



INTRODUCTION

This week at the General Assembly was dominated, once again, by action on controversial and contentious issues. The Senate approved its version of the budget (see below), setting up what looks to be a drawn-out process of negotiating a compromise version, the House approved an omnibus gun bill and held another public hearing on their Medicaid reform plan, and both chambers took up (without notice) a bill to expand the Voter ID requirements that were approved last session and currently the subject of a court battle. While debating the budget on the floor, Sen. Ralph Hise, co-Chair of the Senate Health policy and budget committees, referred to the now years-long battle between the chambers over Medicaid reform and said “this time we don’t go home until it’s done.” Speaker Moore, during an interview that aired the night before, talked about a 2-month continuing resolution being necessary to provide time for negotiations on the State spending plan. Rumors are swirling about weeklong breaks in July and successive “skeleton sessions” to stall action on all other issues until the budget and Medicaid reform issues are settled. With both sides digging in, and a huge gulf between their policy positions, all expectations are that this will be a long, hot summer at the General Assembly that very well may last well into the fall.



NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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BILL UPDATES

HOUSE BILL 327, Study EMS Safety/EMS Personnel Tech. Changes, was amended on the Senate floor to direct the Department of Health and Human Services, Division of Health Service Regulation, in consultation with the North Carolina Medical Care Commission and the Department of Public Safety, Division of Emergency Management, to also address lethal deterrents such as pistols and revolvers in its study on how emergency medical service personnel can reduce the threat of bodily harm when performing their duties. **The bill as amended was approved by the Senate and was sent to the House to concur with the changes made by the Senate. The House did not concur (agree) to this change made by the Senate and a conference committee will be formed to discuss the different versions of the bill.**

HOUSE BILL 562, Amend Firearm Laws, was amended on the House floor to remove the provisions regarding *Preserving Firearms Privacy for Patients* that would have required any written questionnaire or other written form a health care provider asks a patient or the patient's parent, guardian, or custodian to complete that contains any question regarding the patient's lawful ownership, possession, handling, storage, maintenance of, or other conduct involving firearms and ammunition to clearly and conspicuously contain or have attached to it a notice that the patient is not required to answer any question related to those matters. This bill no longer contains any provisions regarding physicians. **After heated debate on the House floor, the bill as amended was approved by the House and will next be considered by the Senate Rules Committee.**

LEGISLATION ENACTED

HOUSE BILL 222, Retention Elections/Supreme Court. This legislation was signed into law by the Governor on June 11th, and allows for retention elections for North Carolina Supreme Court Justices. The Justice must file a notice that he/she wishes to retain his/her seat and the ballot will ask voters whether they want to retain the Justice and there will be no opponent on the ballot. If the voters decide not to retain, then the Governor will appoint the next Justice until the next election. **Effective: June 11, 2015.**

HOUSE BILL 352, Standard of Proof/Public Safety Dispatchers. This legislation provides that a person acting within the capacity of a 911 or public safety telecommunicator or dispatcher at a public safety answering point who is sued in a civil action arising from an act or omission by the person in the performance of any lawful and prescribed actions pertaining to his/her assigned job duties is entitled to an increased standard of clear and convincing evidence. The legislation was signed into law by the Governor on June 11, 2015. **Effective: June 11, 2015, and applies to any cause of action arising on or after that date.**

HOUSE BILL 465, Women and Children's Protection Act of 2015, signed by the Governor on June 5th and became effective that day, except as otherwise noted in the bill.

SENATE BUDGET

The Senate budget, released on Monday and Tuesday after a weeklong delay, is both a statement of principles and vision for the future of the State. It is also dead-on-arrival in the House, to which it was sent after a final vote on Thursday. It contains far more in the way of policy than the House budget did, but significantly less spending. Policy provisions, including a controversial plan to redistribute sales tax revenue and an end to the State's Certificate of Need program for healthcare facilities, are included. Under the plan, taxes on individuals and

corporations would be cut but sales taxes would be expanded to include services such as auto repair and veterinarian care for the first time. Teachers would be paid more and class size would be decreased but thousands of teacher assistant positions would be eliminated. Medicaid would be reformed as a competitive hybrid between managed care organizations and provider led entities (a plan the House and the hospital lobby are firmly opposed to) while oversight of the program would be moved out of the Department of Health and Human Services (which the Governor does not support). The plan would represent a roughly 2% increase in spending, compared to the 6% increase proposed by the House. It does not include any tax credits, including one for renewable energy development and another for the preservation of historic buildings, which Gov. McCrory has campaigned in support of statewide. In all, there was little in the changes made to the budget proposal by the Senate that the House or Governor appear to like, and with 11 days before the end of the fiscal year, no one expects negotiations on a compromise version to be completed in time. The main question appears to be how willing each side is to drag the process out over the coming weeks and months to get what they want out of the plan, and if public statements from each side are to be believed, the answer appears to be “very willing.” Conferees will likely be appointed next week, and the standoff will officially begin.

The Senate Budget includes a variety of substantial policy decisions that are not necessarily related to the budget. The provisions include:

- A repeal of the Certificate of Need law over a three year period with acute care inpatient beds being repealed in the first year.
- The bill also includes the Senate Medicaid Reform plan through an HMO/Provider Led Entity (PLE) hybrid where HMOs would cover large regions of the State and the PLEs would cover smaller areas within those regions. The HMO's and PLE's would compete for contracts and for subscribers. The timeline from enactment to full capitation is two years (the House plan would be accomplished over 6 years), regardless of Federal approval. The Senate plan would create a new State agency that would run Medicaid instead of DHHS and would also create a new oversight legislative committee. Only the legislature could change eligibility standards.
- It gradually lowers the cap on non-profit sales tax refunds from the current \$45 million to \$1 million in five years, which would affect most hospital systems.
- The budget also eliminates supplemental funding for graduate medical education.
- DPS would be required to reimburse healthcare providers providing medical services to inmates and juvenile offenders outside the correctional or juvenile facility the lesser amount of either a rate of 70% of the provider's then-current prevailing charge or two times the then-current Medicaid rate for any given service, with limited exceptions.

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