



May 30, 2014

All members of North Carolina Senate
Legislative Building
Raleigh, NC 27601

Dear Senator:

The North Carolina Medical Society has serious concerns about some of the provisions in the proposed budget and asks you address those before you choose to pass this budget. **We feel that a more measured approach to the Department of Health and Human Services Budget revisions is essential.**

Patient care under this plan will suffer, especially for the aged, blind and disabled citizens of our state, who will no longer be eligible for Medicaid if this budget is approved. While other avenues of relief might exist for these persons, it is likely that the burden of caring for these fellow citizens will be shifted to employers and other individuals who are now paying premiums for their own private health insurance coverage. Additionally, the following proposals in the Senate budget are provisions **we specifically oppose**:

- **Prohibiting any work to be done regarding ACOs and Medicaid Reform**

In very clear and simple terms the Senate states that "The Department of Health and Human Services shall cease any activities related to implementing Medicaid reform based on its proposed accountable care organization (ACO) model." This budget rejects the positive, quality-centered solutions proposed for Medicaid Reform, wasting over a year's worth of work and state resources dedicated to this goal.

- **Additional Rate Cuts to Physicians**

This budget not only maintains the 3% rate cut from last year's budget, but it also removes the requirement that the Department of Health and Human Services develop a withhold or shared savings plan to support it. In fact, instead of correcting the Department's misstep, the Senate proposal endorses the rate cut and piles on an additional 2% rate cut.

- **Studying a Tax on Physicians**

In the attempt to explore new revenue options, the NC Senate is also requiring that the Department of Health and Human Services study the feasibility of taxing all North Carolina Physicians for the medical services they provide. This study is not limited to physicians enrolled as Medicaid providers.

North Carolina doctors want to deliver quality care within a rational structure that focuses on the health of our patients. We will continue our efforts to bring forward creative solutions to fix the significant problems with our health care system in this state, but need the opportunity to do so.

Sincerely,

Robert W. Seligson
Executive Vice President/CEO