



INTRODUCTION

While the House was working diligently on their budget proposal, the Senate continued on with business as usual, except it was almost too calm? There a handful of committee meetings, but the real work seemed to be going on behind the scenes to work on their budget proposal in light of what they saw in the House proposal. A few lighter moments came during the week when both chambers honored the Duke Blue Devils for their national championship and also honored Miss North Carolina. Always interesting seeing legislators trying to get selfies!

The House focused almost exclusively on the budget, trying to review, amend and debate the various provisions that would combine to spend over \$22 billion dollars in each of the next two years. There were many stops and starts as negotiations continued into yesterday over the final package. The House voted to approve the budget on a bi-partisan vote of 93-23 at 1:15 this morning with a handful of Republicans and Democrats voting against the budget. There were almost 100 amendments debated and discussed in committees and on the floor of the House yesterday. Here are some of the highlights of the final House Budget:

- State employees will receive a 2% increase. Most teachers will receive another 2% increase and starting teacher salaries are increased to start at \$35,000 as promised in last year's budget debate.
- Additional funding of \$88.8 million for teacher assistants and funding for several major education initiatives, including digital learning, teacher retention and principal preparation.
- No reductions in pre-K funding and availability and child care subsidies
- Expansion in hospice funding of \$20 million
- Restoration of prior reductions in funding for Home and Community Care Block Grants
- Increased funding for the Court system, including interpreters, expert witnesses, juries and court technology
- Provides \$8.2 million to install dashboard cameras for every state highway patrol vehicle
- Provides \$23.8 million for water infrastructure through grants and loans to repair failing sewer systems in rural, economically distressed areas
- Some controversial tax credit funding was included as well, including renewable energy and film tax credits that we know the Senate does not favor.



NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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The House budget proposal would shift much of the decision making authority to DHHS to run the Medicaid Program, while also establishing a Legislative Oversight Committee that would meet quarterly to oversee the progress and financials of Medicaid. Some legislators were troubled by this shifting in authority to DHHS while others felt that part of the problem in Medicaid is that the Legislature tries to micromanage too much.

The budget was amended on the House floor to remove the provision that would have required the Department of Health and Human Services to ensure that any contract related to managed care, care management, health services, or health-related services entered into or renewed by DHHS and any of its divisions includes specified clauses regarding outcomes, monetary requirements, and termination. Another amendment would add a new provision to direct the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Justice and Public Safety to each appoint a subcommittee to study the intersection of Justice and Public Safety and behavioral health and report their findings and recommendations to their respective Committees. The subcommittees would meet jointly to study and report on the following issues:

- The impact of the Justice Reinvestment Act on the State’s behavioral health system, including the following:
 - The impact of the Justice Reinvestment Act on the demand for community-based behavioral health services available through local management entities/managed care organizations (LME/MCOs).
 - The change in the number of criminal offenders referred to the Treatment Accountability for Safer Communities (TASC) program since 2010 and other demands on the TASC program that have arisen since that time.
 - The sources and amounts of funding available to serve this population, as well as any other support or resources that are provided by the Department of Public Safety to the Department of Health and Human Services or the LME/MCOs,
 - An analysis of the supply and demand for behavioral health providers who serve this population.
- The impact of mental illness and substance abuse on county law enforcement agencies, including the following:
 - The number of people with mental illness and substance abuse issues held in county jails.
 - The impact on local law enforcement agencies, particularly with respect to their budgets and personnel.
- The impact of judicial decisions on the State’s behavioral health and social services system, including the following:
 - The role and impact of family court decisions on the demand for and delivery of county social services.
 - The role and impact of decisions by drug treatment courts, veteran’s mental health courts, and driving while impaired courts.
 - The impact of judicial decisions on the availability of beds in State-operated psychiatric facilities as a result of involuntary commitment orders and incapacity to proceed decisions.
- Any other relevant issues the subcommittees jointly deem appropriate.

The budget as amended was approved by the House, and will now go to the Senate.

LEGISLATION ENACTED

HOUSE BILL 158, Jim Fulghum Teen Skin Cancer Prevention Act. This legislation prohibits persons less than 18 years of age from using tanning equipment, and was signed into law by the Governor on May 21, 2015. **Effective: October 1, 2015.**

HOUSE BILL 195, Allow Substitution of Biosimilars, amends the North Carolina Pharmacy Practice Act to allow for the substitution of an interchangeable biological product and requires the pharmacist or a designee to communicate to the prescriber the product name and manufacturer of the specific biological product dispensed to the patient within a reasonable time following dispensing. The legislation was signed into law by the Governor on May 21, 2015. **Effective: October 1, 2015.**

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