North Carolina Medical Society
Leadership in Medicine

2015 NC Senate Budget Highlights

HIE

- Establishes a successor HIE network which all Medicaid providers must be connected to by July 1, 2017 (all other entities by Jan. 1, 2018). To be funded by "reasonable participation fees approved by the General Assembly." The new "Health Benefits Authority" to have access. Data will remain the sole property of the state of NC. Establishes a NC Health Information Exchange Authority to oversee and administer the HIE network. There will also be a NC HIE Advisory Board, housed within the Department of Information Technology.

Rate increases for PC and OBGYN Medicaid providers

- Effective Jan. 1, 2016 the current Medicaid Primary Care Case Management program is discontinued. The DHHS shall not renew or extend the contract for PCCM services with NC CCN beyond 12/31/15. With these funds, effective Jan. 1, 2016 the rats paid to primary care physicians shall be 100% of Medicare rates. This includes OBGYNs.

Medicaid Reform

- See 2015 Medicaid Reform Proposal analysis.

Strengthening Controlled Substances Monitoring

- By July 1, 2016 licensing boards shall adopt the NC Medical Board's "Policy for the use of Opiates for the Treatment of Pain." Requires health care provider occupational licensing boards to require continuing education on the abuse of controlled substances as a condition of license renewal for health care providers who prescribe controlled substances including: dental examiners, nurses, podiatry examiners, and the NC Medical Board. At least one hour of this education is to be specifically designed to address prescribing practices.
- DHHS is required to improve the CSRS performance by including a connection to the NC HIE, providing interstate connectivity and additional data security protocols (to be completed by 12/31/15). Instructs DHHS to apply for a grant for funding from the National Association of Boards of Pharmacy to establish the connection to PMP InterConnect. Funds are also appropriated to implement these changes in 2015 and 2016. Lastly, the budget requires the CSRS expand its monitoring capacity by establishing data use agreements with the Prescription Behavior Surveillance System, and instructs DHHS to improve the effectiveness of the Medicaid lock-in program in consultation with the Physicians Advisory Group.

- The budget creates the Prescription Drug Abuse Advisory Committee, to be staffed by DHHS which will develop and implement a statewide strategic plan to combat the problem of prescription drug abuse.

CON Repeal

- Repeals the state's certificate of need laws in three phases:

  1. Effective Jan. 1, 2016 the CON laws will not apply to the following health service facilities and activities- the establishment of beds or a change in bed capacity at certain health facilities including acute care hospitals, inpatient psychiatric hospitals, inpatient rehab hospitals, kidney disease treatment centers, ICFMRs, and chemical dependency treatment facilities. This also will remove requirements for the offering of any of the following services- bone marrow transplantation, burn care services, open heart surgery, solid organ transplantation and the acquisition of the following equipment- gamma knife equipment, heart lung bypass machine, or lithotripter or the construction, establishment or increase in the number or location of an O.R. or gastro endoscopy room in a licensed health service facility.

  2. Effective Aug. 1, 2017 CON laws will not apply to the establishment of beds or change in bed capacity at diagnostic centers or ASCs.

  3. Effective Jan. 1, 2019 CON laws do not apply to the remaining health service facilities and activities (i.e., nursing homes, hospice programs, LTC hospitals, etc.).

- Also repeals all existing certificates of public advantage (COPAs) effective Jan. 1, 2016.

Medical Examiners Funding

- Provides funding for mandatory training (annual continuing education training as directed by the Office of the Chief medical Examiner). Provides funds to increase the Medical Examiner autopsy fee ($1,250 to $2,800), to increase the Medical Examiner fee ($100 to $250) and to increase the transportation rate for death investigations and autopsies.

Funds for Local Inpatient Psychiatric Beds or Bed Days

- Appropriates in 2015-2016: $43,049,144 and 2016-2017: $43,049,144 for local inpatient psychiatric beds. This provision also requires reporting by LME/MCOs to the state on use of these beds and/or bed days.

NC Tracks

- Funds appropriated for the development and implementation of ICD-10.

Rural Health Loan Repayment Programs

- Continued funding for the State Loan Repayment Program for primary care providers and expansion of state incentives to general surgeons practicing in CAHs.

Community Paramedicine Pilot Program

- $350,000 to implement a community paramedicine pilot program focusing on expanding the role of paramedics to allow for community based initiatives to avoid nonemergency use of ERs.

Traumatic Brain Injury Funding

- Provides $2,373,086 for the 2015-2016 fiscal year to support TBI services.

Funds for Drug Overdose Medications

- Funds are provided ($25,000 each budget year) for the purchase of opioid antagonists for the NC Harm Reduction Coalition and law enforcement agencies.

Traumatic Brain Injury Medicaid Waiver

- DHHS shall submit to CMS a request for approval of a 1915(c) waiver for individuals with TBI.

LME/MCO Transfer of Funds to Risk Reserve

- LME/MCOs are to transfer funds from operating cash reserves to their contractually-required risk reserve account (15% of annual premiums).

Dispensing Fee Changes

- Raises average dispensing fee to a weighted average amount that does not exceed $12, and sets actual dispensing fees to maintain a higher dispensing fee for preferred and generic drugs and a lower dispensing fee for brand and non-preferred drugs.

Restricting GME Payments

- Effective Oct. 1, 2015 no Medicaid provider may receive reimbursement for GME in addition to their DRG unit Value (base) rate.