



CHAPTER 122C
ARTICLE 2 - LICENSURE OF FACILITIES FOR INDIVIDUALS WITH MENTAL HEALTH DISORDERS, DEVELOPMENTAL
DISABILITIES, AND SUBSTANCE USE DISORDERS

N.C.G.S. § 122C-23.

Licensure.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT S.L. 2023-11, s. 3.2(h) — twenty-ninth act in the lineage	RETRIEVED 21 September 2026, 06:58 UTC	SOURCE FINGERPRINT af7d22a2ab4f0d79693a47cb - f5b612eb611ea8f6abd23e49 - e6f31f515e3864f8
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- § 122C-23(a)

No person shall establish, maintain, or operate a licensable facility for individuals with mental illnesses, individuals with intellectual or other developmental disabilities, or substance abusers without a current license issued by the Secretary.
- § 122C-23(b)

Each license is issued to the person only for the premises named in the application and is not transferrable or assignable except with prior written approval of the Secretary.
- § 122C-23(c)

Any person that intends to establish, maintain, or operate a licensable facility shall apply to the Secretary for a license. The Secretary shall prescribe by rule the contents of the application forms.
- § 122C-23(d)

The Secretary shall issue a license if the Secretary finds that the person complies with this Article and the rules of the Commission and Secretary.
- § 122C-23(e)

Initial licenses issued under this section are valid for not more than 15 months. Licenses shall be renewed annually thereafter and shall expire at the end of the calendar year. The expiration date of a license shall be specified on the license when issued. Renewal of a regular license is contingent upon receipt of information required by the Secretary for renewal and continued compliance with this Article and the rules of the Commission and the Secretary. Licenses for facilities that have not served any clients during the previous 12 months are not eligible for renewal.

The Secretary may issue a provisional license for a period up to six months to a person obtaining the initial license for a facility. The licensee must demonstrate substantial compliance prior to being issued a full license.

A provisional license for a period not to exceed six months may be granted by the Secretary to a person that is temporarily unable to comply with a rule when the noncompliance does not present an immediate threat to the health and safety of the individuals in the licensable facility. During this period the licensable facility shall correct the noncompliance based on a plan submitted to and approved by the Secretary. A provisional license for an additional period of time to meet the noncompliance shall not be issued.

§ 122C-23(e1)

Except as provided in subsection (e2) of this section, the Secretary shall not (i) enroll as a new provider in the North Carolina Medicaid program, (ii) revalidate as an enrolled provider in the Medicaid program during the period of the license revocation or suspension, or (iii) issue a license for a new facility or a new service to any applicant meeting any of the following criteria:

- (1) The applicant was the owner, principal, or affiliate of a licensable facility under Chapter 122C, Chapter 131D, or Article 7 of Chapter 110 of the General Statutes that had its license revoked until 60 months after the date of the revocation.
- (2) The applicant is the owner, principal, or affiliate of a licensable facility that was assessed a penalty for a Type A or Type B violation under Article 3 of this Chapter, or any combination thereof, and any one of the following conditions exist:
 - a. A single violation has been assessed in the six months prior to the application.
 - b. Two violations have been assessed in the 18 months prior to the application and 18 months have not passed from the date of the most recent violation.
 - c. Three violations have been assessed in the 36 months prior to the application and 36 months have not passed from the date of the most recent violation.
 - d. Four or more violations have been assessed in the 60 months prior to application and 60 months have not passed from the date of the most recent violation.
- (3) The applicant is the owner, principal, or affiliate of a licensable facility that had its license summarily suspended or downgraded to provisional status as a result of violations under G.S. 122C-24.1(a) until 60 months after the date of reinstatement or restoration of the license.

- (4) The applicant is the owner, principal, or affiliate of a licensable facility that had its license summarily suspended or downgraded to provisional status as a result of violations under Article 1A of Chapter 131D of the General Statutes until 60 months after the date of reinstatement or restoration of the license.

§ 122C-23(e2) The Secretary may enroll a provider described in subsection (e1) of this section if any of the following circumstances apply:

- (1) The applicant is an area program or county program providing services under G.S. 122C-141, and there is no other provider of the service in the catchment area.
- (2) The Secretary finds that the area program or county program has shown good cause by clear and convincing evidence why the enrollment should be allowed.

§ 122C-23(e3) Licensure or enrollment shall be denied if an applicant's history as a provider under Chapter 131D, Chapter 122C, or Article 7 of Chapter 110 of the General Statutes is such that the Secretary has concluded the applicant will likely be unable to comply with licensing or enrollment statutes, rules, or regulations. In the event the Secretary denies licensure or enrollment under this subsection, the reasons for the denial and appeal rights pursuant to Article 3 of Chapter 150B shall be given to the provider in writing.

§ 122C-23(f) Upon written application and in accordance with rules of the Commission, the Secretary may for good cause waive any of the rules implementing this Article, so long as those rules do not affect the health, safety, or welfare of the individuals within the licensable facility. Decisions made pursuant to this subsection may be appealed by filing a contested case under Article 3 of Chapter 150B of the General Statutes.

§ 122C-23(g) The Secretary may suspend the admission of any new clients to a facility licensed under this Article where the conditions of the facility are detrimental to the health or safety of the clients. This suspension shall be for the period determined by the Secretary and shall remain in effect until the Secretary is satisfied that conditions or circumstances merit removal of the suspension. In suspending admissions under this subsection, the Secretary shall consider the following factors:

- (1) The degree of sanctions necessary to ensure compliance with this section and rules adopted to implement this subsection.

- (2) The character and degree of impact of the conditions at the facility on the health or safety of its clients.

A facility may contest a suspension of admissions under this subsection in accordance with Chapter 150B of the General Statutes. In contesting the suspension of admissions, the facility must file a petition for a contested case within 20 days after the Department mails notice of suspension of admissions to the licensee.

§ 122C-23(h)

The Department shall charge facilities licensed under this Chapter a nonrefundable annual base license fee plus a nonrefundable annual per-bed fee as follows:

Type of Facility	Number of Beds	Base Fee	Per Bed Fee
Facilities (non ICF/IID):	0 beds	\$215.00	\$0
	1 to 6 beds	\$305.00	\$0
	More than 6 beds	\$475.00	\$17.50
ICF/IID Only:	1 to 6 beds	\$845.00	\$0
	More than 6 beds	\$800.00	\$17.50

§ 122C-23(i)

A social setting detoxification facility or medical detoxification facility subject to licensure under this Chapter shall not deny admission or treatment to an individual based solely on the individual's inability to pay.

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I
29 ACTS

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.



Nº	YEAR	ACT	CHARACTER
01	1899	c. 1, s. 60	ENACTED
02	Rev.	s. 4600	RECODIFIED
03	C.S.	s. 6219	RECODIFIED

04	1945	c. 952, s. 41	AMENDED
05	1957	c. 100, ss. 1, 4	AMENDED
06	1963	c. 813, s. 1	AMENDED
07	1963	c. 1166, s. 7	AMENDED
08	1965	c. 1178, ss. 1-3	AMENDED
09	1969	c. 954	AMENDED
10	1973	c. 476, ss. 133, 152	AMENDED
11	1977	c. 679, s. 7	AMENDED
12	1981	c. 51, s. 3	AMENDED
13	1983	c. 718, ss. 1, 4	AMENDED
14	1985	c. 589, s. 2	AMENDED
15	1985	1985 (Reg. Sess., 1986), c. 863, s. 8	AMENDED
16	1987	c. 345, ss. 3, 4	AMENDED
17	1989	c. 625, s. 6	AMENDED
18	2000	S.L. 2000-55, s. 3	AMENDED
19	2002	S.L. 2002-164, s. 4.1	AMENDED
20	2003	S.L. 2003-284, s. 34.8(a)	AMENDED
21	2003	S.L. 2003-294, s. 2	AMENDED
22	2003	S.L. 2003-390, s. 3	AMENDED
23	2005	S.L. 2005-276, ss. 41.2(h), 10.40A(d)	AMENDED
24	2006	S.L. 2006-66, s. 10.23	AMENDED
25	2009	S.L. 2009-451, s. 10.76(f)	AMENDED
26	2021	S.L. 2021-77, ss. 2, 7.1(b)	AMENDED
27	2021	S.L. 2021-88, s. 9(h)	AMENDED
28	2022	S.L. 2022-74, s. 9D.15(z)	AMENDED
29	2023	S.L. 2023-11, s. 3.2(h)	AMENDED

APPARATUS II

2 AUTHORITIES

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 122C-24.1(a)	(e1)(3)	<i>"as a result of violations under"</i>
G.S. 122C-141	(e2)(1)	<i>"or county program providing services under"</i>

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 122C-23 (2023).

PINPOINT

N.C. Gen. Stat. § 122C-23(a) (2023).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

Provenance

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This is not the official text. The official text is published by the General Assembly of North Carolina.

HISTORY PARENTHETICAL, AS PRINTED BY THE STATE

(1899, c. 1, s. 60; Rev., s. 4600; C.S., s. 6219; 1945, c. 952, s. 41; 1957, c. 100, ss. 1, 4; 1963, c. 813, s. 1; c. 1166, s. 7; 1965, c. 1178, ss. 1-3; 1969, c. 954; 1973, c. 476, ss. 133, 152; 1977, c. 679, s. 7; 1981, c. 51, s. 3; 1983, c. 718, ss. 1, 4; 1985, c. 589, s. 2; 1985 (Reg. Sess., 1986), c. 863, s. 8; 1987, c. 345, ss. 3, 4; 1989, c. 625, s. 6; 2000-55, s. 3; 2002-164, s. 4.1; 2003-284, s. 34.8(a); 2003-294, s. 2; 2003-390, s. 3; 2005-276, ss. 41.2(h), 10.40A(d); 2006-66, s. 10.23; 2009-451, s. 10.76(f); 2021-77, ss. 2, 7.1(b); 2021-88, s. 9(h); 2022-74, s. 9D.15(z); 2023-11, s. 3.2(h).)

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