



## INTRODUCTION

This week the tension and activity picked up considerably with legislators seemingly motivated more than ever to resolve the budget impasse. This might have something to do with all the negative press that they have received about the 3 Republican led branches of government that cannot agree on their spending plan with the State and local governments now 45 days beyond the start of the fiscal year. With the State being authorized to run only through August 14th, it was clear that another extension would be needed and the rumor mill started buzzing about how long they would extend the negotiations. Because the controversial discussions about Medicaid, tax redistribution, and economic development were taken out of the budget process, it seems the two chambers have been reaching some agreement and the new deadline is now August 31st. Both chambers spoke confidently about being able to resolve the budget by this date (which would be the latest budget settlement date since 2002). The continuing resolution will fund state government functions through August 31 at 11:59pm. Speaker Moore spoke on Wednesday, saying that he was confident that leaders would reach a consensus on the budget "very soon," and clarified Thursday stating that budget subcommittees would meet early next week.

The Senate took up its own batch of controversial issues this week. On Monday night, the Senate brought its Medicaid reform package (H372) to the floor, and on Tuesday the plan was approved by a vote of 34-10. The Medicaid reform plan changes the state's current fee-for-service system to a per-member monthly allotment for services. It is meant to encourage competition by mixing both commercial insurers and healthcare provider groups. The Democrats made an attempt to amend the bill in order to expand Medicaid, but it was voted down along party lines. The House has publicly criticized the Senate's plan, and the package has not yet been calendared for House floor debate.

Adding another huge policy discussion to the mix, the Senate proposed their taxpayers' bill of rights (also known as TABOR) late last week, and on Tuesday the Senate debated these constitutional amendments on the floor.



## NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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This proposed referendum, which would be presented to voters, would limit government spending and cap the personal income tax at 5% (currently, the rate is 5.75% and the constitutional maximum is 10%). Another component of the plan would be the creation of an emergency rainy day fund, which would require a two-third majority vote of the legislature in order to be spent. And finally, the legislation would limit how much the legislature could spend based upon a formula that looks at the increase in population and inflation. After the Senate pushed TABOR through on a party line vote, House finance chairman Jason Saine spoke out, stating, "We're not even going to take it up until we get other issues squared away."

As budget discussions move forward and major policy decisions are made, it looks like there may be a light at the end of the tunnel. Although, just to add some suspense, the House made it clear that even if they resolve the budget by August 31st, there were other policy issues on the table that needed to be resolved, so we are not getting our hopes up.

## BILL UPDATES

HOUSE BILL 372, Medicaid Transformation/HIE/Primary Care/Funds, was amended on the Senate floor to amend the requirements for Medicaid contracts to require small providers to have an equal opportunity to participate in the provider networks established by commercial insurers and PLEs, and commercial insurers and PLEs to apply economic and quality standards equally regardless of provider size or ownership. **The bill as amended was approved by the Senate, and has been sent back to the House to consider the changes made by the Senate.**

SENATE BILL 607, Taxpayer Protection Act. The provisions of this bill were removed on the Senate floor and replaced with new provisions to amend the State Constitution, if approved by voters at the time of the 2016 presidential primary election, to add the Taxpayer Protection Act to the North Carolina Constitution. The Act would limit the growth of State spending to inflation plus population growth, establish and require yearly deposits in an Emergency Savings Reserve Fund in the State Treasury, and reduce the maximum allowable income tax rate in North Carolina from 10% to 5%. The bill was further amended on the Senate floor to require the Constitutional amendment to be voted on at a statewide general election held on November 8, 2016. **The bill as amended was approved by the Senate, and has been sent to the House for consideration.**

SENATE BILL 699, Protect LEO Home Address/Other Information, was amended on the House floor to exclude from public records the mobile telephone numbers issued by a local, county, or State government to any of the following: (1) a sworn law enforcement officer or non-sworn employee of a public law enforcement agency; (2) an employee of a fire department; or (3) any employee whose duties include responding to an emergency. **The bill as amended was approved by the House. The Senate agreed with the changes made by the House, and the bill will next be sent to the Governor for his signature.**

## LEGISLATION ENACTED

HOUSE BILL 724, Amend Composition of NC Medical Board, which increases the membership of the North Carolina Medical Board from 12 to 13 members, and requires that the Board to include one physician assistant **and** one nurse practitioner, was signed into law by the Governor on August 11, 2015. **Effective: August 11, 2015.**

HOUSE BILL 774, Restoring Proper Justice Act, was signed into law by the Governor on August 5, 2015. The legislation amends the law requiring the presence of a licensed physician at the execution of a death sentence to require a licensed physician or a medical professional other than a physician (a licensed or credentialed physician assistant, nurse practitioner, registered nurse, emergency medical technician, or emergency medical technician-paramedic) to be present at an execution to monitor the injection of the required lethal substances and certify the fact of the execution. **Effective: August 5, 2015.**

SENATE BILL 192, Citations/Sheriffs Accept Faxes, was signed into law by the Governor on August 5<sup>th</sup>. The bill directs law enforcement agencies to accept domestic violence protective orders and civil no-contact orders (among other orders) transmitted by clerks of court by electronic or facsimile transmission. **Signed into law. Effective: August 5, 2015.**

SENATE BILL 560, 2015 Continuing Budget Authority. The House Appropriations Committee removed all of the provisions of the previous edition of this bill, and replaced it with a new bill that would continue the current State budget until August 31<sup>st</sup>. The bill also would do the following in order to comply with certain grant and statutory requirements:

- provide over \$10.3 million to the JDIG Reserve and over \$5.1 million to the One North Carolina Fund this year;
- provide an additional over \$3.6 million this year to the Department of Health and Human Services, Division of Social Services, from Temporary Assistance for Needy Families (TANF) Emergency Contingency Funds block grant funds for subsidized child care to avoid loss of funds;
- allow State agencies, with approval of the Director of the Budget, to spend funds received from grants awarded subsequent to the enactment of this act for grant awards that are for less \$2.5 million, do not require State matching funds, and will not be used for a capital project. State agencies shall report to the Joint Legislative Commission on Governmental Operations within 30 days of receipt of such funds.

In addition, the bill would direct the Department of Health and Human Services, Division of Child Development and Early Education, to revise its child care subsidy policy, effective September 1, 2015, to exclude from the policy's definition of "income unit" a nonparent relative caretaker, and the caretaker's spouse and child, if applicable, when the parent of the child receiving child care subsidy does not live in the home with the child. **The bill as amended was approved by the House Appropriations Committee, the full House and Senate, and was signed into law by the Governor on August 13, 2015. Effective: August 13, 2015.**

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