and substance abuse services and other health or related services.

(a2) Any facility or the psychiatric service of the University of North Carolina Hospitals at Chapel Hill may share confidential information regarding any client of that facility with any other area facility or State facility or the psychiatric service of the University of North Carolina Hospitals at Chapel Hill when necessary to conduct payment activities relating to an individual served by the facility. Payment activities are activities undertaken by a facility to obtain payment or receive reimbursement for the provision of services and may include, but are not limited to, determinations of eligibility or coverage, coordination of benefits, determinations of cost-sharing amounts, claims management, claims processing, claims adjudication, claims appeals, billing and collection activities, medical necessity reviews, utilization management and review, precertification and preauthorization of services, concurrent and retrospective review of services, and appeals related to utilization management and review.

(a3) Whenever there is reason to believe that a client is eligible for benefits through a Department program, any facility or the psychiatric service of the University of North Carolina Hospitals at Chapel Hill may share confidential information regarding any client of that facility with the Secretary, and the Secretary may share confidential information regarding any client with an area facility or State facility or the psychiatric services of the University of North Carolina Hospitals at Chapel Hill. Disclosure is limited to that information necessary to establish initial eligibility for benefits, determine continued eligibility over time, and obtain reimbursement for the costs of services provided to the client.

(a4) An area authority or prepaid health plan may share confidential information regarding any client with any area facility, and any area facility may share confidential information regarding any client of that facility with the area authority or prepaid health plan, when the area authority or prepaid health plan determines the disclosure is necessary to develop, manage, monitor, or evaluate the area authority's or prepaid health plan's network of qualified providers as provided in G.S. 122C-141(a), Article 3 of Chapter 108D of the General Statutes, the State Plan, rules of the Secretary, and contracts between the facility and the Department. For the purposes of

this subsection, the purposes or activities for which confidential information may be disclosed include, but are not limited to, quality assessment and improvement activities, provider accreditation and staff credentialing, developing contracts and negotiating rates, investigating and responding to client grievances and complaints, evaluating practitioner and provider performance, auditing functions, on-site monitoring, conducting consumer satisfaction studies, and collecting and analyzing performance data.

(a5) Any area facility may share confidential information with any other area facility regarding an applicant when necessary to determine whether the applicant is eligible for area facility services. For the purpose of this subsection, the term "applicant" means an individual who contacts an area facility for services.

(a6) When necessary to conduct quality assessment and improvement activities or to coordinate appropriate and effective care, treatment, or habilitation of the client, the Department's Community Care of North Carolina Program, or other primary care case management program, may disclose confidential information acquired pursuant to subsection (a1) of this section to a health care provider or other entity that has entered into a written agreement with the Community Care of North Carolina Program, or other primary care case management program, to participate in the care management support network and systems developed and maintained by the primary care case manager for the purpose of coordinating and improving the quality of care for recipients of publicly funded health and related services. Health care providers and other entities receiving confidential information that has been disclosed pursuant to this subsection may use and disclose the information as permitted or required under 45 Code of Federal Regulations Part 164, Subpart E.

(a7) A facility may share confidential information with one or more HIPAA covered entities or business associates for the same purposes set forth in subsection (a1) of this section. Before making disclosures under this subsection, the facility shall inform the client or the client's legally responsible person that the facility may make the disclosures unless the client or the client's legally responsible person objects in writing or signs a non-disclosure form that shall be supplied by the facility. If the client or the client's legally responsible person objects in writing or signs a non-disclosure form, the disclosures otherwise permitted by this subsection are prohibited. A covered entity or business associate receiving confidential information that has been disclosed by a facility pursuant to this subsection may use and disclose the information as permitted or required under 45 Code of Federal Regulations Part 164, Subpart E. This confidential information, however, shall not be used or disclosed for discriminatory purposes including, without limitation, employment discrimination, medical insurance coverage or rate discrimination, or discrimination by law enforcement officers.

(b) A facility, physician, or other individual responsible for evaluation, management, supervision, or treatment of respondents examined or committed for outpatient treatment under the provisions of Article 5 of this Chapter may request, receive, and disclose confidential information to the extent necessary to fulfill the facility's, physician's, or individual's responsibilities.

(c) A facility may furnish confidential information in its possession to the Division of Prisons of the Department of Adult Correction when requested by that department regarding any client of that facility when the inmate has been determined by the Division of Prisons of the Department of Adult Correction to be in need of treatment for mental illness, developmental disabilities, or substance abuse. The Division of Prisons of the Department of Adult Correction may furnish to a facility confidential information in its possession about treatment for mental illness, developmental disabilities, or substance abuse that the Division of Prisons of the Department of Adult Correction has provided to any present or former inmate if the inmate is presently seeking treatment from the requesting facility or if the inmate has been involuntarily committed to the requesting facility for inpatient or outpatient treatment. Under the

circumstances described in this subsection, the consent of the client or inmate is not required in order for this information to be furnished, and the information shall be furnished despite objection by the client or inmate. Confidential information disclosed pursuant to this subsection is restricted from further disclosure.

(c1) **(See editor's note for effective date information)** A facility may furnish confidential information in its possession to the sheriff of any county when requested by the sheriff regarding any client of that facility who is confined in the county's jail or jail annex when the inmate has been determined by the county jail medical unit to be in need of treatment for mental illness, developmental disabilities, or substance abuse. The sheriff may furnish to a facility confidential information in its possession about treatment for mental illness, developmental disabilities, or substance abuse that the county jail medical unit has provided to any present or former inmate if the inmate is presently seeking treatment from the requesting facility or if the inmate has been involuntarily committed to the requesting facility for inpatient or outpatient treatment. Under the circumstances described in this subsection, the consent of the client or inmate is not required in order for this information to be furnished, and the information shall be furnished despite objection by the client or inmate. Confidential information disclosed pursuant to this subsection is restricted from further disclosure.

(d) A responsible professional may disclose confidential information when in the responsible professional's opinion there is an imminent danger to the health or safety of the client or another individual or there is a likelihood of the commission of a felony or violent misdemeanor.

(e) A responsible professional may exchange confidential information with a physician or other health care provider that is providing emergency medical services to a client. Disclosure of the information is limited to that necessary to meet the emergency as determined by the responsible professional.

(e1) A State facility may furnish client identifying information to the Department for the purpose of maintaining an index of clients served in State facilities that may be used by State facilities only if that information is necessary for the appropriate and effective evaluation, care, and treatment of the client.

(e2) A responsible professional may disclose an advance instruction for mental health treatment or confidential information from an advance instruction to a physician, psychologist, or other qualified professional when the responsible professional determines that disclosure is necessary to give effect to or provide treatment in accordance with the advance instruction.

(f) A facility may disclose confidential information to a provider of support services whenever the facility has entered into a written agreement with a person to provide support services and the agreement includes a provision in which the provider of support services acknowledges that in receiving, storing, processing, or otherwise dealing with any confidential information, the provider of support services will safeguard and not further disclose the information.

(g) Whenever there is reason to believe that the client is eligible for financial benefits through a governmental agency, a facility may disclose confidential information to State, local, or federal government agencies. Except as provided in subsections (a3) and (g1) of this section, disclosure is limited to that confidential information necessary to establish financial benefits for a client. Except as provided in subsection (g1) of this section, after establishment of these benefits, the consent of the client or the client's legally responsible person is required for further release of confidential information under this subsection.

(g1) A State facility operated under the authority of G.S. 122C-181 may disclose confidential information for the purpose of collecting payment due the facility for the cost of care, treatment, or habilitation.

(g2) Whenever there is reason to believe that the client is eligible for educational services through a governmental agency, a facility shall disclose client identifying information to the Department of Public Instruction. Disclosure is limited to that information necessary to establish, coordinate, or maintain educational services. The Department of Public Instruction may further disclose client identifying information to a local school administrative unit as necessary.

(h) Within a facility, employees, students, consultants, or volunteers involved in the care, treatment, or habilitation of a client may exchange confidential information as needed for the purpose of carrying out their responsibility in serving the client.

(i) Upon specific request, a responsible professional may release confidential information to a physician or psychologist who referred the client to the facility.

(j) Upon request of the next of kin or other family member who has a legitimate role in the therapeutic services offered, or other person designated by the client or the client's legally responsible person, the responsible professional shall provide the next of kin or other family member or the designee with notification of the client's diagnosis, the prognosis, the medications prescribed, the dosage of the medications prescribed, the side effects of the medications prescribed, if any, and the progress of the client, if the client or the client's legally responsible person has consented in writing, or the client has consented orally in the presence of a witness selected by the client, prior to the release of this information. Both the client's or the legally responsible person's consent and the release of this information shall be documented in the client's medical record. This consent shall be valid for a specified length of time only and is subject to revocation by the consenting individual.

(k) Notwithstanding G.S. 122C-53(b) or G.S. 122C-206, upon request of the next of kin or other family member who has a legitimate role in the therapeutic services offered, or other person designated by the client or the client's legally responsible person, the responsible professional shall provide the next of kin, the family member, or the designee, notification of the client's admission to the facility, transfer to another facility, decision to leave the facility against medical advice, discharge from the facility, and referrals and appointment information for treatment after discharge, after notification to the client that this information has been requested.

(l) In response to a written request of the next of kin or other family member who has a legitimate role in the therapeutic services offered, or other person designated by the client, for additional information not provided for in subsections (j) and (k) of this section, and when the written request identifies the intended use for this information, the responsible professional shall, in a timely manner, do one or more of the following:

- (1) Provide the information requested based upon the responsible professional's determination that providing this information will be to the client's therapeutic benefit, if the client or the client's legally responsible person has consented in writing to the release of the information requested.
- (2) Refuse to provide the information requested based upon the responsible professional's determination that providing this information will be detrimental to the therapeutic relationship between client and professional.
- (3) Refuse to provide the information requested based upon the responsible professional's determination that the next of kin or family member or designee does not have a legitimate need for the information requested.

(m) The Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services shall adopt rules specifically to define the legitimate role referred to in subsections (j), (k), and (l) of this section. (1955, c. 887, s. 12; 1963, c. 1166, s. 10; 1973, c. 47, s. 2; c. 476, s. 133; c. 673, s. 5; c. 1408, s. 2; 1979, c. 147; 1983, c. 383, s. 10; c. 491; c. 638, s. 22; c. 864, s. 4; 1985, c. 589, s. 2; c. 695, s. 15; 1987, c. 638, ss. 2, 3; 1989, c. 141, s. 10; c. 438; c. 625, s. 8; 1989 (Reg. Sess., 1990), c. 1024, s. 27; 1991, c. 359, s. 1; c. 544, s. 1; 1998-198, s. 4; 2003-313, s. 3; 2009-65, s. 1(a), (b); 2009-487, s. 5; 2009-570, s. 43; 2011-102, ss. 3, 4; 2011-145, ss. 10.14, G.S. 122C-55

19.1(h); 2011-314, s. 2(b); 2011-391, s. 23; 2014-100, s. 8.39(d); 2017-186, s. 2(kkkkk); 2018-33, s. 5; 2019-81, s. 9A; 2019-177, s. 6.1(a), (b); 2019-240, s. 26(c); 2021-180, s. 19C.9(p); 2023-134, s. 9G.7A(a3).)