

2015 Healthcare Legislation

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Candidates file for 2016 elections (last updated: 1/4/16)

The candidate filing period for the 2016 elections began at noon on Tuesday, December 1, 2105 and ended at noon on Monday, December 21.

To review the most updated candidate filing list, visit the [State Board of Elections](#).

WHAT IS ON THE 2016 BALLOT?

The following offices are on North Carolina's 2016 ballot:

- President of the United States (four-year term)
- One U.S. Senate seat (six-year term)
- The 13 seats of the U.S. House of Representatives delegation (two-year terms)
- The Council of State: Governor, Lt. Governor, Secretary of State, State Auditor, State Treasurer, Superintendent of Public Instruction, Attorney General, Commissioner of Agriculture, Commissioner of Labor, Commissioner of Insurance (four-year terms)
- All 120 seats of the N.C. House of Representatives (two-year terms)
- All 50 seats of the N.C. Senate (two-year terms)
- One Justice of the Supreme Court (eight-year term)
- Three Judges of the Court of Appeals (eight-year terms)

Additionally, voters will be deciding on the [Connect NC Bond Act of 2015](#), which will be on the March primary election ballot. If approved, a majority of the \$2 billion bond will go towards infrastructure investments on the campuses of the state's community colleges and universities. To read more about the bond, visit [connect.nc.gov](#).

ELECTION CHANGES RESULTING FROM THE 2015 SESSION

[H8: Court of Appeals Election Modifications](#) – Requires a candidate for Judge of the Court of Appeals to indicate their party affiliation at the time of filing. The elections still remain nonpartisan, but the party affiliation of each candidate will appear beside their name on the ballot. This law is in effect for the 2016 elections.

[H222: Retention Elections/Supreme Court](#) – Allows a sitting Justice of the Supreme Court who was elected to the office by the voters to indicate their desire to continue in office. If a Justice decides to do so, they will participate in a retention election, instead of filing to run against other candidates, during the general election immediately preceding the expiration of their elected term. This law is in effect for the 2016 elections.

[H373: Elections](#) - Moves the 2016 Statewide Primary to March 15, 2016. This move was made in order to increase North Carolina's clout in the 2016 presidential primaries, and to maximize the number of convention delegates that both state Democrats and Republicans would receive for the 2016 conventions.

After two decades of holding the presidential primaries in May, the legislature passed a bill in 2013 that moved it to February, in an effort to make North Carolina a bigger player in the presidential primary elections. Historically, by the time the state's primary date arrived in May, many of the presidential primaries had already been settled. The move to February, however, was not sanctioned by the national Democratic and Republican parties. After the change was made in 2013, the Republican National Convention threatened to take away 60 of the state's 72 delegates to the 2016 Convention if the state did not move the election to a date later than February. After much negotiation between state party leaders and Republican legislators of both chambers, the March 15, 2016 date was agreed upon. North Carolina's primaries are winner-take-all for both parties, meaning that the top vote-getter in each party wins all of the state's delegates. If this conflicts with national rules, then state parties can opt out. Currently Democrats plan to award delegates proportionally, so they will likely opt out of the winner-take-all event.

[H836: Election Modifications](#) – This bill makes several modifications to various election laws: authorizes electronic submission of absentee ballot lists by county boards of elections, authorizes the use of new technology for paper ballots,

extends the time for counties that currently use direct record electronic voting machines to implement paper ballot requirements to September 1, 2019, authorizes certain local governments to conduct malt beverage and unfortified wine elections, requires county boards of elections to notify a registered voters of their option to complete a written request for an absentee ballot at a one-stop voting location if the voter does not have an eligible form of photo identification at the time, authorizes voters to complete reasonable impediment declarations if they suffer from a reasonable impediment that prevents them from obtaining photo identification, and requires electronic poll books to be certified by the State Board of Elections.

NOT RUNNING FOR REELECTION IN 2016

NC Senate

- Sen. Tom Apodaca (R-Henderson)
- Sen. Stan Bingham (R-Davidson)
- Sen. Fletcher Hartsell (R-Cabarrus)
- Sen. Bob Rucho (R-Mecklenburg)
- Sen. Buck Newton (R-Wilson) – ***Running for Attorney General***
- Sen. Dan Soucek (R-Watauga)
- Sen. Josh Stein (D-Wake) – ***Running for Attorney General***

NC House

- Rep. Nathan Baskerville (D-Vance)
- Rep. Rayne Brown (R-Davidson)
- Rep. Rick Catlin (R-New Hanover)
- Rep. Tricia Cotham (R-Mecklenburg)
- Rep. Leo Daughtry (R-Johnston)
- Rep. J.H. Langdon (R-Johnston)
- Rep. Jacqueline Schaffer (R-Mecklenburg)
- Rep. Paul Stam (R-Wake)
- Rep. Paul Tine (U-Dare)
- Rep. Ken Waddell (D-Columbus)
- Rep. Roger West (R-Cherokee)
- Rep. Chris Whitmire (R-Transylvania)
- Rep. Dan Bishop (R-Mecklenburg) – ***Running for NC Senate District 39***

Council of State

- State Treasurer Janet Cowell (D)
- Attorney General Roy Cooper (D) – ***Running for N.C. Governor***

NEWS

[THE TIMES-NEWS: Intriguing races: North Carolina's primary primer](#)

The North Carolina primary ballot is usually long in any presidential year because there are also always nominee elections for governor and other Council of State positions, and for Congress and the Legislature. U.S. Senate nominations and a \$2 billion bond question also sit on this year's ballot.

[CITIZEN-TIMES: North Carolina \\$2B bond question approaching quickly](#)

The last time North Carolina lawmakers put a bond question on the ballot, voters agreed overwhelmingly in November 2000 to borrow a record \$3.1 billion for university and community college projects.

[WRAL: Familiar names file for statewide, federal offices](#)

Unlike in one-third of legislative race, most high-profile incumbents running in statewide races, such as U.S. Sen. Richard Burr, won't get a free ride during next year's March 15 primary or November general election.

[WRAL: One-third of state legislative seats will be uncontested in 2016](#)

Roughly a third of those who signed up to run for state House or state Senate were all but guaranteed a win in 2016.

[NEWS & RECORD: North Carolina elections officials notifying voters who have no valid IDs](#)

State election leaders sent letters last week to 825 registered voters in North Carolina, warning that they "may not possess an acceptable form of photo ID" for voting next year.

[NC General Assembly adjourns for the year \(10/2/15\)](#)

In the early morning hours of September 30, 2015, the House and Senate gave final sign off on the Senate Joint Resolution (SJR) 721, Adjournment Resolution. The resolution ended the "long" session, which began in January of this year.

The SJR sets April 25, 2016 as the date the General Assembly will reconvene next year. Among the bills that may be considered during the 2016 short session include: appropriations bills, bills amending the state's constitution, bills that have crossed over from the originating chamber to the other chamber, bills recommending studies, bills with recommendations from commissions or committees, local bills, and bills vetoed and returned by the Governor.

During the interim, the Speaker and President Pro Tempore will appoint oversight and study committees. Usually the General Assembly will pass a bill at the end of session authorizing agreed upon studies and reports to be completed by the oversight committees during the interim. However, this year the Speaker and President Pro Tempore chose not to pass such a bill and rather to complete any studies through the Legislative Research Commission.

During session, the Governor has ten days to either sign or veto a bill, or it automatically becomes law. After the General Assembly officially adjourns for the year, the Governor has 30 days to either sign or veto all legislation that is on his desk. As of October 2, there were 43 bills awaiting that final signature. After the 30-day period has ended, we will post a review of all health care legislation that became law in 2015.

[House and Senate reach compromise on Medicaid reform \(9/17/15\)](#)

Over the past couple of years, the Governor, House leadership, and Senate leadership have all agreed that they want to transform the state's Medicaid fee-for-service program into a fully-capitated managed care model. The best way to convert the system, however, was up for debate.

After proposing two different reform plans earlier this year, it became questionable whether a reform plan would end up passing the legislature during the 2015 long session. The House's plan depended on provider-led entities (PLEs), stayed within the Department of Health and Human Services, and was supported by Governor McCrory. The Senate's plan, on the other hand, depended on both PLEs and managed care organizations (MCOs), and would take the Medicaid program out of DHHS and place it into the newly-created Department of Medicaid.

In late August, the negotiators for the Medicaid reform bill, H372, announced that they had reached a compromise. The decision was for the state to pursue a hybrid model, depending on both PLEs and MCOs, as recommended in the Senate's version of H372. Negotiators just had to decide whether the oversight of the program would remain within DHHS and whether to continue the state's contract with Community Care of North Carolina, among other details.

On Thursday, September 17, the conference committee report for H372 was reported into the House and Senate chambers. Under the new plan, Prepaid Health Plans (PHPs) will be responsible for the delivery of Medicaid services. The bill defines PHPs as “an entity, which may be a commercial plan (CP) or provider-led entity (PLE) that operates or will operate a capitated contract.” Additionally, the bill defines a CP as “any person, entity, or organization, profit or nonprofit,” and defines a PLE as an entity in which “a majority of the entity’s ownership is held by an individual or entity that has as its primary business purpose the ownership or operation of one or more Medicaid and Health Choice providers” and a majority of the entity’s governing body must be composed of physicians, physician assistants, nurse practitioners, or psychologists.

As originally proposed in the Senate’s reform plan, three PHPs will contract with the Division of Health Benefits and will serve recipients statewide. Additionally, the Division of Health Benefits could contract with up to 10 PLEs for regional contracts. Medicaid recipients will be able to choose their preferred plan, whether it is a CP or PLE, or a statewide or regional plan.

Under the new compromise plan DHHS will continue to have full authority to manage the Medicaid and NC Health Choice programs. A new division, however, will be created. The newly-created Division of Health Benefits will be responsible for implementing Medicaid reform, and will eventually take over the duties currently vested in the Division of Medical Assistance (DMA). Twelve months after capitated contracts begin, DMA will be eliminated.

The state’s current LME/MCOs will continue to manage all of the behavioral health services that they currently provide, for at least four years. After that time period, it is possible that behavioral health care could be turned over to the PHPs, if the legislature chose to do so.

Upon signature into law, the Division of Health Benefits and a legislative oversight committee, the Joint Legislative Oversight Committee on Medicaid and NC Health Choice will both be created. Additionally, the new division will be responsible for submitting all necessary waivers and State Plan amendments (SPAs) to the Centers for Medicare and Medicaid Services. It is expected that the process to get all of the proper approval for necessary waivers and SPAs could take from 12 to 24 months. Eighteen months after the state receives approval, capitated contracts under PHPs will begin, and initial recipient enrollment must be complete.

Both the House and Senate passed H372 out of their chambers on Tuesday, September 22. The measure cleared the House on a vote of 65-40, and the Senate agreed on a vote of 33-15. Governor Pat McCrory signed H372 into law on Wednesday, September 24, 2015 at a bill signing ceremony. House and Senate members who led the reform efforts were present at the signing.

[Click here to read the Governor's press release on the H372 bill signing.](#)

[Click here to read H372 - Medicaid Transformation & Reorganization.](#)

[House and Senate leaders reach agreement on state budget \(9/15/15\)](#)

On Monday afternoon, 76 days after the new fiscal year (FY) began, Speaker of the House Tim Moore (R-Cleveland) and President Pro Tempore Phil Berger (R-Rockingham) held a press conference to unveil the details of the new \$21.7 billion spending agreement.

With the current continuing resolution (CR) set to end at 11:59 p.m. on Friday, September 18, both chambers plan to vote on the measure this week. Speaker Moore and Sen. Berger stated at the press conference that they are hopeful that Governor Pat McCrory will sign the budget into law before the CR deadline passes.

The Senate is took their first vote on the budget today, Tuesday, September 15, and the final vote is tomorrow, Wednesday, September 16. House rules require the chamber to release the document to the public 72 hours before taking a vote. The chamber plans to vote on the measure on Thursday, September 17, followed by a final vote on Friday, September 18. Speaker Moore stated on Monday that the chamber is considering taking the final vote on the budget early Friday morning, shortly after midnight. After receiving approval from both chambers, the budget will go to the Governor's desk for the final signature into law.

Additionally, it is expected that the legislature will be taking up the conference reports for HB 117, NC Competes Act, and the Medicaid reform bill, HB 372, next week. The conference report for HB 117 is expected to include several other economic development policies, including details of the revised Job Development Investment Grant (JDIG) program.

AGRICULTURE & NATURAL RESOURCES

- Provides for \$1 million in FY1 and \$2 million in FY2 for tourism funding.
- Expands the well-drilling initiative for agriculture, AgWRAP.
- \$500,000 for shale class exploration.
- Funds for dredging of the coastal inlets.
- \$13.6 million for the Biotechnology Center.
- Protects the oyster industry. Prohibits oyster shells from being used in landscaping.

ECONOMIC DEVELOPMENT & TAXES

- \$3 million for the OneNC Small Business Fund.
- \$30 million for the Film and Entertainment Grant Fund.
- \$2.5 million a year for Rural Economic Development Grants.
- Funds the Job Maintenance and Capital Development (JMAC) Fund.
- Expands the JDIG program.
- Reduces the personal income tax rate from 5.75% to 5.499% in 2017.
- Increases the 2016 standard deduction by \$500, totaling \$15,500 for married filers.
- Extends the historic preservation tax credit, which had sunset at the end of 2014.
- Restores tax deductions for medical expenses and expands the tax deduction for all people. The policy ended during the 2013 tax reform and was for senior citizens only.
- Expands the sales tax base. Instead of the Senate's proposed sales tax redistribution plan, the money from the expanding sales tax base will go to rural counties that do not fare well under the current tax distribution system, for economic development and public education.
- Allows local governments to charge a municipal vehicle tax, up to \$30 per vehicle. Currently, the tax is capped at \$5.
- Continues the corporate income tax rate reduction trigger, which is expected to drop to 3% in 2016.
- Beginning in 2016, phases in single sales factor over three years.
- Repeals the bank privilege tax in 2016.

EDUCATION – K-12

- Provides an additional \$14 million to the opportunity scholarship program in FY2.
- Increases the funds for Special Education scholarships by 6%, which will increase scholarship grants up to \$4,000 per semester for eligible students.
- Increases the starting teacher salary from \$33,000 to \$35,000.
- Funds teacher assistants (TAs), requires that those monies be used only for TAs.
- Fully funds driver education. Includes provisions for comprehensive data collection and a study of how to improve the program.
- Reduces class size in first grade to a 1:16 teacher-student ratio in FY2.
- Funds the School Connectivity Initiative, which will bring broadband and WiFi to all public schools in the state.
- Increases funding for textbooks and digital learning resources.

- Establishes a new definition for low-performing schools and school districts. Mandates the implementation of improvement plans.
- Allows the State Board of Education to consolidate county school districts that share a border.

EDUCATION – COMMUNITY COLLEGES

- Increases tuition in the 2016 spring semester by \$4.00/credit hour.
- Funds in-state tuition for veterans.
- Mandates the Community College System and State Board of Education to collaborate on a program to deliver mandatory college developmental math and English classes for students in their senior year who do not meet specific readiness criteria.

EDUCATION – UNIVERSITIES

- Funds in-state tuition for all veterans.
- Sets aside \$2 million for the Western Governor’s University. The University will receive the \$2 million for a new campus after they raise \$5 million on.
- Requires the Community College and UNC Systems to collaborate in a study to establish a deferred admission program that will divert academically at-risk students into the community college system. Upon completion of an associate’s degree, the student receives guaranteed acceptance to a UNC System school.

GENERAL GOVERNMENT

- Establishes a new Department of Military and Veterans Affairs.
- Establishes a new Department of Information Technology.
- Transfers the state aquariums, parks, and zoo from the Department of Environment and Natural Resources to a newly-established Department of Natural and Cultural Resources, in an effort to consolidate the management of state attractions under one department.

HEALTH & HUMAN SERVICES

- Establishes the Medicaid Transformation Fund, providing \$225 million in funds over the biennium. This money is to be used transform the state’s Medicaid system from fee-for-service to a fully-capitated, managed care system.
- Does not make any changes to the state’s certificate of need (CON) program. The Senate’s version of the budget proposed a phase-out of CON over several years.
- Requires hospitals to publicly post how much charity care they provide each year.
- Raises the foster care age from 18 to 21.
- Includes funds for improvements to the medical examiner system.

JUSTICE & PUBLIC SAFETY

- Provides \$2 million in recurring funds for expanded bed capacity for adjudicated juveniles in contracted and state-run facilities.
- Funds an additional 72 mental health beds at Central Prison, and includes another \$5.6 million for mental health behavioral treatment units at eight prisons.
- Offers \$2.5 million in grants for body-worn cameras by local law enforcement agencies.
- Includes funds for cameras in highway patrol vehicles.
- Provides funds for court modernization, including recurring funds for court information technology initiatives.

TRANSPORTATION

- Lays out the blueprint for the \$2 billion infrastructure bond for capital projects. It is expected that North Carolina voters will vote on the bond during either the 2016 primary or general election.
- Repeals the transfer of \$216 million from the Highway Fund to the General Fund.

- Increases all Division of Motor Vehicle (DMV) fees. The increase in the fees will be used toward funding additional Strategic Transportation Investment projects and DMV modernization. The fee increase is the first one in a decade.
- \$440 million in additional road funding.
- \$70 million for port modernization.
- Additional funds for the bridge program.
- Caps the state funding for light rail projects at \$500,000 per project.
- Increases the statewide cap for turnpike projects from nine to eleven, total.

OTHER AREAS

- Victims of the state's eugenics program will receive a second compensation payment of \$15,000 each. Each victim has already received \$20,000 each.
 - All state employees and public school teachers will receive a \$750 bonus.
-

[What is left on the legislature's agenda? \(9/2/15\)](#)

Today, September 2, marks legislative day 120 for the 2015 long session, and there is still plenty left to accomplish on the legislature's agenda. Although the North Carolina General Assembly is technically a part-time legislature, without a constitutional limit on the days allowed in session, there is no requirement for them to adjourn by any certain date.

The last time a long session went this late into the summer was in 2005, when the legislature was working to pass the bill that created the North Carolina Education Lottery. That year, they adjourned on September 2. Unless House and Senate leaders come to an agreement on many big ticket items today, it looks like the legislature will break that 2005 record.

STATE BUDGET: The new fiscal year began on July 1 with a continuing resolution to last fiscal year's budget, instead of a new one. Currently the legislature is on its third continuing resolution to the budget, which will run out on September 18, 2015. Just last week, almost two months after the budget should have been completed, House and Senate budget negotiators were able to come to an agreement on spending targets for each of the budget areas. Since then, several of the budget areas have been agreed upon, including Justice and Public Safety, General Government, Capital, and Natural and Economic Resources. House and Senate negotiators are still far apart on the Education and Health and Human Services (HHS) parts of the budget.

MEDICAID REFORM: House and Senate leaders have come to an agreement on the overall premise of the overhaul of the state's Medicaid program—get rid of the current fee-for-service system in exchange for a fully capitated system that uses both managed care organizations and provider-led entities. The two chambers, however, are yet to compromise on several parts of the reform plan:

1. Who will oversee the Medicaid program? A new Department of Medicaid or keep it housed where it currently is within DHHS?
2. What is the timeline for transforming the Medicaid program into a fully capitated system? A more aggressive timeline of two years, as the Senate prefers, or a more moderate timeline of five years?
3. Will Community Care of North Carolina (CCNC) continue to play a role in Medicaid? The Senate prefers to end that contract between CCNC and the state.

The two chambers must come to an agreement on Medicaid reform before a budget is passed, as that will influence how much money needs to be put into the HHS part of budget.

ECONOMIC DEVELOPMENT & TAX REFORM: The House's version of HB 117, NC Competes Act, adds additional money into a job recruiting fund, the Job Development Investment Grant program, modifies the Single Sales Factor, establishes the Datacenter Infrastructure Act, and extends the sales tax refund for passenger air carriers.

The Senate, on the other hand, drafted a completely different plan for HB 117. Senate leaders have publicly stated that they feel that lowering taxes is the best way to bring jobs to North Carolina, versus the House's plan that funds job recruitment tools and tax exemptions.

While the Senate's version of the bill does continue some of the funds and modifications that were included in the House's version, there is one outstanding difference. The Senate proposal includes a plan to modify how the 2 percent local sales tax is divided among the counties in the state. Currently, for every dollar raised from the 2 percent local sales tax, 75 cents stays in the county where the item was purchased, and the remaining money is distributed throughout all 100 counties, based on their population size. Sen. Harry Brown (R-Onslow), has stated that the distribution is unfair, giving an advantage to fast-growing, large counties, like Mecklenburg and Wake counties. In order to help that imbalance, the proposal will change the distribution to 50-50.

The proposal has been met with resistance from local governments that are expected to lose money from the proposal—primarily urban counties. On the other side, rural and small counties have been very supportive of the proposal, as they will receive more money from the proposed 50-50 split.

For the most part, the House has been very vocally opposed to this proposal. HB 117 currently sits in a conference committee so that differences can be worked out.

[Medicaid reform bill goes to conference committee \(8/26/15\)](#)

Last week, the House failed to concur to the Senate's changes to HB 372, Medicaid Transformation/HIE/Primary Care/Funds. The House and Senate appointed final [conferees](#) last Thursday. Co-chairs for the House will be Reps. Donny Lambeth (R-Forsyth) and Nelson Dollar (R-Wake). The Senate will have three Co-chairs, Sens. Ralph Hise (R-Mitchell), Louis Pate (R-Wayne), and Tommy Tucker (R-Union).

The House and Senate, as well as the Governor, all agree that they want to move away from the state's current fee-for-service system to a full-risk capitated system. Disagreements between who will administer the program have divided the Senate and the House.

The Senate version creates roles for both managed care organizations (MCOs) and provider-led entities (PLEs). The three MCOs would operate on a statewide basis, while the PLEs would operate in regions. On the other hand, the House version permits PLEs to bid for contracts and manage networks of at least 30,000 Medicaid recipients.

Last Wednesday, however, House leaders announced that they would pursue a hybrid model, moving them to agree with the Senate that MCOs and PLEs could operate in the state.

Also on the negotiating table will be whether a new department will be created to oversee the state's Medicaid program. Under the Senate's plan, a new Department of Medicaid would be responsible, while the House prefers to keep the program under the Department of Health and Human Services.

HB 372 negotiators will also have to determine whether the Community Care of NC (CCNC) program will continue under the reformed Medicaid system. The Senate proposes to cancel that contract and instead use those savings to raise the rates for OB/GYNs and certain primary care physicians up to 100% of the Medicare rate. The House prefers to build off the home-grown medical home system. Last week, State Auditor Beth Wood released an audit that determined that the CCNC model did produce savings to the state.

[State audit finds that CCNC produces savings \(8/21/15\)](#)

In July 2013, the North Carolina General Assembly directed the State Auditor to determine whether the Community Care of North Carolina (CCNC) model saved money and improved health outcomes for the state's Medicaid population. As stated in the audit, the CCNC program *"is a managed primary care program that served approximately 1.3 million of approximately 1.5 million Medicaid beneficiaries in the state as of December 31, 2012. Under CCNC, eligible beneficiaries join "medical homes," which coordinate patients' healthcare services. Primary care services are managed through the medical home, and access to specialty care is coordinated through the primary care physician. Each patient has access to a case manager to ensure individualized care. CCNC also provides health education to its plan members and assists them in maximizing their own health care through self-management."*

The audit produced the following conclusions:

The researcher's analysis, based on data from July 1, 2003, through December 31, 2012, suggests that the CCNC program saved money among non-elderly, non-dual Medicaid beneficiaries.

- Savings of approximately \$78 per quarter per beneficiary, approximately \$312 a year in 2009 inflation-adjusted dollars (approximately a 9% savings).
- Decreased spending in almost all spending categories, with the largest reduction in inpatient services.

The researcher's analysis suggests improved health outcomes for CCNC members:

- Approximately a 20% increase in physician services (increased physician services is expected to prevent more expensive health care in the future).
- Approximately a 25% reduction in inpatient admissions.
- Approximately a 10.7% decline in prescription drug use.
- Reduction in readmissions, inpatient admissions for diabetes, and emergency department visits for asthma (only the asthma results are statistically significant).
- No statistically significant effect on overall emergency department use.

[Click here to read the entire audit.](#)

[HB 724 is officially law! \(8/12/15\)](#)

Governor Pat McCrory signed HB 724, Amend Composition of NC Medical Board, into law on Tuesday, August 11! There is officially a seat on the NC Medical Board specifically for a PA! THANK YOU to everyone who emailed and called their legislators!

[Senate releases new Medicaid reform proposal \(8/7/15\)](#)

On Thursday, August 6, the Senate Committee on Health Care passed a new version of the Medicaid reform bill in a Senate committee substitute (SCS) to [HB 372, 2015 Medicaid Modernization](#).

The SCS, now titled Medicaid Transformation/HIE/Primary Care/Finds, combines the Senate's Medicaid reform proposal, the establishment of a Health Information Exchange (HIE) Network Authority, and raising the rates of primary care physicians, which were all included in the Senate's proposed budget this year. The SCS does differ from the Medicaid reform proposal that they included in the budget in several ways. Senate leaders said that the SCS was an attempt to

make compromises in order to find more common ground with the governor and House. Medicaid reform has been a major sticking point between the chambers this year.

The SCS creates a new department, the Department of Medicaid (DOM). The DOM will have full budget and regulatory authority, but the General Assembly would determine eligibility categories and income thresholds. The bill requires the DOM to submit requests for waivers and state plan amendments to the Centers for Medicare and Medicaid Services (CMS), and report recommended statutory changes to the newly created Joint Legislative Oversight Committee on Medicaid by May 1, 2016. Twelve months after CMS approval, capitated full-risk contracts will begin.

This proposed version of the bill creates roles for both managed care organizations (MCOs) and provider-led entities (PLEs). MCOs would compete for three statewide contracts, and PLEs would compete for up to 12 regional contracts. The DOM has the ability to create anywhere from five to eight regions in the state.

The second section of the bill establishes the Statewide Health Information Exchange Authority, which will be responsible for overseeing and administering the HIE network. The proposal provides for \$8 million in funds in order to “allow a seamless transfer of patient records between every provider in the state.” Additionally, the N.C. HIE Advisory board is created in the proposal, which will advise the Authority on HIE matters.

Finally, the proposed legislation will end the state’s contract with Community Care of N.C. (CCNC), a nonprofit that provides Medicaid case management services in order to help contain costs. Beginning May 1, 2016, the money that would have been spent on that contract will instead be used to raise the rates paid to primary care physicians and OB/GYNs to 100 percent of Medicare rates.

HB 372 will be heard in the Senate Appropriations Committee Monday, August 10, at 3 pm. [Click here to listen live to Monday’s hearing on HB 372.](#)

[DHHS secretary resigns, successor appointed \(8/6/15\)](#)

Yesterday, the North Carolina Department of Health and Human Services (DHHS) Secretary Aldona Wos announced that she would be resigning, effective Friday, August 14.

Sec. Wos, a physician and former U.S. ambassador, was appointed by Governor McCrory at the beginning of his term, in January 2013. Her tenure as DHHS secretary was met with both criticism and success. Legislative leaders questioned her handling of Medicaid, the NC Tracks and NC FAST systems, and some of her personnel decisions on a regular basis. When Sec. Wos began her tenure as secretary, the state’s Medicaid program was running over budget on a regular basis, due to mismanagement by previous administrations. This week, however, DHHS announced that the Medicaid budget ended the fiscal year with almost \$131 million in cash on hand.

Rick Brajer of Raleigh will be taking the reins from Sec. Wos, officially starting on Monday, August 17. Brajer will be coming into the agency during a time when the legislature is considering Medicaid reform, which may potentially remove the administration of the Medicaid program entirely from DHHS.

GET TO KNOW RICK BRAJER

AGE: 54

FAMILY: Married, 3 sons. Parents emigrated from Yugoslavia in 1949.

EDUCATION:

BS – Chemical Engineering, Purdue University (1978-1983)

MBA, Stanford University Graduate School of Business (1985-1987)

WORK EXPERIENCE:

1983-1985: Product Development Engineer, Procter & Gamble (Cincinnati, Ohio)
1987-1990: Management Consultant, McKinsey & Co (Dallas, Texas)
1990-2002: President & CEO of Diagnostics, Becton Dickinson (Franklin Lakes, NJ)
2003-2013: President & CEO, LipoScience, Inc. (acquired by Lab Corp) (Raleigh, NC)
2014-January 2015: ProNerve, LLC (acquired by Specialty Care)

VOLUNTEER EXPERIENCE:

Former Board Chair, Habitat for Humanity of Wake County
Board Member, Communities in Schools of Wake County
Board of Trustees, Ravenscroft School
Board Member, Neighbor to Neighbor Outreach

POLITICS & POLICIES

Talking to reporters after the press conference announcing Wos' retirement/Brajer's appointment, Brajer said the following:

- When asked about Medicaid expansion under the ACA, he said the administration's first priority is Medicaid reform.
- Told reporters there will be "*significant emphasis* on Medicaid reform, mental health, substance abuse and continuing to derive synergies through modernizing...our IT systems."
- Wants to continue emphasizing Sec. Wos' Medicaid reform philosophy. Feels that PLEs should receive the first opportunity.
- Containment of Medicaid program costs will be a core priority.
 - On this subject, stated that NC's vulnerable citizens are a high priority for the administration, stating that his volunteer efforts have focused on families that need a hand up.
 - Believes that the administration has a responsibility to be good stewards of existing funds so that more people can be served but also allow the state to continue to invest in other priorities.

[Senate unanimously agrees to H724! \(7/29/15\)](#)

This morning, the Senate chamber unanimously voted in favor of HB 724, Amend Composition of NC Medical Board. The bill will now head to the House for a final concurrence vote, before landing on the Governor's desk for signature into law.

North Carolina is officially one step closer to having a seat designated specifically for PAs on the NC Medical Board! Stay tuned for updates within the next week.

[H724 passes Senate committee, heads to the floor for final approval \(7/22/15\)](#)

HB 724, Amend Composition of the NC Medical Board, passed the Senate Health Care committee unanimously on Tuesday, July 21. There was no discussion or expressed opposition to the bill during the committee meeting.

The bill will now head to the Senate floor for a final vote by the chamber. **HB 724 is calendared to be heard by the Senate on Wednesday, July 29.** The Senate typically meets for session at 2:00PM, and you will be able to listen to the debate here: [Senate Audio](#).

If the Senate agrees to the bill, it will go back to the House for a final concurrence vote (strictly procedural), and will then arrive on Governor McCrory's desk for a final signature into law. Once the bill is presented to the Governor, he will have ten days to either sign or veto the bill. Due to the non-controversial nature of H724, it is expected that the Governor will sign the bill.

[Legislature passes temporary budget measure, breaks for Fourth of July \(7/2/15\)](#)

Without an agreement on the state budget anywhere in sight, the North Carolina General Assembly agreed to a continuing budget resolution, CR for short, which will continue to fund state government until August 14, 2015. The budget deadline was 11:59 P.M. on Tuesday, June 30, when the state fiscal year ended. House and Senate budget writers had made it clear before the deadline that there were several parts of the budget in contention, including Medicaid and tax reforms, which would prevent them from passing the budget before July 1. Therefore, on Monday, the House voted 107-1 to the CR, which will keep state funding at current levels for the 45-day window. The Senate followed suit on Tuesday, agreeing to the measure on a vote of 43-0.

Within hours of the Senate voting for the CR, Governor McCrory signed the bill into law, guaranteeing House and Senate budget writers another 45 days to come to an agreement on the 2015-2016 budget.

Both chambers are taking off July 3-12 for the Fourth of July holiday. Beginning July 13, House and Senate budget writers will begin negotiations on the budget, and both chambers will get back to debating and passing bills out of committees.

[House passes Medicaid reform legislation \(6/26/15\)](#)

On Tuesday, June 23, House Bill 372, 2015 Medicaid Modernization, passed the House on Tuesday with a final vote of 105-6 after previously clearing both the House Health and Appropriations committees. Sponsored by Representatives Nelson Dollar (R-Wake) and Donny Lambeth (R-Forsyth), H372 would permit provider-led entities (PLEs) to bid for contracts and allow them to manage networks of at least 30,000 of NC's Medicaid recipients. Similar to the Senate proposal, the plan would do away with the state's present fee-for-service system in exchange for full-risk capitated plans. Within five years of becoming law, 90 percent of Medicaid recipients under H372 would be required to enroll in full-risk, capitated health plans for all physical health services (the final 10 percent, those with the highest-cost needs, would continue to be covered under the current fee-for-service system). A year later, each PLE would have to meet the risk, cost, performance, and quality goals that are in their contract with the state.

H372 will now be sent to the Senate where it will face long odds due to significant differences between the House and Senate Medicaid proposals. Speaking to reporters after Tuesday's vote, Rep. Lambeth said he had been working on "transformational" legislation that would draw bi-partisan support and keep oversight for Medicaid within the state Department of Health and Human Services (DHHS).

[House and Senate offer dueling Medicaid reform plans \(6/18/15\)](#)

When the Senate released their version of the budget on Monday, June 15, they included what their idea of what reforming the Medicaid program would like for North Carolina. Their plan calls for the state to form a new agency, the Health Benefits Authority, to manage Medicaid, taking that duty away from the Department of Health and Human Services. While the legislature would still be responsible for determining Medicaid eligibility, the authority would be charged with contracting with managed care groups (MCOs) and provider-led entities (PLEs) for Medicaid services. Under the Senate's plan, the new Health Benefits Authority would contract with three healthcare providers who would serve Medicaid recipients statewide. Those three statewide healthcare providers could be either MCOs or PLEs. Furthermore, the state would be divided up into six regions, and the authority would be authorized to contract with two additional PLEs within each region, if they chose to do so. The authority also has until August 1, 2017 to get this system in place, if the Senate's plan becomes law.

Upon releasing the budget, Senate leaders stated that they prefer to contract with both MCOs and PLEs in order to encourage competition, and that it will also give Medicaid patients a choice of three to five plans in which to enroll. In comparison, the House's version of reform, [H372: 2015 Medicaid Modernization](#), sets out to contract with only PLEs ([click here to read more about the House's plan](#)). The House's timeline for transition into PLEs is not as aggressive as the Senate's either, which mandates that the state will move into fully capitated coverage within five years. H372 is supported by many of the health care advocacy groups, including the NC Medical Society and the NC Hospital Association.

While House and Senate leaders do disagree on the best way to reform Medicaid in North Carolina, they both agree that there is the need for change, including that the state must move away from the fee-for-service payment system. Both versions call for coverage to be fully capitated, and that the vendor, whether that be PLEs or MCOs, would be responsible for any cost overruns.

It is hopeful that House and Senate will come to a compromise this summer. Senate leaders have stated that they do not plan to adjourn for the year until an agreement is reached on Medicaid reform. The Senate's budget, which includes their Medicaid reform plan, passed out of their chamber on Thursday, June 18. The House plans to vote its version out of their chamber next week, beginning debate on Tuesday, June 23. At that point, House and Senate healthcare leaders will likely meet behind closed doors for several weeks until they come up with a solution.

[House Health committee approves Medicaid overhaul \(6/16/15\)](#)

The House Health committee voted to approve House Bill 372, 2015 Medicaid Modernization on Wednesday, June 10, giving support to a plan that places the responsibility of cost controls in the hands of doctor and hospital networks. The measure is very similar to one which passed the House by a large majority last year, though it remains drastically different from what the Senate's Medicaid overhaul plans look like. Many Senate Republicans have repeatedly said they believe using private managed care companies is the best way to curtail spending for Medicaid, which is expected to cost NC over \$3.6 billion this year. Sponsors of the House proposal however, think that "provider-led entities" which enter into contracts with the Department of Health and Human Services (DHHS) work best, in addition to creating more incentives to keep those enrolled in Medicaid healthy. Senators have said they prefer competition of MCOS and ACOs/PLES.

H372 sponsor Rep. Nelson Dollar (R-Wake) told the House Health committee that he felt the plan "would provide greater budget certainty and long-term cost savings...and would improve long-term health outcomes for our citizens." The House proposal currently enjoys the support of the NC Hospital Association, the NC Medical Society and DHHS under Gov. McCrory. Dave Richard, DHHS Deputy Secretary for Medicaid, said that the McCrory Administration "has strongly advocated for physician and provider-led reforms that focus on making patients healthier." The House and Senate versions both eliminate the current billing model in which Medicaid reimburses hospitals and doctors for the cost of each itemized medical treatment performed. Instead, a managed care group would receive a fixed amount of money for each patient treated and profit would be based on how well they can keep costs in check. The House version requires that at least 90 percent of Medicaid recipients be enrolled in these fixed-cost health plans within a period of five years. A year later, provider-led entities must meet certain quality and performance goals spelled out in their contracts with the state. The entities could then be financially rewarded or penalized based on meeting those goals or falling short of them.

Unlike last year's Medicaid bill which the House unanimously approved, some Republicans voted against the bill on Wednesday and publicly expressed concern over its provisions. Rep. Justin Burr (R-Stanly) said he felt it was risky to allow only provider led networks without bringing in competition from managed care that are experts in financial and health care management. Rep. Burr said he felt the bill "kicks the can down the road," and said that it didn't fix anything. Rep. Dollar, however, disagreed. He said he felt that a similar, separate model to manage treatment for the mentally ill

and people with disabilities had proven to be successful. Having cleared the Health committee, the bill will now go to the House Appropriations committee, where Rep. Dollar is a senior chairman.

[Bill sponsors release new version of HB 562 \(6/4/15\)](#)

On Wednesday, the House Rules committee debated a new version of HB 562, Amend Firearms Laws. The original version of the bill contained provisions that would have forbidden a health care provider from asking a patient about lawful firearm and ammunition ownership in any written form, such as on a health-related questionnaire. Additionally, the bill would have prohibited a health care provider from sharing any information about any verbal inquiry into lawful firearm ownership and the patient response with any government official or agency.

NCAPA was opposed to this provision due to the unprecedented restrictions this would have placed on the health care provider-patient relationship. Several other health care advocacy groups also actively opposed the provision, including the North Carolina Medical Society.

The new version of HB 562, released this week, contained much broader language. Now, the bill states that any written form a health care provider asks a patient to complete must clearly and conspicuously contain a statement that the patient is not required to answer any questions regarding lawful firearm and ammunition ownership.

The bill was voted out of the House Rules committee on Wednesday, and is expected to be on the House floor early next week.

[Sec. Wos announces key leadership changes at DHHS \(5/28/15\)](#)

North Carolina Department of Health and Human Services Secretary Aldona Wos, MD, announced May 21 that Robin Gary Cummings, MD, Deputy Secretary for Health Services and Medicaid Director, will step down from his position to accept the role of Chancellor of the University of North Carolina at Pembroke.

“Dr. Cummings’ extensive healthcare experience and long-standing relationships within the medical community enabled him to identify opportunities to deliver Medicaid services more effectively and efficiently and improve the Medicaid budget, which is in the best shape it has been in for five years,” said Secretary Wos. “He successfully led the first restructuring of the division in 35 years, which is a critical step to ensuring its long-term stability and preparing for Medicaid reform.”

Dr. Cummings joined DHHS in March of 2013 to lead the Office of Rural Health and Community Care. He was named Deputy Secretary for Health Services in August of 2013 and assumed the role of Medicaid Director in April 2014. He is a board-certified general and cardiothoracic surgeon.

Born in Robeson County, North Carolina, and a member of the Lumbee tribe, Dr. Cummings has previously served on the Board of Trustees at UNC-Pembroke and is the founding chairman of the N.C. American Indian Health Board.

“It’s the highest position I can go home to,” said Cummings. “Serving under the leadership of Secretary Wos as the state’s Medicaid Director has been an honor and one of the most valuable experiences of my career.

“This has given me a better understanding of our citizens’ needs and has prepared me to be an effective leader in my next role as the chancellor of UNC-Pembroke.”

Cummings’ last day will be June 5.

Dave Richard, Deputy Secretary of Behavioral Health and Developmental Disability Services, will replace Dr. Cummings as Deputy Secretary of Medical Assistance.

Richard has extensive experience with the Medicaid program throughout his 33-year career. In his work with The Arc, he was involved in advocacy and policy development related to the Medicaid program at the state and national level. In his tenure as executive director of The Arc of North Carolina, he led The Arc's effort to become a provider under the Medicaid program and provided leadership for its successful programs.

Since joining DHHS as director of the Division of Mental Health, Developmental Disabilities and Substance Abuse Services and in his current role as Deputy Secretary, he has been directly involved with the oversight of the Local Management Entities and Managed Care Organizations (LME-MCO) system, which is responsible for more than \$2 billion of Medicaid funding in a managed care delivery system.

Richard's knowledge of the Medicaid program, from both outside and inside government, combined with his extensive management experience, make him uniquely qualified to take on this role.

Richard's position will be filled by Dale Armstrong, current director of State Operated Healthcare Facilities. Armstrong has spent more than 30 years in healthcare leadership, both as CEO of acute care hospitals as well as 16 years leading behavioral healthcare systems in North Carolina, South Carolina, Georgia and Florida, serving inpatients, outpatients and overseeing residential services. He joined DHHS after serving as the vice president of Regional Operations and Affiliations for WakeMed Health & Hospitals in Raleigh.

Armstrong will assume the role of Deputy Secretary of Behavioral Health and Developmental Disability Services while maintaining his current duties overseeing the state healthcare facilities. Armstrong is a fellow of the American College of Healthcare Executives and a graduate of Leadership North Carolina.

Courtney Cantrell, PhD, will continue to lead the Division of Mental Health, Developmental Disabilities and Substance Abuse Services and with an increased leadership role to support Armstrong in his combined role.

Cantrell is a clinical psychologist with a doctorate from Florida State University. A veteran of the U.S. Air Force, Cantrell earned the rank of Captain, serving as an Air Force psychologist. She then moved to North Carolina to continue her career in integrated care as the Lead Behavioral Health Coordinator at AccessCare, a CCNC network, where she facilitated integrated care partnerships with the LME-MCOs. In her tenure at DHHS, Cantrell has been instrumental in realigning the Division of Mental Health to meet the changing health care needs of behavioral health patients.

Richard and Armstrong both begin their new positions June 1.

Beginning July 1, Randall Williams, MD, an obstetrician/gynecologist from Raleigh Gynecology and Wellness will become the Deputy Secretary of Health Services. Williams will oversee the Division of Public Health and the Office of Rural Health and Community Care.

Williams has been actively engaged in both taking care of patients in North Carolina and in public health for the last 26 years. A native North Carolinian, he attended public schools in Burlington and graduated from the University of North Carolina at Chapel Hill with honors with a double major in History and Zoology. Williams attended UNC School of Medicine where he was a Holderness Fellow and co-founded the Students Teaching Early Prevention initiative. He then served as Administrative Chief Resident in Obstetrics and Gynecology at North Carolina Memorial Hospital.

Since moving to Raleigh in 1989, Williams has served as president of the Wake County Medical Society and on the Wake County Board of Health. He was subsequently elected by the North Carolina Medical Society to serve on the North Carolina Commission for Public Health from 2004 until 2012. He is president-elect of the University of North Carolina School of Medicine Alumni Association that has 4,500 graduates living in North Carolina.

For the last 11 years, Williams has served as a volunteer in U.S. State Department and World Health Organization sponsored endeavors, teaching physicians and helping with clinical governance overseas. Serving mostly in conflict

zones, his work has taken him to Iraq on 11 deployments in addition to Afghanistan, Libya and Haiti. He has been recognized as the Red Cross Humanitarian of the Year, News and Observer Tar Heel of the Week and Triangle Business Journal Health Care Hero of the Year.

An avid runner, Dr. Williams has run marathons in Boston, New York, Paris, Athens and Jerusalem.

"I am delighted with the appointment of these high-level leaders into these key roles," said Secretary Wos. "I have complete confidence that the experience and leadership qualities of both Dave Richard and Dale Armstrong make them the right leaders for these positions and am equally confident in the depth of experience Dr. Randall Williams will bring to this leadership team."

The above article was released by NC DHHS on May 27, 2015. The article in its original form can be viewed here: [Secretary Wos announces key leadership changes at DHHS](#) (Bolted words were added for emphasis.)

[NC House passes 2015 budget proposal \(5/26/15\)](#)

In the early hours of Friday, May 22, the House passed their version of the 2015-2017 budget. At approximately 1:15 a.m., [House Bill \(HB\) 97, 2015 Appropriations Act](#), was voted out of the House with a bipartisan vote of 93-23. HB 97 now sits in the Senate, where they will take their stab at the budget. It is expected that they will review the House's proposal this week, and then we will see their competing proposal emerge in the next couple of weeks.

Aside from the [health-related provisions listed in the previous post](#), the budget proposal contains numerous of other provisions that you may find to be of interest:

EDUCATION

- Raises starting teacher salaries to \$35,000, currently it is \$33,000 per year.
- All other teachers receive at least a 2 percent raise.
- Increases K-12 school spending by \$269 million.
- Provides funds for a pilot program that aims to accelerate the development of charter schools in up to 10 counties where schools have "a grade level proficiency less than or equal to 50 percent on end-of-grade and end-of-course tests."
- Establishes a new scholarship program for college students who would be teachers in hard-to-staff subjects and schools in North Carolina.
- Restores funding for driver education. Last year's budget eliminated the funding.

FEES & TAXES

- \$40 million for the film tax credit, currently there is \$10 million a year available.
- 30 percent hike on all DMV fees (for driver license renewal, vehicle titles, etc.).
- Lowers the gasoline tax from the current 36 cents to 33 cents a gallon, starting January 2016.
- Restores the tax deduction for medical expenses.
- Extends the renewable energy tax credit through 2017, which was set to sunset this year.
- Restores the historic preservation tax credit, a program that Senate leaders oppose.

JUSTICE & PUBLIC SAFETY

- Creates a \$5 million matching grant program for local law enforcement agencies to purchase and use body-worn cameras. Each local law enforcement agency will be eligible for grants of \$100,000.
- Adds in \$3.1 million for the governor's underage drinking program.
- Sets up mental health behavior treatment centers at eight prisons- four in 2016 and the last four in 2017.

- Includes additional funding for community substance abuse treatment programs and electronic monitoring programs.
- Adds six technician positions to the state crime lab.

STATE GOVERNMENT

- Increases the salaries of all state employees by 2 percent.
 - State retirees receive a 2 percent cost-of-living increase.
 - \$200 million a year will be put into the state's savings reserve and renovation funds.
 - Creates a new Department of Military and Veterans Affairs.
-

NC House releases proposed budget (5/18/15)

Earlier today, the chairs of the House Appropriations committee released the House's budget proposal in its entirety. The budget proposal shows that economic times are getting better in the state, several portions of the House's proposed health and human services budget are seeing increased funding this year. See below for the highlights from the health and human services budget.

MEDICAID

- Slightly expands eligibility for children's Medicaid, as required by the ACA.
- Includes \$5.2 million to be used for the 2015-2017 biennium to plan for, and reform the Medicaid program to shift utilization risk from the State under a capitated model.
- Adds approximately \$287 million more into the Medicaid Rebase for the upcoming fiscal year to account for projected enrollment and utilization growth. This additional amount will bring Medicaid funding up to almost \$3.8 billion for the 2015-2016 fiscal year, which will begin in July 1.
- Provides \$500,000 for programming NCTracks to allow pharmacists to be added as an individual provider for reimbursement for vaccinations.

MEDICAL EXAMINER

- Provides additional funds to implement mandatory annual training for county medical examiners and to replace outdated and obsolete equipment.
- Provides funds to develop and implement an Electronic Death Records System.
- Provides funds to support one Forensic Pathologist Fellowship each at East Carolina University and Wake Forest University. The fellows are to perform autopsies at the State's regional autopsy centers.

MENTAL HEALTH

- Adds an additional \$5 million to increase the number of community hospital beds to provide psychiatric inpatient treatment services. This will increase the three-way contract capacity from 165 to 180 beds.
- Includes money to pilot the use of EMS departments to assess and transport persons with a mental health or substance abuse crisis to a non-hospital setting, such as a behavioral health urgent care center.
- Provides funds to establish additional behavioral health urgent care centers and facility-based crisis centers across the state. The centers are to provide community-based crisis services as an alternative to emergency departments and state psychiatric hospitals.
- Provides dollars to develop and operate a psychiatric bed registry to provide real-time information on the number of beds available at each inpatient facility in NC.
- Increases funding for a new service package for Traumatic Brain Injury under a waiver. \$2 million is budgeted for each fiscal year.

PUBLIC HEALTH

- Provides for additional dollars to fund extra school nurses.

- Provides \$2.5 million for each fiscal year for a competitive block grant process for county health departments to apply for funds to use to increase access to prenatal care and improve health outcomes.
- Increases the funds available for rabies drugs to indigent persons up to \$280,466.

TAXES & FEES

- Reinstates the senior tax deduction for medical expenses.
- Doubles the licensing and registration fees for drug manufacturers and re-packagers.
- Increases the medical examiner autopsy fee from \$1,250 to \$1,750.
- Increases the fee paid by the State to medical examiners from \$100 to \$200.
- Requires the Division of Medical Assistance to charge an application fee of \$100, and the amount federally required for each provider enrolling in the Medicaid Program for the first time. The fee must also be required to providers at re-credentialing every three years.

It is expected that the House will vote on the budget by the end of this week. The Senate will then work on their version of the budget. There will most likely be several provisions of contention, meaning that House and Senate budget leaders will meet in a conference committee until they work out their differences.

Legislators pass a flurry of bills in order to meet crossover deadline (5/1/15)

North Carolina legislators worked long hours and passed over 150 bills through their respective chamber this week alone, in order to meet the April 30 crossover deadline. All bills that are strictly policy in nature, and do not involve spending state funds or imposing fees must make it to the opposite chamber by the crossover deadline.

Ultimately, the House passed 343 bills and the Senate passed 164 bills over to their opposite chamber by the end of crossover.

WHAT PASSED

Amend Composition of NC Medical Board: Adds an additional seat to the NCMB, allowing for both NPs and PAs to have their own seats on the Board.

Cancer Drug Parity: Requires insurers to cover cancer drugs taken orally in the same manner that treatments via intravenous infusions or injections are covered.

Chiropractor Co-Pay Parity: Would prohibit insurers from charging a higher co-pay than they do for primary care physicians for medically similar services. Does not apply to the NC State Health Plan for Teachers and State Employees.

Death Penalty: Permits PAs, nurses, and emergency medical technicians to administer the lethal injection to inmates sentenced to the death penalty. Does not require the physician to be present at that time, but does require the physician to pronounce the person dead.

Require Hospitals to Offer Influenza Vaccine: Requires hospitals to offer inpatients, aged 65 or older, to offer them the flu shot.

Skin Cancer Prevention: Prohibits teens under the age of 18 to use a tanning bed.

NOT SUBJECT TO CROSSOVER, STILL IN PLAY

Firearms: A bill that would prohibit doctors from asking their patients about firearms ownership, among other provisions, is still alive after bill sponsors attached an appropriation to the bill. Bill sponsors did this in order to keep the

bill alive, which would have no longer been eligible after the crossover deadline otherwise. The North Carolina Medical Society is opposed to this particular provision of the bill.

Medicaid Reform: There are still several Medicaid reform proposals floating around in both the House and Senate. Legislators are primarily debating between two proposals- one to allow for both managed care organizations and accountable care organizations, and another to allow for provider-led entities to administer the program.

Nursing Autonomy: Would allow NPs, Certified Nurse Midwives, and Clinical Nurse Specialists to be licensed by the NC Board of Nursing as an advanced practice registered nurse. A bill that would eliminate the requirement for physician supervision of nurse anesthetists did not make the crossover deadline, since it did not make any changes to the fees paid for licensure.

WHAT DID NOT MAKE CROSSOVER DEADLINE

Medical Marijuana: After an emotional House Judiciary I committee hearing in March, a measure to allow for the use of medical marijuana failed unanimously.

Motorcycle Helmets: Would have allowed for persons over the age of 21 who meet a set of requirements to ride a motorcycle without a helmet on. The bill failed in the House Rules committee after concerns from committee members and several groups, including the NC College of Emergency Physicians and AAA Carolinas.

Stricter Immunization Requirements: A bill to eliminate the religious exemption for immunizations for children never received a committee hearing after senators were hearing concerns from citizens across the state. President Pro Tempore Phil Berger's office also sent out a press release proclaiming that the proposed legislation was "dead."

[Bill would permit PAs to participate in executions \(4/30/15\)](#)

On Wednesday night, the House passed a bill that could revive executions in the state. House bill 774 (HB 774), Restoring Proper Justice Act, expands the list of persons allowed in the death chamber to include a "physician assistant, nurse practitioner, registered nurse, emergency medical technician, or emergency medical technician-paramedic who is licensed or credentialed by the licensing board, agency, or organization responsible for licensing or credentialing that profession."

The legislation comes in response to the de facto moratorium on executions in the state since 2007, when the NC Medical Board threatened physicians who participated in executions with disciplinary action. After that, the NC Department of Corrections (NC DOC) filed a lawsuit against the NC Medical Board, stating that physicians were reluctant to participate in executions. The NC DOC won that lawsuit.

Even after that lawsuit was won by the NC DOC, the de facto moratorium has stayed in place due to a series of lawsuits challenging the protocols and treatment of prisoners, as well as death row inmates filing appeals under the NC Racial Justice Act. The last execution in NC was carried out in 2006.

Due to this reluctance of physicians since 2007, supporters of the bill hope that expanding the list of medical professionals allowed in the death chamber will get executions going again. Even if a physician is not present in the chamber during the execution process, under this bill, they will still be responsible for pronouncing the person dead. With opposition of physicians participating in executions by medical associations across the country, some states have trained staff to insert the needle. The physician is just there to pronounce the person dead.

During the Wednesday evening debate, Rep. Gale Adcock (D-Wake), a nurse practitioner, offered an amendment on the House floor to exclude nurses, NPs, and PAs from the legislation, stating that participating in executions violates the medical ethics statements of both the nurses and PAs. The amendment failed 35-81.

The bill passed the House chamber on a vote of 84-33, and is now sent to the Senate for debate.

[Update on HB 724 \(4/27/15\)](#)

The House chamber unanimously supported the passage of HB 724, Amend Composition of NC Medical Board, on Monday, April 27th! The bill was presented to the House Health committee that afternoon by Rep. Donny Lambeth (R-Forsyth), and was unanimously accepted by the committee. The bill was then referred to the House floor, where no opposition was expressed- the final vote was 114-0!

HB 724 must now be heard in the Senate before going to the governor's desk for signature into law.

WE APPRECIATE EVERYONE WHO ASKED THEIR HOUSE MEMBERS FOR THEIR SUPPORT! HB 724'S SMOOTH PASSAGE OUT OF THE HOUSE CHAMBER WOULD NOT HAVE HAPPENED WITHOUT EVERYONE'S HELP!

STAY TUNED...WE WILL NEED YOUR SUPPORT IN THE SENATE, TOO!

[State Auditor performs financial audit on NC DHHS \(4/27/15\)](#)

In April, State Auditor Beth Wood released her report on the financials of the North Carolina Department of Health and Human Services (DHHS). The detailed audit, which was requested by state legislator, was the first of its kind for the Department in over 20 years. State legislators of both parties requested the audit after questions about whether DHHS's financials were as stable as Secretary Aldona Wos stated last year.

The audit showed that the financials of DHHS are improving. The general fund of DHHS reduced the deficit by almost \$62 million, while the deficit for the Medicaid program decreased from \$408.6 million to \$350 million.

The report estimates the total fiscal year (FY) 2013-2014 budget shortfall for the Medicaid program to be \$81.7 million, which is substantially down from FY 2012-2013, when the budget shortfall totaled \$496 million. [Click here to review the entire report.](#)

[WE SUPPORT HOUSE BILL 724: AMEND COMPOSITION OF NC MEDICAL BOARD! \(4/14/15\)](#)

At the request of the North Carolina Academy of Physician Assistants, on Tuesday, April 14, four state representatives filed a bill that will change the composition of the North Carolina Medical Board (NCMB). House Bill (HB) 724: Amend Composition of NC Medical Board, will expand the membership of the NCMB from 12 members to 13 members, ensuring that both physician assistants (PAs) and nurse practitioners (NPs) have a voice on the Board. As the law is currently written, the Governor is responsible for appointing either a physician assistant or a nurse practitioner to the Board, as recommended by the independent Review Panel.

In 1993, the Board composition was expanded to include three public members, one at-large member, and one PA or NP member. That year, Wayne VonSeggan of Winston-Salem was the first PA member to be appointed to the NCMB. At that time, the population of practicing PAs and NPs in the state was much smaller than it is now. Today, there are over 4,600 NPs and 5,000 PAs licensed in the state. Due to the boom in the number of practicing PAs and NPs in NC, the NCAPA felt that it would be in the best interest of the state's citizens and health care professionals to give both professions a voice on the board.

HB 724 was filed by Representatives Donny Lambeth of Forsyth County, Chris Malone of Wake County, Susan Martin of Wilson County, and Pat Hurley of Randolph County. At the time of publication, the bill had not yet been referred to a committee for debate.

[Understanding Medicaid Provider Payments \(3/29/15\)](#)

Last week, the Fiscal Research Division of the North Carolina General Assembly delivered a presentation to the Joint Appropriations committee on Health and Human Services on Medicaid provider payments in the state.

The Appropriations committee on Health and Human Services is reviewing this information in preparation for crafting the budget for fiscal year 2015-2016, which begins on July 1, 2015.

[PART I: Overview of Medicaid Provider Payments](#)

- Medicaid Spending Trends
- Basics of Medicaid Payment and Drivers
- Provider Payment Methodologies
- Roles of Payment Methodologies in Care Delivery
- Pros & Cons of Fee-for-Service Payment Model
- NC Provider Payment Economic Incentives
- Health Department Medicaid Payment Methodologies
- Skilled Nursing Payment Methodologies
- Physician Payment Methodologies
- Drug & Dispensing Fee Payment Methodologies

[PART II: Overview of Medicaid Provider Payments](#)

- Basics of Medicaid Payment & Drivers
- LME/MCO Payment Methodologies
- Hospital Payment Methodologies
 - Outpatient/Emergency Services
 - Inpatient Services

[FISCAL BRIEF: Understanding Medicaid Provider Payments](#)

[Day 1 of Session 2015 \(1/16/15\)](#)

The North Carolina General Assembly convened for a one day organizational session on Wednesday, January 14, in order to elect their chamber leaders and take the oath of office.

As expected, Senator Phil Berger (R-Rockingham) was elected to his third time as president pro tempore of the Senate.

Representative Tim Moore (R-Cleveland), an attorney from Kings Mountain was elected by the House of Representatives to serve as the Speaker of the House for the biennium. The House Republican Caucus internally elected him as Speaker of the House after the November 2014 election, but he still had to be elected by a simple majority as the Speaker of the House by the entire chamber before it was official. Rep. Tim Moore was one of five House Republicans who vied for the top post after former Speaker Thom Tillis (R-NC), who served as N.C. Speaker of the House from 2011-2014, announced that he would run for the United States Senate.

Only one piece of substantial legislation was filed on the one day session, [House Bill 3 – Eminent Domain](#). The bill, filed by Rep. Chuck McGrady (R-Henderson), would place an eminent domain constitutional amendment on the May 3, 2016 primary election ballot, if approved by both chambers of the General Assembly.

Legislators will not reconvene again until Wednesday, January 28. The two-week disruption gives lawmakers the time to draft and file legislation, as well as prepare and set up committees. In a press conference on Wednesday, chamber leaders Sen. Berger and Speaker Moore said that some of the top issues they will tackle in 2015 include Medicaid reform, job creation policies, and the budget.

LEGISLATIVE COMMITTEE ASSIGNMENTS

At time of publication, the House has not released the 2015-2016 committee assignments.

[Gearing up for the 2015 legislative session \(1/6/15\)](#)

The North Carolina General Assembly will convene on January 14, 2015 for a one-day organizational session. The House will vote to officially confirm Rep. Tim Moore (R-Cleveland) as the Speaker of the House for the 2015-2016 biennium.

[PAs Provide Telemedicine \(12/23/14\)](#)

[CHARLOTTE OBSERVER: Charlotte patients take control of their medical records, doctor visits with virtual care](#)

At her south Charlotte home one night in September, Beth Straeten got her kids to bed and grabbed her iPhone to download a new app. Within minutes, she was talking face-to-face with a physician assistant.