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Focusing on Legislative Representation

LEGISLATIVE REPORT
June 13, 2017

INTRODUCTION

The last two weeks of the session have been all about the budget. The House of Representatives passed its proposed two-year budget on June 2. The House budget includes \$22.9 billion in State spending in FY18, which is the same as the Senate proposal, and \$23.8 billion in FY19, which is slightly more than the Senate proposal. While the overall spending levels are similar, the details of how those funds are allocated differ significantly in many cases. The tax cuts in the House budget are much more modest than the Senate proposal. The House plan includes an increase in the standard deduction and the cap on the mortgage expense and property tax deduction, but no cuts to the personal or corporate income taxes. In sum, the House budget would reduce revenue by \$350 million over the next two fiscal years, while the Senate budget would reduce revenue by about \$1 billion over the same time period. We have provided a short summary of House budget provisions that are of interest to your members below.

Usually after the House budget is complete, the members take a little break before getting back to committee meetings and bills. However, last week the House and Senate jumped in immediately to start their negotiations on a final resolution of the budget with a very ambitious schedule which had the subcommittees required to resolve what they could by mid-week and then the big budget chairs (the chairs of the respective Appropriations Committees) were to come to agreement on as much as they could by the weekend. Any items not resolved would go to Speaker Moore and Senate Pro Tem Berger for final resolution. We expect the final budget document to be rolled out later this week; which is clearly a record in my time at the General Assembly. Once the final budget document is completed and released - no amendments may be made and it must be approved by a majority of the House and Senate. The Republican majority will also want to make sure they have a veto proof majority of votes to make sure they could over-ride any veto by Governor Cooper.



**NORTH CAROLINA COLLEGE
OF EMERGENCY PHYSICIANS**



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FOR MORE INFORMATION:

Colleen Kochanek
Ashley Matlock Perkinson
Rachel E. Beaulieu
P.O. Box 1038
Wake Forest, NC 27588
919.747.9988

colleen@kochaneklawgroup.com
ashley@perkinsonlawfirm.com
rachel@beaulieuedlaw.com
www.kochaneklawgroup.com

While all of this was going on, the Governor called a special session on re-districting so that maps could be re-drawn because of various Court decisions that have found them unconstitutional. The legislature rejected the call for a special session saying that drawing maps was not an extraordinary reason as required for the Governor to call a special session so it looks like the familiar litigants will be back in Court to determine when the maps have to be re-drawn and when the election for the new maps will take place. Stay tuned.

Balanced Billing. Unlike the Senate budget, the House budget does not contain any of the balanced billing, transparency or notice language from SB 629. Keeping language from SB 629 out of the budget is one of our top lobbying efforts.

Graduate Medical Education. The budget eliminates funding provided to establish a residency program at Cape Fear Valley Medical Center. The funds were originally appropriated in anticipation of lost Medicare revenue that would result from the Medical Center's planned reclassification as a rural hospital by the federal Centers for Medicare and Medicaid Services (CMS). However, recent changes in CMS policy will allow Cape Fear Valley Medical Center to regain its urban hospital classification effective October 1, 2017. One-time funding, \$1 million nonrecurring, is provided to offset anticipated revenue losses for the period July 1, 2017 to September 30, 2017.

Controlled Substance Abuse Reporting System (CSRS). The budget provides \$1.2 million in funding for contractual hours to develop and implement software via existing Government Data Analytic Center public- private partnerships for the performance of advanced analytics within the CSRS. The budget also provides funding for 4 positions within Central Management and Support for the continued support, operation, and maintenance of the CSRS; and 2 business analytics management level positions in the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.

Inpatient Behavioral Health Beds and Case Management. The budget transfers funds to the Department of Health and Human Service for the purpose of expanding inpatient capacity in rural areas near counties with limited inpatient capacity relative to their needs through constructing new beds or renovating existing beds to form new inpatient psychiatric units. Of the funds transferred up to \$4 million will be used for inpatient beds at the Caldwell/UNC Health Care, \$2.2 million at Mission Health, \$4 million at Cape Fear Valley Medical Center, \$4 million at Vidant Health, \$3 million at Good Hope Hospital and \$1.8 million for inpatient beds at the Dix Crisis Intervention Center in Onslow County. Additionally, up to \$2 million will be used to establish a case management system at Wake Medical Center. Beds converted or constructed with these funds shall be named in honor of Dorothea Dix.

Adult and Acute Care Inspections. The budget provides funding to increase staff in the Acute and Home Care Section and the Adult Care Section to improve timeliness of inspections of various facilities, including hospitals, hospices, home care agencies, Ambulatory Surgical Centers, End Stage Renal Disease facilities and adult and family care homes. The additional positions will assist in meeting the Center for Medicare and Medicaid Services requirements for inspecting certain facilities.

Community Paramedicine Pilot Project. The budget provides funding to continue the pilot to expand the role of paramedics to allow them to divert persons to community-based initiatives designed to avoid non-emergency use of hospital emergency departments. The revised net

appropriation for the Community Paramedicine Pilot Project is \$350,000 in each year of the biennium.

Health information Technology. The budget requires the Department of Health and Human Services, in cooperation with the State Chief Information Officer, to coordinate health information technology policies and programs within North Carolina.

Health Information Exchange. The budget establishes a successor HIE Network and provides that the following providers **shall** establish connectivity and commence submission of demographic and clinical data or encounter and claims data, in accordance with the following time line:

- Hospitals, physicians, physician assistants, and nurse practitioners by June 1, 2019.
- Prepaid Health Plans by the commencement date of a capitated contract with the Division of Health Benefits for the delivery of Medicaid and NC Health Choice services.
- All other providers of Medicaid and State-funded services, including local management entities/managed care organizations by June 1, 2020.

Funds for Overdose Medications. The budget provides that \$100,000 of the funds appropriated to DHHS must be used to purchase opioid antagonists (Narcan).

Plan to Establish Medicaid Coverage for Ambulance Transports to Alternative Appropriate Care Locations. The budget requires DHHS to design a plan for adding Medicaid coverage for ambulance transports of Medicaid recipients in behavioral health crisis to behavioral health clinics or other alternative appropriate care locations.

Study of Site-of-Use Solutions for Safe Disposal of Prescription Medications. The budget requires DHHS to study and report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on simple site-of-use solutions for the safe disposal of prescription medications.

Stop Act Funding. Rep. Murphy introduced a successful amendment to the budget to direct \$5 million each year from single stream funds to community programs that address the opioid epidemic.

Youth Suicide Awareness and Prevention. The House budget includes a new requirement for specialized training, programming and protocols for suicide prevention in public schools. This provision basically incorporates HB 285 “Suicide Prevention/Awareness School Personnel” which passed the House in April and is now in the Senate Rules Committee. This effort to increase awareness and prevention has been advanced by the NC Child Fatality Task Force, state agencies, and other child advocates.

ECU Brody School of Medicine Stabilization Funds. The budget provides \$4 million (recurring) to stabilize the medical school.

Dorothea Dix Property Sale Proceeds. The budget requires \$23 million from the Dix property sale to be set aside for rural hospital beds in local psychiatric units and to develop mental health crisis centers for children.

BILL UPDATES

HOUSE BILL 746, Omnibus Gun Changes, would make a number of changes to the State's laws regulating the carrying of handguns. Most notably, it would allow any person over the age of 18 who is legally permitted to carry a handgun openly to do so in a concealed manner, in any of the places where "open carry" is currently allowed. Concealed handgun permits would still be available (background checks would still be required for a concealed handgun permit), which would allow for reciprocity in other states, the ability to carry concealed in certain areas where "open carry" is not currently allowed, and the purchase of pistols without having to obtain a purchase permit. The bill lists a number of exceptions to the right to carry concealed, including if a person:

- within the three years prior to the date on which the person is carrying the concealed handgun, is or has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes of violence constituting a misdemeanor (with exceptions listed including those below):
- is or has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes of violence constituting a misdemeanor under certain statutes; or
- is prohibited from possessing a firearm as a result of a conviction of a misdemeanor crime of domestic violence.

Among other provisions, the bill would also:

- provide that a legislator, legislative employee, or qualified former sworn law enforcement officer who has a valid concealed handgun permit or current sworn law enforcement officer may carry concealed on the premises of the State Legislative Building and the Legislative Office Building;
- allow Legislative Services to require those individuals to give notice to the General Assembly Police when carrying a handgun, and to adopt a rule that no one may carry a firearm in the Gallery of the State Legislative Building;
- clarify that the prohibition on weapons at an extracurricular activity sponsored by a school does not apply to persons not participating in, chaperoning, or spectating at the extracurricular activity when that extracurricular activity is conducted in a public place, including, but not limited to, a restaurant, public park, or museum;
- allow an individual to drive in a locked vehicle on a public road across educational property with a weapon if the individual stays in the locked vehicle and only allows others to enter or exit the car;
- authorize an individual with a concealed handgun permit to carry a handgun on the premises of the place of religious worship that also serves as a private elementary and secondary school outside the operating hours of the school;
- allow anyone who is otherwise lawfully allowed to carry a handgun to carry, openly or concealed, at any:
 - State-owned rest area or rest stop;
 - State-owned hunting and fishing reservation; and
 - Grounds or waters within the State Park System; and
- remove the authorization for a signed release related to mental health in the application and prohibition on requiring additional documents or evidence from an applicant for a pistol purchase permit. The bill would instead grant the sheriff discretion to request disclosure of court orders concerning the mental health or mental capacity of the applicant, and require holders of those orders to release them, upon request, to the sheriff of the county. It would require the permit application to include a conspicuous warning

stating that by filing the application, the individual understands that he or she is authorizing the sheriff to obtain criminal and mental health court orders.

Approved by the House and sent to the Senate (not yet referred to a Senate Committee).

NOTE: The bill was approved by the House by a vote of 65-54, well below a “veto proof” majority (72 votes). The opposition to the bill by law enforcement organizations and Gov. Cooper’s public statements all but ensure the bill will be vetoed.

- Colleen Kochanek
NCCEP Legislative Counsel
Kochanek Law Group
P.O. Box 1038
Wake Forest, NC 27588
919.747.9988
colleen@kochaneklawgroup.com
www.kochaneklawgroup.comⁱ

Ashley Matlock Perkinson
Perkinson Law Firm
919.210.8209
ashley@perkinsonlawfirm.com

Rachel E. Beaulieu
Rachel E. Beaulieu Law Office, PLLC
919.896.6296
Rachel@BeaulieuEdLaw.com

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