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LEGISLATIVE REPORT
April 10, 2015

NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS

INTRODUCTION

This week the General Assembly did not meet, with most members taking a "Spring Break" and some members of leadership meeting privately to consider which issues will be taken up throughout the remainder of the session. The House bill filing deadline, previously set for April 8th, was moved by new House rules adopted last week to next Tuesday, April 14th. (This deadline is for public bills, the deadline for bills with a fiscal impact is now April 16th.) The new house rules also extended the deadline for bill requests by members to the drafting staff, and increased the per-member bill limit from 10 to 15. With over 1,300 bills filed by the end of last week, these changes promise to push the total number even higher than expected. With so many bills filed and more to come, the crossover deadline (by which a public bill must pass the chamber in which it was filed, now set in both chambers for April 30) looms large. With a limited number of committee meetings possible over the next few weeks, the rush to get bills cleared for a hearing, through the committee process, and passed on the floor will be tremendous.

Complicating matters are ongoing struggles between the chambers and particularly public battles between the Governor and the Senate. Senate bills filed include one which would cancel the pending sale of the Dorothea Dix property to the City of Raleigh, negotiated by the Governor, and put the property up for sale to the highest bidder in a process controlled by the legislature. Another Senate bill would require specific approval by the General Assembly for any State lease of property over $5 million. All of this is happening as the lawsuit between Senate leader Phil Berger and Gov. McCrory over appointment powers continues to play out in the courts, and measures important to the Governor are being considered by both chambers. Once the session resumes on Monday the 13th, there will be only a little more than 2 weeks before the crossover deadline, little time to get bills passed with the political waters churning so fiercely. As the members arrive back on Jones St., we hope they are rested and ready for the intense sprint ahead, and will keep you posted as things unfold.

FOR MORE INFORMATION:

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HOUSE BILL 460, Reporting of Animal Incidents, would require a person who suffers a bite, or other injury directly inflicted by a domestic animal not owned by the person or by a wild animal, or a person who witnessed the incident to notify the city/town police department or county sheriff's department, as appropriate, that the incident has occurred and that personal injury has resulted. The law enforcement agency would investigate the incident within 24 hours of receiving the notification and make a written report summarizing the incident and describing the injury. The report could be used as evidence or other purpose in a civil or criminal trial. **Introduced by Representative Warren and referred to the House Wildlife Resources Committee.**

HOUSE BILL 465, Clarify & Modify Certain Abortion Laws, would make a variety of changes to the statutes governing abortions, including:

- requiring specified records be kept by physicians who advise, procure, or cause a miscarriage or abortion after the 16th week of a woman's pregnancy, including the method used by the physician to determine the gestational age of the unborn child at the time the procedure is to be performed, the results of the methodology, including the measurements of the unborn child, and an ultrasound image of the unborn child that depicts the measurements;
- requiring physicians who procure or cause a miscarriage or abortion after the 20th week of a pregnancy to record the findings and analysis on which the physician based the determination that continuance of the pregnancy would threaten the life or gravely impair the health of the woman;
- providing that the records required by the provisions above be submitted to the Department of Health and Human Services (DHHS);
- clarifying that any information submitted to DHHS in accordance with the above provisions are to be used for statistical purposes only, protecting the confidentiality of the patient;
- requiring that DHHS collect statistical summary reports from ambulatory surgical facilities as well as hospitals and clinics;
- increasing the waiting period for an abortion from 24 to 72 hours, and making conforming changes to the statute governing abortions performed during medical emergencies (which require physicians to "inform the woman, before the abortion if possible, of the medical indications supporting the physician's judgment that an abortion is necessary to avert her death or that a delay will create a serious risk of substantial and irreversible impairment of a major bodily function, not including psychological or emotional conditions");
- prohibiting employees at the medical schools at East Carolina University or the University of North Carolina at Chapel Hill from performing or supervising an abortion as part of the employee's official duties, with exceptions when the life of the mother is endangered if the child were carried to term, or the pregnancy is the result of rape or incest;
- prohibiting using money from the UNC Health Care System for abortions;
- prohibiting state facilities created, owned, controlled, or managed by the UNC Health Care System from being used in the performance of abortions, with exceptions when the life of the mother is endangered if the child were carried to term, or the pregnancy is the result of rape or incest; and
- clarifying that University of North Carolina Hospitals at Chapel Hill Funds are subject to the statutory limitation on the use of State funds for abortions.

Introduced by Representatives Schaffer, McElraft, R. Turner, and S. Martin and referred to the House Health Committee and, if favorable, to the House Judiciary IV Committee.

HOUSE BILL 472, Community Paramedicine Pilot Project/Funds, is identical to Senate Bill 381, summarized in the March 31, 2015, Legislative Report. **Introduced by Representative Dobson and referred to the House Health Committee.**

HOUSE BILL 476, Drivers License Fee/Donate Life NC, is identical to Senate Bill 443, summarized in the March 31, 2015, Legislative Report. **Introduced by Representatives Saine, Hager, Wray, and Presnell and referred to the House Finance Committee.**

HOUSE BILL 487, Community Paramedicine Pilot Project/Funds, is identical to Senate Bill 381, summarized in the March 31, 2015, Legislative Report. **Introduced by Representatives Hamilton and Iler and referred to the House Health Committee.**

HOUSE BILL 499, Study/Public Records & Open Meetings, would create the Joint Legislative Study Committee on Public Records and Open Meetings to study ways to improve transparency of State and local government in North Carolina, and examine existing State laws regarding public access to government records and meetings and legislation enacted in other states that allow greater public access than currently exists in North Carolina. The Committee would submit an interim report to the 2015 General Assembly when it reconvenes in 2016, and a final report, including findings and legislative recommendations, to the 2015 General Assembly. **Introduced by Representatives Collins, L. Hall, Hamilton, and Blust and referred to the House Rules Committee.**

HOUSE BILL 502, Create Chain of Survival Task Force, would create a 14-member Chain of Survival Public-Private Task Force, which would expire on June 30, 2017, to identify, pursue, and achieve funding for the placement of AEDs and training of State employees to recognize and initiate life-saving actions to those experiencing an acute event (sudden cardiac arrest, heart attack, and stroke) in buildings and facilities that house State agencies, services, and institutions. The Task Force would include one representative from each of the following: the **College of Emergency Physicians**; the Office of Emergency Medical Services; a local Emergency Medical Service; and the North Carolina Hospital Association. **Introduced by Representatives Carney, Stam, Adcock, and Hager and referred to the House Rules Committee.**

HOUSE BILL 515, Work and Save Plan Study, would direct the Department of State Treasurer to study the establishment of a State-administered "Work and Save" program aimed at increasing the retirement savings options available to private sector workers whose employers do not provide retirement savings plans. Participation in the program would be entirely voluntary and benefits would be portable between employers. The Department would consider the recommendations for such a program made by AARP, and report its findings and recommendations to the 2015 General Assembly when it reconvenes in 2016. **Introduced by Representatives Schaffer, Ross, Glazier, and Pierce and referred to the House Rules Committee.**

HOUSE BILL 519, Strengthen the Do Not Call Registry, is identical to Senate Bill 501, summarized in the April 3, 2015, Legislative Report. **Introduced by Representatives Adcock, Goodman, Jeter, and Warren and referred to the House Judiciary I Committee.**

HOUSE BILL 525, Medicaid Modernization, is identical to Senate Bill 696, summarized below in this Legislative Report. **Introduced by Representatives Burr, Collins, Blust, and Blackwell and referred to the House Health Committee.**

HOUSE BILL 528, Establish Chiropractor Co-Pay Parity, would prohibit an insurer from imposing, as a limitation on treatment or level of coverage, a co-payment amount for services performed by a duly licensed chiropractor that is higher than the co-payment amount imposed for services performed by a duly licensed primary care physician for a comparable, medically necessary treatment or condition. **Introduced by Representatives Burr, Jones, and Hanes and referred to the House Insurance Committee.**

HOUSE BILL 537, Protect Law Enforcement & Comm. Relationships, would require law enforcement officers to wear and activate body-worn cameras during any recordable interaction with the public after receiving training from the law enforcement agency on how to operate the camera. A recordable interaction would be an interaction between a law enforcement officer, in his or her official capacity, and a member of the public, including an inmate of a State correctional facility, and would include traffic stops, arrests, searches, interrogations not covered under G.S. 15A-211 (Electronic recording of interrogations), interviews with victims and witnesses, and pursuits. The bill would provide $5 million in each of the next two years to the Governor's Crime Commission to provide grants of up to $100,000 to law enforcement agencies for purchasing body-worn cameras and for expenses related to the retention and storage of recordings captured by body-worn cameras. **Introduced by Representatives Hanes, Alexander, Jeter, and Saine and referred to the House Appropriations Committee.**

HOUSE BILL 543, Amend Laws Pertaining to NC Medical Board, would make a variety of amendments to the statutes regarding the North Carolina Medical Board, including:

- providing that no member may serve more than two complete consecutive three-year terms in a lifetime;
- allowing the Board to provide confidential and nonpublic licensing and investigative information in its possession to the Review Panel (which reviews all applicants for the physician positions and the physician assistant or nurse practitioner position on the Board);
- providing that all applications, records, papers, files, reports, and all investigative and licensing information received by the Review Panel from the Board and other documents received or gathered by the Review Panel, its members, employees, agents, and consultants as a result of soliciting, receiving, and reviewing applications and making recommendations are not public records. This information would be privileged, confidential, and not subject to discovery, subpoena, or other means of legal compulsion for release to any person other than to the Review Panel, the Board, and their employees, agents, or consultants, except as provided;
- requiring the Review Panel to publish on its website the names and practice addresses of all applicants within 10 days after the application deadline, and the names and practice addresses of the nominees recommended to the Governor within 10 days after notifying the Governor of those recommendations and not less than 30 days prior to the expiration of the open position on the Board;
- requiring the Review Panel to meet in closed session to review applications; interview applicants; review and discuss information received from the Board; and discuss, debate, and vote on recommendations to the Governor;
- amending the information physicians and physician assistants are required to report to the Board to require the physician/physician assistant to provide a current, active e-mail

address, which would not be considered a public record, and which could be used or made available by the Board to disseminate or solicit information affecting public health or the practice of medicine;
- prohibiting the Board from denying an application for licensure or annual registration based solely on the applicant's or licensee's failure to become board certified;
- increasing the annual registration fee from $175 to $250, and removing the requirement that a retired limited volunteer licensee pay an annual registration fee;
- amending the provisions regarding hearing before disciplinary action to provide that, once charges have been issued, the parties may engage in discovery as provided in the North Carolina Rules of Civil Procedure, and require the Board to provide the respondent or respondent's counsel with all exculpatory evidence in its possession, except for information that: (1) is subject to attorney-client privilege; (2) would identify an anonymous complainant; or (3) is related to advisory opinions, recommendations, or deliberations by the Board, its staff, and its consultants that will not be entered into evidence; and
- renaming the Peer Review provisions as the Health Program for Medical Professionals.

The bill would enact new provisions regarding the Health Program for Medical Professionals, and would allow the Board to enter into an agreement with the North Carolina Medical Society, the North Carolina Academy of Physician Assistants, and the North Carolina Physicians Health Program to identify, review, and evaluate the ability of licensees who have been referred to the North Carolina Physicians Health Program (Program) to function in their professional capacity, and coordinate regimens for treatment and rehabilitation. The agreement would include guidelines for the following:

- the assessment, referral, monitoring, support, and education of licensees of the Board by reason of a physical or mental illness, a substance abuse-related disorder, or professional sexual misconduct;
- procedures for the Board to refer licensees to the Program;
- criteria for the Program to report licensees to the Board;
- a procedure by which licensees may obtain review of recommendations for assessment or treatment by the Program;
- periodic reporting of statistical information by the Program to the Board, the North Carolina Medical Society, and the North Carolina Academy of Physician Assistants; and
- maintaining the confidentiality of nonpublic information.

The North Carolina Physicians Health Program would report immediately to the Board detailed information about any licensee of the Board who meets any of the following criteria:

- constitutes an imminent danger to patient care by reason of a physical or mental illness, a substance abuse-related disorder, professional sexual misconduct, or any other reason;
- has entered into a monitoring contract with the health program and fails to comply with the terms of the monitoring contract;
- refuses to submit to an assessment as ordered by the Board; or
- is still unsafe to practice medicine after treatment.

Information acquired, created, or used in good faith by the Program would be privileged, confidential, and not subject to discovery, subpoena, or other means of legal compulsion for release to any person other than to the Board, the North Carolina Physicians Health Program, or their employees or consultants. No person who participates in good faith in the Program would be required to disclose in a civil case the fact of participation or any information acquired or opinions, recommendations, or evaluations acquired or developed solely during the course of

participating in the program. Upon the written request of a licensee, the Program would provide the licensee or his or her legal counsel with a copy of a written assessment prepared as part of the licensee's participation in the program, and the licensee would be entitled to a copy of any written assessment created by an alcohol or chemical dependency treatment facility at the recommendation of the Program, to the extent permitted by State and federal laws and regulations. Any information furnished to a licensee would be inadmissible in evidence and not be subject to discovery in any civil proceeding. However, this provision could not be construed to make information, documents, or records otherwise available for discovery or use in a civil action immune from discovery or use in a civil action merely because the information, documents, or records were included as part of the Program's assessment of the licensee or were the subject of information furnished to the licensee. **Introduced by Representatives Brawley and Jones and referred to the House Health Committee.**

HOUSE BILL 545, Information/Guidelines re: Eating Disorders, would direct the State Board of Education, in collaboration with the Department of Health and Human Services, Division of Public Health, to develop: (1) policies for providing parent educational information regarding eating disorders; and (2) appropriate guidelines for local boards of education regarding (i) the optional development of an eating disorder screening program; (ii) specification of training needs and requirements for personnel and volunteers; (iii) appropriate opt-out and exemption procedures for students; and (iv) parental notification procedures for positive indications of an eating disorder. Local boards of education would ensure that parents of students in grades five through 12 are provided parent educational information on eating disorders each year, and could develop an optional screening program to identify students at risk for eating disorders. **Introduced by Representatives McGrady and Glazier and referred to the House Education K – 12 Committee.**

HOUSE BILL 549, Tax Restoration Act, would restore the personal income tax rate to 5.75% for individuals with taxable income up to $1 million, and to 7.75% for individuals with taxable income over $1 million. **Introduced by Representatives Brockman, Harrison, Insko, and Luebke and referred to the House Rules Committee.**

HOUSE BILL 560, Assault Emergency Workers/Hospital Personnel, would expand the existing statute governing offenses of assault or affray on a firefighter, an emergency medical technician, medical responder, and emergency department personnel, by making it apply to all hospital personnel. NOTE: Offenses causing physical injury on such personnel who are discharging or attempting to discharge their official duties is a Class I felony, a Class H felony for offenses inflicting serious bodily injury with a weapon other than a firearm, and a Class F felony for offenses committed with a firearm. **Introduced by Representatives Dobson, Adcock, and Stevens and referred to the House Judiciary III Committee.**

HOUSE BILL 562, Amend Firearm Laws, would make a variety of amendments to the State's firearms laws to:

- allow district attorneys to carry concealed handguns in courtrooms;
- provide that prohibitions on carrying concealed handguns do not apply to certain Department of Public Safety employees who have been designated in writing by the Secretary of the Department, have a valid concealed handgun permit, and have in the person's possession written proof of the designation by the Secretary of the Department, provided that the person may not carry a concealed weapon at any time while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body;

- amend laws relating to concealed handguns on educational property to:
    - provide that the statute that prohibits weapons on campus or other educational property does not apply when the person:
        - has a handgun in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's vehicle and only unlocks the vehicle to enter or exit the vehicle while the firearm remains in the closed compartment at all times and immediately locks the vehicle following the entrance or exit;
        - has a handgun concealed on the person and the person remains in the locked vehicle and only unlocks the vehicle to allow the entrance or exit of another person; or
        - is within a locked vehicle and removes the handgun from concealment only for the amount of time reasonably necessary to move the handgun (1) from concealment on the person to a closed compartment or container within the vehicle, or (2) from within a closed compartment or container within the vehicle to concealment on the person;
    - add that is it an affirmative defense to prosecution when the person was authorized to have a concealed handgun in a locked vehicle and removed the handgun from the vehicle only in response to a threatening situation in which deadly force was justified;
- allow a person to carry a handgun on the premises of the State Fairgrounds during the State Fair if the person has a valid concealed handgun permit or is exempt from obtaining a permit, if the person does not ride or enter any amusement device;
- eliminate pistol permits (these permits are provided by the Sheriff's Department);
- require chief law enforcement officers to complete certifications required by federal law;
- require employers to allow employees to secure a handgun in their vehicle, and would:
    - prohibit a business, commercial enterprise, or employer from establishing, maintaining, or enforcing a policy or rule that prohibits or has the effect of prohibiting a person from transporting or storing any firearm or ammunition when the person has a valid concealed handgun permit or is exempt from obtaining a permit, is otherwise in compliance with all other applicable laws and regulations, and the firearm or ammunition is in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's vehicle;
    - allow a person to unlock the vehicle to enter or exit the vehicle, if the firearm or ammunition remain in the closed compartment at all times and the vehicle is locked immediately following the entrance or exit. This provision would not apply to vehicles owned or leased by an employer, or where transport or storage of a firearm is prohibited by State or federal law or regulation;
    - **allow a person who is injured or incurs damages, or the survivors of a person killed, as a result of a violation to bring a civil action against a business entity, commercial enterprise, or employer who committed or caused the violation**;
    - allow a person who would be entitled legally to transport or store a firearm or ammunition, but who would be denied the ability to transport or store a firearm or ammunition by a policy in violation of this section, to bring a civil action to enjoin a business entity, commercial enterprise, or employer from violating his section;

- provide that an employee discharged by an employer, business entity, or commercial enterprise for violation of a policy or rule prohibited when he or she was lawfully transporting or storing a firearm out of plain sight in a locked motor vehicle, would be entitled to full recovery as specified. If the demand for the recovery is denied, the employee could bring a civil action against the employer, business entity, or commercial enterprise and is entitled to the following: (1) reinstatement to the same position held at the time of his or her termination from employment, or to an equivalent position; (2) reinstatement of the employee's full fringe benefits and seniority rights, as appropriate; (3) compensation, if appropriate, for lost wages, benefits, or other lost remuneration caused by the termination; and (4) payment of reasonable attorneys' fees and legal costs incurred;
- provide that a business, commercial enterprise, employer, or property owner that allows persons to transport or store any firearm or ammunition pursuant to this section would have complete immunity and could not be held liable in any civil action for damages, injuries, or death resulting from or arising out of another person's actions involving a firearm or ammunition transported or stored in accordance with this section, including, but not limited to, the theft of a firearm from an employee's automobile;
- provide that this section does permit a person to possess a firearm outside of a motor vehicle while on the premises of a place of employment where the person in legal possession or control of the premises has posted a conspicuous notice prohibiting possession of a firearm on the premises; and
- provide that the reasonable, good-faith efforts of a business, commercial enterprise, employer, or property owner to comply with other applicable and irreconcilable federal or State safety laws or regulations would be a complete defense to any liability of the business, commercial enterprise, employer, or property owner;

- amend the Shooting Range Protection Act;
- ensure federal recognition of state firearm right restoration;
- **modify the misdemeanor convictions that prevent issuance of a concealed handgun permit, including requiring the sheriff to deny a permit to an applicant who is prohibited from possessing a firearm as a result of a conviction of a misdemeanor crime of domestic violence;**
- implement sign requirements for private property owners that choose to prohibit concealed handguns; and
- allow hunting with suppressors on short-barreled rifles.

Introduced by Representatives Schaffer, Burr, Cleveland, and Faircloth and referred to the House Judiciary I Committee.

HOUSE BILL 580, Ban Smoking in Foster Care Setting/Infants, would authorize the Social Services Commission to adopt a policy, which would be enforced by the Division of Social Services, which prohibits a foster parent from smoking in the presence of an infant in his or her care. The policy would (1) prohibit a foster parent from smoking in a private residence used to provide licensed foster care to infants and from smoking while the infant and the foster parent are in a motor vehicle, and (2) require a foster parent to prohibit others from smoking in the presence of the infant. **Introduced by Representatives Cotham and Adcock and referred to the House Health Committee.**

HOUSE BILL 585, Use of Deadly Force/SBI Investigations, would require, in cases in which a private citizen is killed as a result of the use of a firearm by a law enforcement officer in the line of duty, the district attorney to request the State Bureau of Investigation to conduct an investigation into the incident (upon the request of the surviving spouse or next of kin of the private citizen, within 180 days of the death). The bill would expand the existing law to include cases in which a private citizen dies immediately following an incident involving the use of an electronic control device (ECD), chemical spray, or physical force by a law enforcement officer in the line of duty. **Introduced by Representatives Alexander, Hanes, and Horn and referred to the House Judiciary I Committee.**

HOUSE BILL 589, LRC/Reevaluate Immunization Requirements, would direct the Legislative Research Commission (LRC) to study the State's existing childhood immunization laws, and reevaluate their effectiveness and necessity for promoting public health and safety. Specifically, the LRC would: (1) study current medical and scientific evidence on the current immunizations required; (2) study certain health problems that occur after these required immunizations, including potential links to autism; and (3) make recommendations whether to: (a) add or eliminate immunizations in the State's current childhood immunization schedule; (b) repeal or amend the current medical exemption, the current religious exemption, or both; or (c) add exemptions from the current immunization requirements. The LRC would report its findings and any recommended changes to the 2016 Regular Session of the 2015 General Assembly upon its convening. **Introduced by Representatives Earle and Cunningham and referred to the House Rules Committee.**

HOUSE BILL 596, Reproductive Health & Safety Educ. Revisions, would amend the statute governing the reproductive health and safety education programs taught in public schools by:

- amending the requirement that "the information conveyed during instruction be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the field of sexual health education," by removing the requirement that the experts be expert "in the field of sexual health education"; and
- amending the requirement that the instruction "teaches about the effectiveness and safety of all FDA-approved contraceptive methods in preventing pregnancy," by excepting from those teaching drugs that may cause spontaneous abortions, such as those marketed under the name "Preven" or "Plan B" or any equivalent.

Introduced by Representatives Whitmire, R. Turner, Stam and Conrad and has not yet been referred to a House committee.

SENATE BILL 695, Modernize Nursing Practice Act, would make a variety of changes to the statutes governing the practice of nursing, including:

- defining Advanced Practice Registered Nurse (APRN) as an individual licensed by the Board as an advanced practice registered nurse within one of the following three roles: (a) Nurse Practitioner or NP, (b) Certified Nurse Midwife or CNM and (c) Clinical Nurse Specialist or CNS;
- setting out six requirements for licensure as an APRN, including holding a current North Carolina registered nurse license or demonstrate eligibility for licensure as a registered nurse in this state; having completed a graduate level APRN program accredited by a nursing or nursing-related accrediting body that is recognized by the United States Secretary of Education or the Council for Higher Education Accreditation as acceptable to the Board; and being certified by a national certifying body recognized by the Board in the APRN role and population focus appropriate to educational preparation;

- defining the practice of nursing as an APRN as consisting of the following: conducting an advanced assessment; delegating and assigning therapeutic measures to assistive personnel; performing other acts that require education and training consistent with professional standards and commensurate with the APRN's education, certification, demonstrated competencies, and experience; complying with the requirements of this Article and rendering quality advanced nursing care; recognizing limits of knowledge and experience and planning for the management of situations beyond the APRN's expertise;
- defining the practice of nursing as practiced by each of the APRN specialties, including a requirement that such practice include consulting with or referring to other health care providers as warranted by the needs of the patient.

The bill also amends the duties of the North Carolina Board of Nursing to include regulation of APRNs. (Currently, Nurse Practitioners and Certified Nurse Midwives are regulated by joint subcommittees of the Board of Nursing and Board of Medicine.) The existing requirement that Nurse Practitioners and Certified Nurse Midwives practice under a signed supervisory agreement with a physician would be repealed. Other changes to the Board of Nursing's composition, disciplinary authority, and duties related to the public record are detailed. **Introduced by Senators Hise and Pate and referred to the Senate Health Care Committee.**

SENATE BILL 696, Medicaid Modernization, would declare the intent of the General Assembly to transform the State's Medicaid program from a traditional fee-for-service system to a system that provides budget predictability for the taxpayers of this State while ensuring quality care. The new Medicaid program would be designed to achieve the following goals: (1) provide budget predictability; (2) slow the rate of cost growth; (3) whole-person integrated care; (4) achieve cost-savings through efficient reductions in programmatic costs; (5) create more efficient administrative structures; (6) provide accountability for budget and program outcomes; (7) improve health outcomes for the State's Medicaid population; and (8) maintain access to care for the State's Medicaid population. The principal building blocks of the Medicaid reform would include:

- a new Health Benefits Authority to focus on the Medicaid and NC Health Choice programs and to be managed by a board of experts in health administration, health insurance, health actuarial science, health economics, and health law and policy appointed by the Governor and General Assembly;
- full-risk capitated health plans to manage and coordinate the care for all Medicaid recipients and cover all Medicaid health care items and services. Once reform is fully implemented, the State's risk would be limited to the risk of enrollment numbers and enrollment mix for the capitated populations;
- competition between multiple provider-led and nonprovider-led health plans in order to reduce costs, improve quality, and increase patient satisfaction. In order to allow provider-led health plans to become established, full risk for provider-led health plans would be phased in over two years, and authorized capitated health plans authorized could work in collaboration with the LME/MCOs to serve the Medicaid population;
- regional health plans would be subject to the following:
    - the Health Benefits Authority would consider CCNC regions, catchment areas of LMEs that have been approved to operate as managed care organizations (LME/MCOs), hospital referral patterns, or other appropriate criteria when defining regions;
    - multiple plans would be offered in each region, with at least one provider-led plan per region;

    - if multiple plans could not be established for a rural area, then those rural areas could operate with one plan, either provider-led or nonprovider-led; and
    - health plans that contract to cover a rural area could be awarded a contract to cover an urban area that is contingent upon continued coverage in the rural area;
- risk-adjusted capitated rates based on eligibility categories, geographic areas, and clinical risk profiles of recipients;
- participant choice of plans offering customized benefit packages that appeal to and meet the varied health needs of participants;
- mechanisms to provide incentives and encourage personal accountability for Medicaid beneficiaries' participation in their own health outcomes;
- mechanisms to (i) identify Medicaid recipients who may benefit from other State services and programs to maximize their opportunities and reduce their reliance on Medicaid for health coverage and (ii) refer those individuals to the appropriate other services and programs; and
- strong performance measures and metrics to hold providers accountable for quality outcomes.

The bill includes a timeline for certain milestones for Medicaid reform, including the beginning of capitated health plans and the beginning of phase-in to full risk for provider-led plans by July 1, 2017. The bill would require the Health Benefits Authority to develop, with stakeholder input, a detailed plan for purchasing reform that meets the goals and includes the building blocks listed above, and that provides for strategic changes to the State's Medicaid system. The Authority would report to the General Assembly on its strategic plan for Medicaid reform by April 15, 2016, or, if a detailed plan could not reasonably be completed that date, the Authority would provide an update on its progress on the plan to the Joint Legislative Oversight Committee on Medical Benefits and the Fiscal Research Division. Beginning September 1, 2016, and then every six months until a final report on September 1, 2021, the Authority would report to the Joint Legislative Oversight Committee on Medical Benefits on the State's progress toward completing Medicaid reform.

The bill would establish a Health Benefits Authority (Authority) of the Department of Health and Human Services (DHHS) to operate the Medicaid and NC Health Choice programs. The Authority would: (1) be governed by a Board; (2) exercise its statutory powers independently of DHHS; and (3) not be subject to the supervision, direction, or control of DHHS. The bill sets out the powers and duties of the Authority Board; includes various exemptions, limitations, and modifications that would apply to the Authority; provides for a six-month cooling off period for certain Authority employees; and makes a violation of the cooling off period a Class 3 misdemeanor subject to a fine of $1,000 to $5,000.

The bill would transfer the Division of Medical Assistance (DMA) of the Department of Health and Human Services (DHHS) to the Health Benefits Authority. DMA's statutory authority, powers, duties, and functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and purchasing, and all of DMA's prescribed powers, duties, and functions, including, but not limited to, rule making, regulation, licensing, and adoption of rules, policies, rates, regulations, and standards, and the rendering of findings, orders, and adjudications would be transferred to the Board of the Health Benefits Authority. Additionally, any powers, duties, and functions performed by or in the name of DHHS for the Medicaid or NC Health Choice programs, including, but not limited to, rule making, regulation, licensing, and adoption of rules, policies, rates, regulations, and

standards, and the rendering of findings, orders, and adjudications would be transferred to the Board.

In addition, the bill would establish a Medicaid Reserve Account to provide for unexpected budgetary shortfalls within the Medicaid and NC Health Choice programs that result from program expenditures in excess of the amount appropriated for these programs by the General Assembly and which continue to exist after the Authority makes its best efforts to control costs through midyear budget corrections. The Account would have certain minimum and maximum target balances, and could only be accessed by the Authority to manage budgetary shortfalls in the Medicaid and NC Health Choice programs after specified actions occur. The bill also would establish a 14-member Joint Legislative Oversight Committee on the Health Benefits Authority to examine budgeting, financing, administrative, and operational issues related to the Medicaid and NC Health Choice programs and to the Health Benefits Authority. **Introduced by Senator Hise and referred to the Senate Health Care Committee.**

SENATE BILL 697, IC/Establish Prescription Drug Fee Schedule, would direct the North Carolina Industrial Commission to adopt by rule a nationally-recognized drug formulary that approves certain prescription drugs, prescribed over-the-counter drugs, and professional pharmaceutical services, and prohibits the sale of non-approved drugs and services without prior authorization from the workers' compensation carrier or self-insured employer's workers' compensation administrator. The rules would specify an independent review process for claims in which the authorized treatment provider or authorized pharmacy determines that a deviation from the formulary is reasonably medically necessary for the treatment of the injured worker's compensable injury. The rules would allow the injured worker to purchase a brand name medication rather than a generic or over-the-counter medication, and the worker would be responsible for paying the difference between the cost of the brand name and the generic or over-the-counter medication. The bill also would direct the Industrial Commission to establish a pharmacy fee schedule that: (1) provides reasonable fees for and injured workers with access to prescription drugs, prescribed over-the-counter drugs, and professional pharmaceutical services; (2) and adequately contains costs for payors. **Introduced by Senators Hise and Pate and referred to the Senate Health Care Committee.**

SENATE BILL 700, Limit Sales Tax Refund for Nonprofits, would limit the State sales tax refund allowed to a nonprofit to $70,370 (currently, $31.7 million), and the local sales tax refund to $29,630 (currently, $13.3 million). **Introduced by Senators Wells and Rucho and referred to the Senate Rules Committee.**

SENATE BILL 701, Discontinue Medicaid Contract for PCCM, would discontinue the current Medicaid and Health Choice primary care case management (PCCM) program effective January 1, 2016, and prohibit the Department of Health and Human Services from renewing or extending the contract for PCCM services with North Carolina Community Care Networks beyond December 31, 2015. The bill would not prohibit DHHS from developing or utilizing contracts for managed care other than PCCM after January 1, 2016. The bill states that the General Assembly finds that discontinuation of the program will result in estimated annual savings to the Medicaid and Health Choice programs of $172 million in State and federal funds for fiscal year 2016-17, and that the resulting additional funds will be used to mitigate the lost reimbursement to primary care providers for PCCM participation. **Introduced by Senators Brown and Hise and referred to the Senate Rules Committee.**

SENATE BILL 702, Repeal CON and COPA Laws, would repeal the State's Certificate of Need and Certificate of Public Advantage laws. The bill would amend the statute regarding utilization review to define a "health service facility" as "a hospital; long-term care hospital; psychiatric facility; rehabilitation facility; nursing home facility; adult care home; kidney disease treatment center, including freestanding hemodialysis units; intermediate care facility for the mentally retarded; home health agency office; chemical dependency treatment facility; diagnostic center; hospice office, hospice inpatient facility, and hospice residential care facility; and ambulatory surgical facility." **Introduced by Senator Apodaca and referred to the Senate Rules Committee. This legislation is opposed by the North Carolina College of Emergency Physicians.**

SENATE BILL 703, Medicaid Transformation, would require the Department of Health and Human Services, Division of Medical Assistance to create and implement a detailed plan to transform North Carolina's Medicaid program to a program that would accomplish the following:

- transform the current mostly fee-for-service Medicaid program into a capitated, risk-based, managed care Medicaid program;
- enter into risk contracts with at least three statewide Medicaid managed care organizations that assume full risk for all Medicaid benefits;
- enroll all Medicaid beneficiaries, to the maximum extent allowable under federal law or waiver, in a statewide Medicaid managed care organization; and
- make changes to the NC Health Choice program that correspond with the changes made to the Medicaid program.

DHHS would report on the plan to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by October 1, 2015. DHHS also would publish a request for proposal for the risk contracts by June 1, 2016, and submit any necessary State plan amendments to the Centers for Medicare and Medicaid Services. **Introduced by Senator Berger and referred to the Senate Rules Committee. (It is highly unusual for Senator Berger to file legislation as the President Pro Tem, but this is a highly political and important issue for North Carolina.)**

SENATE BILL 707, Assignment of Benefits, would require all health benefit plans to allow an insured to assign his or her benefits to a health care provider or a health care facility for payment for services rendered. The assignment would have to be in writing and acknowledged by both the insured and the provider or facility, and the term of the assignment could not exceed one year in duration. **Introduced by Senator Tarte and referred to the Senate Rules Committee. This legislation supported by the North Carolina College of Emergency Physicians.**

SENATE BILL 708, Homeland Security Patriot Act, would create the "homeland security unrestricted concealed handgun permit," which would be available to holders of concealed handgun permits who satisfy all of the additional criteria listed in the bill, including background checks and completion of an advanced carry course. Holders of such a permit would be issued a permit and badge and would, as long as they carry both along with valid identification, be permitted to carry a concealed handgun anywhere in the state, including property on which a notice is posted prohibiting the carrying of a concealed handgun. They would also have the same exemption from all State prohibitions and restrictions regarding the carrying of a concealed handgun that State and local law enforcement officers have when acting in the discharge of their official duties. Application requirements, conditions for denial and processes for issuance are detailed. **Introduced by Senators Tarte and Rabin and referred to the Senate Rules Committee.**

BILL UPDATES

HOUSE BILL 195, Allow Substitution of Biosimilars, was amended in the House Health Committee to clarify that a pharmacist or a designee must communicate to the prescriber the product name and manufacturer of the specific biological product dispensed to the patient by making an entry into an interoperable electronic medical records system, electronic prescribing technology, pharmacy benefit management system, or pharmacy record that can be electronically accessible by the prescriber. The bill also was amended to provide that, if the State mandates electronic medical records between a pharmacist and a prescriber, then the pharmacist would only be required to communicate the biological product dispensed through an electronic medical records system when such a system is in place and the information is accessible by the prescriber. **The bill as amended was approved by the House Health Committee and the full House and has been assigned to the Senate Rules Committee for consideration.**

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