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2019 Legislative Summary

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LEGISLATIVE HIGHLIGHTS IMPACTING THE PROFESSION OF MEDICINE

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White Coat Wednesday



2019 Overview of the Long Session

LEGISLATIVE SUMMARY

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I. Prioritize Health over Healthcare in all Reform Efforts

House Bill 70 / S.L. 2019-23 – Delay N.C. HealthConnex for Certain Providers

Status: Enacted on June 6, 2019

Sponsors: Rep. Josh Dobson (R-Avery), Rep. Donny Lambeth (R-Forsyth), Rep. Greg Murphy (R-Pitt), and Rep. Donna White (R-Johnston)

Summary: H.B. 70 extends the deadline for certain providers whereby they are required to submit clinical data generated in providing services for Medicaid and other state health plans to N.C. HealthConnex, the state's modernized health information exchange, until June 1, 2020:

- 1) adult care homes,
- 2) family care homes,
- 3) fee-based pastoral counselors,
- 4) home care agencies,
- 5) home health agencies,
- 6) licensed clinical social workers and clinical social worker associates,
- 7) licensed marriage and family therapists,
- 8) licensed professional counselors,
- 9) licensed psychologists and psychological associates,
- 10) providers of certain services for patients with intellectual or developmental disabilities, and
- 11) substance abuse professionals.

H.B. 70 also extends the connection deadline for psychiatrists until June 1, 2021, and provides a second list of providers who may voluntarily submit clinical data to N.C. HealthConnex. The legislation requires the Department of Health and Human Services to establish a process by which it may grant exemptions to providers of services to Medicaid and other state-funded healthcare program beneficiaries for whom participation in N.C. HealthConnex would constitute an undue hardship.

The N.C. Medical Society monitored and sought amendments to H.B. 70 that provided physicians additional time and protections.

H.B. 70 became law during this legislative session (S.L. 2019-23).



Senate Bill 544 – Establish Non-Opioid Treatment Alternatives

Status: Referred to the Committee on Rules and Operations of the Senate.

Sponsors: Sen. Ralph Hise (R-Madison)

Summary: S.B. 544 requires that every health benefit plan offered by an insurer provide coverage for evidence-based non-opioid pain management care and that healthcare providers provide patients suffering from acute or chronic pain with a referral to, or prescription for, non-opioid pain management care, such as acupuncture, chiropractic care, massage therapy, occupational therapy, osteopathic manipulation, and physical therapy, when appropriate. Additionally, the legislation establishes a process by which patients may elect to receive such non-opioid pain management care by voluntarily executing and filing a directive with a healthcare provider.

The N.C. Medical Society opposes S.B. 544, and it has made no progress in the General Assembly. It was filed on April 2, 2019, and was referred to the Senate Rules Committee, where it currently resides.

House Bill 524 – Additional Funds for School Nurses

Status: Referred to the House Education K12 Committee; funded in H.B. 966.

Sponsors: Rep. Gale Adcock (D-Wake), Rep. Carla Cunningham (D-Mecklenburg), Rep. Craig Horn (R-Union), and Rep. Donna White (R-Johnston)

Summary: H.B. 524 proposed appropriating to the Department of Public Instruction \$10,000,000 in recurring funds from the 2019-20 General Fund; \$20,000,000 in recurring funds from the 2020-21 General Fund; and \$30,700,000 in total recurring funds from the 2021-2022 General Fund for school nurses.

Alternatively, the legislature approved funding for school nurses in the state budget, H.B. 966: 2019 Appropriations Act, by allocating \$20,000,000 in the first year of the budget and \$23,000,000 in the second year for additional instructional support. These funds can be used for nurses, although there is no explicit requirement that they be spent for healthcare personnel. The Governor vetoed H.B. 966 on June 28, 2019, and no further action has been taken.

The N.C. Medical Society continues to support funds for greater access to health care and is monitoring the progress of budget negotiations. H.B. 524 was filed on March 28, 2019, and was referred to the House Education-K-12 Committee, where it currently resides.

II. Support Greater Transparency in Our Healthcare System

House Bill 184 – Study State Health Plan Design

Status: Passed the House on April 3, 2019; referred to the Committee on Rules and Operations of the Senate.

Sponsors: Rep. Gale Adcock (D-Wake), Rep. William Brisson (R-Baden), Rep. Josh Dobson (R-Avery), and Rep. Julia Howard (R-Davie)

Summary: H.B. 184 establishes the Joint Legislative Study Committee on the Sustainability of the N.C. State Health Plan to study and report on redesigning the State Health Plan, which provides healthcare coverage to state employees and retirees. The Committee will consist of the State Treasurer and members appointed by the Speaker of the House, the Senate President Pro Tem, the Executive Administrator of the State Health Plan, the N.C. Healthcare Association and the N.C. Medical Society, among other organizations. This bill was filed in response to the State Treasurer's reference pricing proposal, which was opposed by many physicians and hospitals.

In developing a recommended design of the State Health Plan, the Committee is required to consider collaboration with other state programs; the payment of subsidies for the purchase of individual plans on the marketplace; payment models that have already been implemented elsewhere and that have reduced costs without compromising the healthcare provided; methods to ensure transparency in healthcare costs; premium rates; methods to incentivize the utilization of primary care services; virtual health options; insurance claims data; and the demographics of plan subscribers, including those who drive up healthcare costs.

The Committee is required to submit a final report to the General Assembly.

A committee substitute to H.B. 184 was proposed to the House Health Committee on March 26, 2019, including amendments to enable the State Employees Association to appoint an additional member to the Joint Legislative Committee and to shift the deadline by which the Committee is required to submit a final report from April 1, 2020 to December 15, 2019. On April 3, 2019, another amendment, wherein the State Treasurer is to constitute an additional voting member of the commission and wherein the commission will no longer be able to increase its membership by majority vote, was adopted by the House.

The N.C. Medical Society supports H.B. 184. H.B. 184 passed the House floor on April 3, 2019. It was subsequently referred to the Senate Rules Committee, where it currently resides.

Senate Bill 386 – Greater Transparency in Health Care Billing

Status: Referred to the Committee on Rules and Operations of the Senate.

Sponsors: Sen. Ralph Hise (R-Madison) and Sen. Joyce Krawiec (R-Forsyth)

Summary: S.B. 386 requires that an insurer, upon notice from the insured, determine whether an out-of-network healthcare provider is able to meet the needs of an insured and is reasonably

available without unreasonable delay due to the location or the specialized medical needs of the insured.

The legislation waives the requirement that the insurer directly pay an out-of-network healthcare provider and requires that, unless otherwise agreed upon by the out-of-network healthcare provider and the insured, the amount permitted for out-of-network healthcare services be determined based upon the least of (1) the provider's actual rate(s) for the services, (2) the median rate(s) for the same or similar services performed within the insurer's provider network, or (3) the Medicare rate(s) for the same or similar services.

In-network healthcare providers are similarly prohibited from charging rates in excess of the least of the three aforementioned options unless no healthcare provider within the insurer's provider network is able to meet the needs of the insured or is reasonably available thereto without unreasonable delay.

S.B. 386 further requires that healthcare providers within the insurer's provider network provide the insured with a written disclosure at the time the provider: (1) seeks prior authorization from the insurer for the provision of nonemergency services to the insured; (2) schedules nonemergency services for the insured; (3) admits the insured for the receipt of emergency services; or (4) provides the insured services other than screening and stabilization. The written disclosure is to provide: the other providers who may separately charge the insured; the other out-of-network providers that may provide services to the insured; that the insurer and the insured are under no legal obligation to pay more for services than the least of three aforementioned options; receipt by the provider of payment by the insurer for the services rendered to the insured; and that certain consumer protections are available. On any statements sent to the insured, out-of-network healthcare providers are similarly required to provide a written disclosure that the insured is under no legal obligation to pay more for services than the applicable in-network deductible, co-payment, or coinsurance amounts, and is under no legal obligation to pay any remaining balance in excess of the least of three aforementioned options.

S.B. 386 would apply to healthcare services provided to insured individuals on or after October 1, 2019.

The N.C. Medical Society opposes S.B. 386. S.B. 386 was filed on March 27, 2019, and was referred to the Senate Rules Committee, with no further action taken on the bill.

H.B. 534 / S.B. 632 – N.C. Pharmacy Benefits Manager Licensure Act **S.B. 432 – Birth Center & Pharmacy Benefits Manager Licensure**

Status: S.B. 432 has been assigned to a conference committee.

Sponsors: Rep. John Bell (R-Wayne), Rep. David Lewis (R-Harnett),
Rep. Greg Murphy (R-Pitt), and Rep. Wayne Sasser (R-Stanly)

Summary: H.B. 534 establishes standards for the licensure and regulation of managers of pharmaceutical benefit programs, normally provided by employers or healthcare plans. Specifically, H.B. 534 requires that managers of pharmaceutical benefits programs operating in North Carolina obtain a license from the Commissioner of the Department of Insurance.

The legislation also offers much in the way of consumer protection, prohibiting managers of pharmaceutical benefit programs from penalizing, restricting, or preventing pharmacies or pharmacists from (1) disclosing to any insured any health information that the pharmacy or pharmacist deems to be appropriate within their scope of practice; (2) disclosing to any insured any information regarding the total cost of pharmaceutical services for a prescription; or (3) selling the insured a more affordable alternative, if available. H.B. 534 further prohibits managers of pharmaceutical benefit programs from collecting from any insured copayment in excess of the least of the contracted copayment amount; the amount an individual would pay if uninsured; and the total charges submitted by the in-network pharmacy.

The legislation further prohibits managers of pharmaceutical benefit programs from engaging in practices of expressly driving out competitors or financially injuring independent pharmacies, specifically via causing or knowingly permitting the use of untrue, deceptive, or misleading advertisements or representations.

H.B. 534 applies to any contracts entered into by managers of pharmaceutical benefit programs on or after January 1, 2020. H.B. 534 was filed on April 2, 2019 and was referred to the House Insurance Committee.

The N.C. Medical Society supported H.B. 534/S.B. 632.

However, neither the House nor the Senate chose to take up the bills filed in their respective chambers. Instead, the House adopted a committee substitute to S.B. 432, which includes pharmacy benefit manager licensure and provisions for birth centers.

The committee substitute establishes licensing requirements for birth centers, including the creation of a N.C. Birth Center Commission, limitations of services, fees, inspections, a criminal penalty for operating a birth center without a license, and requirements for rules to be adopted by the commission.**

The second part of the substitute requires pharmacy benefit managers (PBMs) to be licensed, as well as includes consumer protections and prohibits PBMs from taking certain actions. The bill also establishes rules for claims and increases the Insurance Commissioner's ability to take enforcement action against PBMs. Lastly, it would prevent insurers from requiring that insureds take prescription drugs with black box warnings and requires insurers to cover prescription drugs during the pre-authorization process.

The House passed S.B. 432 on October 23, 2019, and the Senate chose not to concur with the House committee substitute on October 29, 2019. Conferees have been appointed in both chambers, and negotiations continue.

**These notes regarding birth center legislation are included below.



III. Ensure that Patients Have Information to Understand Provider Credentials

House Bill 849 – Health Care Practitioner Transparency Act

Status: Referred to the House Health Committee.

Sponsors: Rep. Kyle Hall (R-Stokes), Rep. Greg Murphy (R-Pitt),
Rep. Larry Potts (R-Davidson), and Rep. Larry Yarborough (R-Person)

Summary: H.B. 849 requires health care practitioners to visibly wear identification notifying their patients of their appropriate licensure. The identification may not contain any misleading information and must include: (1) the name of the practitioner; (2) a recent photograph of the practitioner; (3) the type of certificate, license, or registration held by the practitioner; and (4) the expiration date of the certificate, license, or registration.

The legislation further requires health practitioners to display in their office the name and type of certification, license, or registration held by the provider. The display may not contain any misleading information. Supervising physicians, in particular, are required to display a schedule of the regular hours during which they will be present in their office.

The proposed effective date is October 1, 2019, and will not apply to health care practitioners who work in non-patient settings and who have no direct patient health interactions. H.B. 849 was filed on April 16, 2019, and was referred to the House Health Committee, and no further action has been taken.

The N.C. Medical Society supports H.B. 849.

IV. Guard Against Genuine Patient Safety Threats

House Bill 185 / S.B. 143 – The SAVE Act

Status: H.B. 185 has been referred to the House Health Committee; S.B. 143 has been referred to the Committee on Rules and Operations of the Senate.

Sponsors: Rep. Gale Adcock (D-Wake), Rep. Josh Dobson (R-Avery),
Rep. Donny Lambeth (R-Forsyth), Rep. Sarah Stevens (R-Surry),
and Sen. Ralph Hise (R-Madison)

Summary: H.B. 185 and S.B. 143, filed jointly in the House and Senate, establish that (1) certified nurse midwives, (2) certified registered nurse anesthetist, (3) clinical nurse specialists, and (4) nurse practitioners all constitute advanced practice registered nurses (“APRNs”); requires APRNs to obtain a license from the North Carolina Board of Nursing in order to practice; and establishes

six requirements for such licensure, including: holding a current North Carolina registered nurse license, completion of an accredited graduate level APRN program that is approved by the Board of Nursing, and certification by a national certifying body recognized by the Board of Nursing.

H.B. 185 and S.B. 143 also expand the scope of nursing activities by registered nurses to include collaboration with other healthcare providers in determining the appropriate healthcare services to be provided to the patient. Furthermore, H.B. 185 and S.B. 143 enable the Board of Nursing to grant dispensing, furnishing, ordering, and prescribing authority to holders of APRN licenses. Currently, the Board of Nursing is authorized to appoint and maintain a subcommittee tasked with collaborating with the North Carolina Medical Board to develop rules and regulations governing the performance of medical acts by registered nurses.

H.B. 185 and S.B. 143, if enacted, would apply to any licenses granted or renewed on or after January 1, 2020. H.B. 185 and S.B. 143 were filed in the House and Senate on February 26, 2019; and they were referred to the House Health Committee and the Senate Rules Committee, where they are currently assigned.

The N.C. Medical Society opposes H.B. 185 and S.B. 143.

Senate Bill 573 / H.B. 993 – Enact Naturopathic Doctors Licensure Act

Status: S.B. 573 has been referred to the Committee on Rules and Operations of the Senate; H.B. 993 has been referred to the House Health Committee.

Sponsors: Sen. Joyce Krawiec (R-Forsyth), Sen. Jerry Tillman (R-Guilford), Rep. Becky Carney (D-Mecklenburg), Rep. Josh Dobson (R-Avery), Rep. Susan Fisher (D-Buncombe), and Rep. Donny Lambeth (R-Forsyth)

Summary: S.B. 573 and H.B. 993, companion bills in the Senate and House, would establish naturopathic medicine as a system of natural healthcare that would employ diagnoses and treatment by means of natural therapies and techniques; establish the natural therapies and techniques that may and may not be used by naturopathic physicians; establish the North Carolina Naturopathic Doctors Licensing Board for the administration of the licensing of naturopathic physicians; require naturopathic physicians to obtain a license from the Naturopathic Doctors Licensing Board in order to practice; and establish the requirements for such licensure, including completion of an accredited graduate level naturopathic medicine program that is approved by the Naturopathic Doctors Licensing Board, passing the Naturopathic Physicians Licensing Examination or its predecessor equivalent, good moral and ethical character, and agreement to collaborate with a licensed physician.

In establishing the natural therapies and techniques that may and may not be used by naturopathic physicians, H.B. 185 and S.B. 143 limit the scope of activities by naturopathic physicians to include advice on and administration of natural remedies, healthcare counseling, hydrotherapy, performance of care incidental to minor abrasions and lacerations, and performance of diagnostic imaging, laboratory, physical and physiological examinations.

S.B. 573 and H.B. 993, if enacted, would apply to any licenses applied for or renewed on or after January 1, 2020. S.B. 573 was filed in the Senate on April 3, 2019, and was referred to the Senate Rules Committee, where it currently resides. H.B. 993 was filed in the House on April 25, 2019, and was referred to the House Health Committee, where it currently sits.

The N.C. Medical Society has closely monitored and would seek to amend S.B. 573 and H.B. 993 if considered in committee.

House Bill 575 / S.B. 633 – Establish Birth Center Licensure Act **S.B. 432 – Birth Center & Pharm Benefits Mgr. Licensure**

Status: S.B. 432 has been assigned to a conference committee.

Sponsors: Rep. Josh Dobson (R-Avery), Rep. Donny Lambeth (R-Forsyth), Rep. Greg Murphy (R-Pitt), Rep. Donna White (R-Johnston), Sen. Ralph Hise (R-Madison), Sen. Joyce Krawiec (R-Forsyth), and Sen Mike Woodard (D-Durham)

Summary: H.B. 575 and S.B. 633, filed jointly in the House and Senate, propose to establish the North Carolina Birth Center Commission for the regulation of the licensing and operation of birth centers and the review and recommendation of the approval thereof; and require birth centers to obtain a license from the North Carolina Department of Health and Human Services in order to operate; and establish the requirements for such licensure. The Birth Center Commission would consist of seven members, including three licensed physicians with at least two years of experience at birth centers.

Furthermore, H.B. 575 and S.B. 633 would enable the Department of Health and Human Services to investigate birth centers for unexpected deaths or serious physical injuries and would limit the scope of activities at birth centers to activities within the scope of their license. H.B. 575 and S.B. 633 further limit the scope of activities at birth centers such that: (1) surgical procedures are limited to those normally performed during an uncomplicated birth; (2) abortion procedures are prohibited; (3) general or conduction anesthesia is prohibited; and (4) trial of labor or vaginal birth after cesarean is prohibited.

Finally, H.B. 575 and S.B. 633 permit the public disclosure of information received by the Birth Center Commission or the Department of Health and Human Services through investigations, license applications, or reports except where such disclosure would violate applicable patient record confidentiality laws.

H.B. 575 and S.B. 633 were filed in the House and Senate on April 3, 2019. S.B. 633 has had no action since assignment to the Senate Rules Committee.

A committee substitute to H.B. 575 was proposed to the House Health Committee on April 30, 2019, including amendments to the provisions concerning the appointment of members to the Birth Center Commission. Another committee substitute to H.B. 575, proposed to the House Health

Committee and the Finance Committee on June 26, 2019, included amendments to the date by which birth centers are to become compliant with licensure requirements, from July 1, 2019, to one year after additional licensure requirements promulgated by the Birth Center Commission are adopted. H.B. 575 passed the House on July 10, 2019 and has not been considered in the Senate.

The N.C. Medical Society supported H.B. 575 and S.B. 633.

Since the Senate chose not to hear H.B. 575, the House adopted a committee substitute to S.B. 432, which includes provisions for birth centers and pharmacy benefit manager (PBM) licensure.

The substitute establishes licensing requirements for birth centers, including the creation of a NC Birth Center Commission, limitations of services, fees, and inspections, makes it a criminal penalty for operating a birth center without a license, and requirements for rules to be adopted by the commission.

The second part of the substitute requires PBMs to be licensed, as well as includes consumer protections and prohibits PBMs from taking certain actions. The bill also establishes rules for claims and increases the Commissioner's ability to take enforcement action against PBMs. Lastly, it would prevent insurers from requiring that insureds take prescription drugs with black box warnings and requires insured to cover prescription drugs during the pre-authorization process.

The House passed S.B. 432 on October 23, 2019, and the Senate chose not to concur with the House substitute on October 29, 2019. Conferees have been appointed in both chambers, and negotiations continue.

House Bill 267 – Require Safety Helmets/Under 21

Status: Referred to the House Health Committee.

Sponsors: Rep. John Torbett (R-Gaston)

Summary: Currently, it is unlawful for persons to operate a motorcycle or ride as passenger without wearing a safety helmet.

H.B. 267 would allow persons 21 years of age or older to operate a motorcycle or ride as a passenger on a motorcycle without wearing a safety helmet if: (1) they have held a motorcycle endorsement or license for more than 12 months, or (2) they have successfully completed the course of instruction offered by the Motorcycle Safety Instruction Program or its equivalent.

H.B. 267 was filed on March 5, 2019, and referred to the House Transportation Committee on March 6, 2019. After a contentious vote, it was reported favorably by the Transportation Committee and later was heard in the House Health Committee, where it failed to receive a favorable report. A committee substitute to H.B. 267 was proposed on April 25, 2019, to the House Transportation Committee changing the effective date of the act from October 1, 2019 to December 1, 2019. It received a favorable report and the bill was re-referred to the House Health Committee. No further action has been taken.

The N.C. Medical Society opposes H.B. 267 and actively worked to stop the bill in the House.

V. Defend the 2011 Medical Malpractice Reforms

House Bill 611 – Amend Rules of Evid. / Binding Arbitration

Status: Referred to the Committee on Rules, Calendar, and Operations of the House.

Sponsors: Rep. Ted Davis (R-New Hanover), Rep. Sarah Stevens (R-Surry),
and Rep. Lee Zachary (R-Forsyth)

Summary: H.B. 611 proposes to: (1) amend the Rules of Evidence to provide that evidence that a person was or was not insured against liability is not admissible on the issue of whether he or she acted negligently or wrongfully; (2) repeal a Rule of Evidence (Rule 414) that was adopted as part of the tort reform package in 2011, which limits evidence that can be offered to prove past medical expenses as evidence of the amounts actually paid to satisfy bills that have been satisfied and evidence of the amounts necessary to satisfy bills that have not yet been satisfied; and (3) enables any named party to an action to elect to participate in binding arbitration if: (a) all named parties sign an admission of negligence by all named defendants, and (b) the named party with the burden of proof on damages associated with the action agrees to an express limitation of all alleged damages to an amount not in excess of the amount in controversy before the district or trial court. The legislation also establishes that binding arbitration extinguishes the right of all named plaintiffs to any recovery of damages in an amount in excess of insurance coverage limits associated with the action.

The N.C. Medical Society strongly opposed and led opposition to H.B. 611.

H.B. 611 was filed on April 4, 2019, and was referred to the House Judiciary Committee. The House Judiciary Committee considered and reported favorably a committee substitute for H.B. 611. The substitute deleted “district court” and substituted “trial court” in the second condition for binding arbitration and made a technical change. The committee substitute was reported favorably on April 26, 2019, and has not been considered in the House Rules Committee, where it remains.

House Bill 925 – Med Mal/Jury Instruction/Judicial Assignments

Status: Referred to the House Insurance Committee.

Sponsors: Rep. Destin Hall (R-Caldwell)

Summary: H.B. 925 requires judges presiding over medical malpractice actions to reduce oral jury instructions to writing and to furnish juries with the written instructions.

If enacted, H.B. 925 would apply to all medical malpractice actions filed on or after October 1, 2019.

The N.C. Medical Society supports H.B. 925.

H.B. 925 was filed on April 16, 2019, and referred to the House Judiciary Committee. A committee

substitute to H.B. 925 was proposed in the House Judiciary Committee, and it was reported favorably out of the House Judiciary and Rules Committees. The committee substitute amended the language to authorize and encourage, rather than require, judges presiding over medical malpractice actions to reduce oral jury instructions to writing and to furnish juries with the written instructions. The bill then received an additional committee referral to the House Insurance Committee on May 6, 2019, where it currently remains.

VI. Pursue Administrative Complexity Reductions in Healthcare

House Bill 562 – Health Care Reimbursement Contracts / AOBs

Status: Referred to the House Committee on Insurance.

Sponsors: Rep. Mary Ann Black (D-Durham), Rep. Debra Conrad (R-Forsyth), Rep. Holly Grange (R-New Hanover), and Rep. John Torbett (R-Gaston)

Summary: H.B. 562 requires any and all reimbursement contracts between insurers or third-party payers and healthcare providers to mandate that the insured's reimbursement be made directly to their healthcare provider for any covered service required under the reimbursement contract.

Alternatively, if a reimbursement contract has not been entered into by and between an insurer or third-party payer and a healthcare provider, the legislation requires that insurers or third-party payers accept and honor any and all completed and validly executed assignment of benefits agreements, whereby the insured's reimbursement benefits are assigned to their healthcare provider.

If enacted, H.B. 562 would apply to all reimbursement contracts and assignment of benefit agreements entered into or amended on or after July 1, 2019.

H.B. 562 was filed on April 2, 2019, and was referred to the House Insurance Committee. It has yet to be considered by the House Insurance Committee.

The N.C. Medical Society supports H.B. 562.



Senate Bill 370 / H.B. 382 – Study Generator Req’s for Medical Offices

Status: S.B. 370 has been referred to the Committee on Rules and Operations of the Senate; H.B. 382 passed the House on March 27, 2019 and has been referred to the Committee on Rules and Operations of the Senate.

Sponsors: Sen. Paul Lowe (D-Forsyth) and Rep. Derwin Montgomery (D-Forsyth)

Summary: S.B. 370 and H.B. 382, companion bills filed in the Senate and House, direct the Legislative Research Commission, an agency of the state government that provides research services to the state legislature, to conduct a study on whether physicians’ offices ought to be required to be capable of providing emergency electrical services for use where normal electrical service fails.

In conducting the study, the Legislative Research Commission is to consider: (1) any current requirements imposed upon physicians’ offices in the event of the failure of normal electrical service; (2) any such requirements imposed upon physicians’ offices in other states besides North Carolina; (3) the positive and negative effect of such a requirement upon the practice of medicine within North Carolina; (4) the rationale behind the decision by the North Carolina Medical Board to either support or oppose such a requirement; and (5) any other matters the Legislative Research Commission deems relevant to its study.

H.B. 382 was filed in the House on March 19, 2019, and it passed the House on March 27, 2019. It was subsequently assigned to the Senate Rules Committee, where it currently remains. S.B. 370 was filed in the Senate on March 26, 2019 and referred to the Senate Rules Committee. No action has been taken on this bill.

The N.C. Medical Society opposes S.B. 370 and H.B. 382.

House Bill 450 – Reduce Barriers to Improve NC Health & Safety

Status: H.B. 450 passed the House on May 3, 2019 and has been referred to the Committee on Rules and Operations of the Senate.

Sponsors: Rep. Josh Dobson (R-Avery), Rep. David Lewis (R-Harnett), Rep. Larry Potts (R-Davidson), and Rep. Wayne Sasser (R-Stanly)

Summary: Currently, health benefit plans are not required to prescribe abuse-deterrent opioid analgesic drug products before authorizing the prescription of opioid analgesic drug products that are not abuse-deterrent. Further, there exists no statutory authority governing step therapy protocols, approaches to the administration of prescription medicine intended to limit the expense, and health risks posed thereby.

H.B. 450 prohibits health benefit plans that include coverage of abuse-deterrent opioid analgesic drug products from requiring that the prescription of opioid analgesic drug products that are not abuse-deterrent before authorizing the prescription of abuse-deterrent opioid analgesic drug products.

The legislation also enables healthcare benefit plans that include coverage of abuse-deterrent opioid analgesic drug products to impose a requirement that healthcare providers seek the prior authorization of the plan before prescribing abuse-deterrent opioids only if the plans also impose such a requirement for opioid analgesic drug products that are not abuse-deterrent.

H.B. 450 further requires any and all clinical reviews used to establish a step therapy protocol to meet a particular set of requirements, including but not limited to development by an independent panel or experts not affiliated with a health benefit plan, development based upon high-quality research, and continual updating. The legislation also requires insurers to establish an override process for step therapy protocols, requiring insurers to override such protocols if any of a particular set of conditions is met, including but not limited to the prescription medicine providing ineffective and other, alternative medicine proving just as, or more, effective.

H.B. 450, if enacted, would apply to all health benefit contracts amended, issued, or renewed on or after October 1, 2019.

H.B. 450 was filed in the House on March 26, 2019, and it received a favorable report in the House Health Committee on May 2, 2019. It passed both the House Rules Committee and the House chamber on the same day (May 3, 2019). It was sent to the Senate on May 6, 2019 and was assigned to the Senate Rules Committee, where it remains.

The N.C. Medical Society supports H.B. 450.

VII. Create New Options for Affordable Health Coverage

House Bill 655 – N.C. Healthcare for Working Families

Status: Referred to the Committee on Rules, Calendar, and Operations of the House.

Sponsors: Rep. Josh Dobson (R-Avery), Rep. Donny Lambeth (R-Forsyth), Rep. Greg Murphy (R-Pitt), and Rep. Donna White (R-Johnston)

Summary: H.B. 655 directs the Department of Health and Human Services (DHHS) to design and implement the N.C. Healthcare for Working Families program to provide healthcare coverage to certain individuals who are currently ineligible for Medicaid and are unable to otherwise afford health insurance.

The legislation further establishes and appropriates funding to the Rural Access to Healthcare Grant Fund to address the healthcare needs of citizens living in rural areas of North Carolina. The Rural Access to Healthcare Grant Fund would enable applicants eligible for the grant to request funding to recruit healthcare providers to rural areas of the state, to forgive loans on behalf of such providers, to enhance and modernize medical technology utilized in rural areas of the state, and to expand mental health services in such areas, among other activities.

The provisions of H.B. 966 that direct the DHHS to design and implement the N.C. Healthcare for Working Families program and that establish and appropriate funding to the Rural Access to Healthcare Grant Fund are effective only if the state budget, H.B. 966—2019 Current Appropriations Act, is enacted. The other provisions of H.B. 655 will apply on July 1, 2020, or 120 days after approval by the Centers for Medicare and Medicaid Services (CMS), whichever is earlier.

The N.C. Medical Society is in support of H.B. 655.

H.B. 655 was filed in the House on April 9, 2019, and was referred to the House Health Committee. The House Health Committee considered a committee substitute on July 9, 2019, which made changes to the bill regarding the sources of funding for the N.C. Health Care for Working Families program. It requires that, if the program approved by CMS fails to comply with program components, it must not be implemented. Additionally, the bill adds that the appropriation under the proposed change is a statutory appropriation and must be included when developing the base budget; and the committee substitute removes a provision regarding the General Assembly's intent to appropriate funds to the North Carolina Rural Access to Healthcare Grant Fund.

After the committee substitute received a favorable report in the House Health Committee, additional work was done and another committee substitute was heard and reported favorably on September 18, 2019. Changes in the latest iteration include: adds immunizations to the list of preventative care and wellness activities; revises caregiver exceptions; delays the implementation deadline; adds program contingencies; requires DHHS to post eligibility data quarterly; removes the condition that the bill is effective upon the enactment of the state budget.

The Insurance Committee referral has been stricken, and the bill remains in the House Rules Committee.

Senate Bill 361 – Health Care Expansion Act of 2019

Status: S.B. 361 has been assigned to a conference committee.

Sponsors: Sen. Dan Bishop (R-Mecklenburg), Sen. Ralph Hise (R-Madison), and Sen. Joyce Krawiec (R-Forsyth)

Summary: North Carolina currently requires that any new institutional health service, as defined in N.C. Gen. Stat. § 131A-176(16), undergo Certificate of Need review before it is allowed to operate. Such review entails a public comment and hearing process and consideration of the healthcare needs identified in the State Medical Facilities Plan.

S.B. 361 expands intellectually and developmentally disabled healthcare services by excusing immediate care facilities for individuals with intellectual disabilities and psychiatric facilities, among other facilities, from the requirement to obtain a Certificate of Need in order to operate in North Carolina.

If enacted, the provision of H.B. 450 that expands intellectually and developmentally disabled healthcare services would have become effective on or after October 1, 2019.

The N.C. Medical Society is monitoring and seeking amendments to S.B. 361.

S.B. 361 was filed in the Senate on March 26, 2019, and it passed the Senate on June 26, 2019. It was filed in the House on June 26, 2019. The bill was then referred to the House Health Committee. However, it became a healthcare omnibus bill when a committee substitute was proposed in the House Health Committee on August 6, 2019. The committee substitute passed through the House Health and Rules Committees, and it passed the House floor on August 12, 2019. The bill then moved to the Senate, where the Senate failed to concur. A conference committee was appointed by both the House and the Senate on August 27, 2019.

Senate Bill 86 – Small Business Health Care Act

Status: Enacted on August 26, 2019.

Sponsors: Sen. Dan Bishop (R-Mecklenburg), Sen. Chuck Edwards (R-Buncombe), and Sen. Joyce Krawiec (R-Forsyth)

Summary: S.B. 86 modifies and adds to the requirements for MEWA (multiple employer welfare arrangement) licensure; specifies that the term employer includes sole proprietors and self-employed workers; makes changes to the requirements for group accident and health insurance policies and contracts; and prohibits insurers from providing stop loss, catastrophic, or reinsurance coverage to small employers who employ fewer than 12 eligible employees that does not comply with the standards of the Small Employer Group Health Coverage Reform Act.

A Senate committee substitute for S.B. 86 passed the Health Care Committee on March 7, 2019, and it subsequently passed the Senate on March 14, 2019. The House further amended the bill with a committee substitute in the House Health Committee on June 27, 2019, and again on August 2, 2019, in the House Rules Committee. The bill as adopted in the House creates standards for fully-insured group health insurance plans offered to Path 2 MEWAs; makes clarifying and conforming changes; allows insurers to provide stop loss, catastrophic, or reinsurance to small employers who employ fewer than 20 employees with certain compliance; and grants DOI temporary rule-making authority to implement the bill. The Senate concurred with the House committee substitute on August 13, 2019.

S.B. 86 became law (S.L. 2019-202) on August 26, 2019.



VIII. Support Improvements to Rural Health Infrastructure

House Bill 431 – FIBER N.C. Act

Status: Referred to the House Committee on Finance.

Sponsors: Rep. Kevin Corbin (R-Cherokee), Rep. Josh Dobson (R-Avery),
Rep. David Lewis (R-Harnett), and Rep. John Szoka (R-Cumberland)

Summary: H.B. 431 proposes to authorize counties and cities to construct and lease equipment and facilities for broadband services to one or more lessees that do not constitute government units, provided that the county or city: (1) conducts a feasible study of the construction and lease of the equipment or facilities; (2) adopts a resolution at a regular meeting for which 10 days' public notice was provided stating its intent to construct and lease the equipment or facilities; (3) notifies the N.C. Department of State Treasurer's Local Government Commission of any commitment to expend funds for any such construction that will take place for more than one fiscal year; and (4) notifies the State Chief Information Officer, or his designees, of the location and type of equipment or facilities constructed. In addition, the bill proposes to make broadband assets of the county or city taxable. H.B. 431, if enacted, would become effective on or after July 1, 2019.

A substitute to H.B. 431 was introduced in the House Committee on State and Local Government and reported favorably. The committee substitute replaced the provisions of the first edition and included the following: the authority for cities and counties to install and maintain broadband infrastructure to be leased to private providers; adds construction of broadband infrastructure to the purposes for which counties and cities can levy property taxes; authorizes broadband services for the purpose of leasing to be revenue bond projects; requires the adoption of a resolution for the lease of broadband infrastructure installed or maintained; allows counties to provide grants to qualified private providers of high speed Internet access to expand service in underserved areas; prohibits cities from selling, leasing, or discontinuing a city-owned public enterprise in its entirety without approval from a majority of voters.

H.B. 431 was filed in the House on March 21, 2019, and originally referred to the House Energy Committee. Subsequently, the referral to the Energy Committee was stricken and a referral to the House State and Local Government Committee was added. On August 7, 2019, a committee substitute passed the House State and Local Government Committee, and the bill was referred to the House Finance Committee, where it has not been heard.

The N.C. Medical Society supports H.B. 431 and supports greater access to broadband. It is opposed by large telecom providers.

Senate Bill 627 – Expand GREAT Grant Program

Status: S.B. 627 has been referred to the Committee on Rules and Operations of the Senate; funded in H.B. 966 and subsequently in H.B. 387.

Sponsors: Sen. Klark DeViere (D-Cumberland), Sen. Valerie Foushee (D-Orange), and Sen. Mike Woodard (D-Durham)

Summary: The Growing Rural Economies with Access to Technology (GREAT) Fund was established in 2018 as a means by which the Broadband Infrastructure Office of the Department of Information Technology could provide grants to broadband providers and cooperatives for projects intended to extend broadband services to unserved areas in economically distressed counties in North Carolina.

S.B. 627 enables cities and counties to receive grants from the GREAT Fund and to use funding to partner with private providers of broadband services.

The bill was filed in the House on March 21, 2019. The legislature later chose to fund an expansion of the GREAT program in the state budget, H.B. 966: 2019 Appropriations Act, which has not become law. As a result of Governor Cooper's veto of H.B. 966 and the legislature's inability to override his objections, they have since funded the GREAT program with \$15,000,000 for each year of the biennium in [H.B. 387 – Growing GREAT](#). Programmatic changes were also included in H.B. 387, which is consistent with the changes proposed in H.B. 966.

Senate Bill 180 / H.B. 372 – Additional Funds/ECU Brody School of Medicine

Status: S.B. 180 has been referred to the Senate Appropriations Committee; H.B. 372 was substantively amended. Funding was included in H.B. 966.

Sponsors: Sen. Don Davis (D-Pitt), Sen. Rick Horner (R-Nash), Sen. Jim Perry (R-Wayne), Rep. Chris Humphrey (R-Lenior), Rep. Greg Murphy (R-Pitt), and Rep. Kandie Smith (D-Pitt)

Summary: S.B. 180 and H.B. 372, companion bills filed in the Senate and House, appropriate \$15,000,000 in additional recurring funds to the Board of Governors of the University of North Carolina to be allocated to East Carolina University to support its operation of the Brody School of Medicine.

If enacted, S.B. 180 and H.B. 372 were to become effective July 1, 2019.

The N.C. Medical Society is in support of these bills and the effort; however, the legislature, chose to provide funds for the Brody School of Medicine totaling \$28,000,000 over the biennium in H.B. 966: 2019 Appropriations Act, which passed the General Assembly and was vetoed by the Governor. The House overrode the veto and H.B. 966 is awaiting further action.

IX. Fund Strong Public Health Initiatives

House Bill 388 / S.L. 2019-21 – Immunizing Pharmacists

Status: Enacted on June 3, 2019.

Sponsors: Rep. Carla Cunningham (R-Mecklenburg), Rep. Josh Dobson (R-Avery), Rep. Wayne Sasser (R-Stanly), and Rep. Donna White (R-Johnston)

Summary: H.B. 388 expanded the immunizations that may be administered by immunizing pharmacists, when there is a specific prescription order initiated by a prescriber following their physical examination of the individual, to individuals 18 years of age and older to receive the Human Papillomavirus vaccine, the Hepatitis A vaccine, and the Serogroup B meningococcal vaccines; individuals 10 years of age and older to receive the influenza vaccine; and individuals between six years of age and 10 years of age to receive the influenza vaccine.

A committee substitute for H.B. 388 was heard and reported favorably in House Rules on April 8, 2019. The substitute expands the stakeholders required to collaborate on recommendations for a certain screening questionnaire and safety procedures to include the North Carolina Association of Pharmacists.

H.B. 388 is law and became effective on October 1, 2019. It was signed by the Governor on June 3, 2019.

The N.C. Medical Society supported H.B. 388.

House Bill 126 – Amend Certificate of Need Laws / S.B. 210 / S.L. 2019-143 – Organ & Tissue Donation/Heart Heroes

Status: H.B. 126 was substantively amended; S.B. 210 was enacted on July 19, 2019.

Sponsors: Rep. Josh Dobson (R-Avery), Rep. Gregory Murphy (R-Pitt), Rep. Larry Potts (R-Davidson), Rep. Wayne Sasser (R-Cabarrus), Sen. Rick Horner (R-Johnston), Sen. Joyce Krawiec (R-Davie), and Sen. Floyd B. McKissick, Jr. (D-Durham)

Summary: H.B. 126 and S.B. 210 were filed successively in the House and Senate to address organ and tissue donation.

After H.B. 126 passed the House as filed, the Senate changed the substance of the bill to include changes to Certificate of Need (CON). The committee substitute to H.B. 126 proposed to: (1) raise the dollar threshold that subjects capital expenditures, diagnostic centers, and major medical equipment to the requirement to obtain a Certificate of Need; (2) excuse certain home health agencies, chemical dependency treatment facilities, conversions of single specialty ambulatory surgical facilities to multispecialty ambulatory surgical facilities, and psychiatric facilities from the requirement to obtain a Certificate of Need; (3) excuse dialysis facilities in populous counties from the requirement to obtain a Certificate of Need; and (4) require that unused Certificates of Need



expire under a particular set of circumstances, such as when a project that costs less than \$50,000,000 does not begin construction within two years of approval of the applicable Certificate of Need.

The first and fourth provisions of H.B. 126, if enacted, would become effective on January 1, 2020. The second provision, if enacted, would become effective 18 months after enactment. The third provision, if enacted, would become effective three years after enactment.

The Senate proposal was amended to exempt from CON review any conversion of existing acute care beds to psychiatric beds, as well as a review of facilities or services that have a CON when those facilities or services are “replaced, renovated, or relocated to another site in the same county where need was originally determined.”

The House chose not to concur with the changes made to the bill in the Senate, and the bill was substantively changed again to a matter unrelated to health care.

S.B. 210, however, remained in its original form. The bill enables organ tissue to be donated just as organs are, amending the Revised Uniform Anatomical Gift Act by removing the specific exclusion of organ tissue as an anatomical gift that may be authorized by the placement of a symbol upon the donor’s driver’s license or identification card.

S.B. 210 became session law on July 19, 2019, and thereby became effective on October 1, 2019.

The N.C. Medical Society supported H.B. 126 and S.B. 210.

X. Safeguard Patient Interests During the Medicaid Move to Managed Care

[Senate Bill 548 / H.B. 656 / S.L. 2019-81 – Medicaid Changes for Transformation](#)

Status: Enacted on July 4, 2019.

Sponsors: Sen. Dan Bishop (R-Mecklenburg), Sen. Joyce Krawiec (R-Forsyth), Rep. Josh Dobson (R-Avery), Rep. Donny Lambeth (R-Forsyth), Rep. Gregory Murphy (R-Pitt), and Rep. Wayne Sasser (R-Stanley)

Summary: Current law requires transition of the current NC Health Choice and Medicaid programs to capitated contracts with Prepaid Health Plans under a waiver approved by the Centers for Medicare and Medicaid Services. The new plans require the Department of Health and Human Services to pay the Prepaid Health Plans a monthly per person capitated rate to cover all Health Choice and Medicaid services for their enrollees. Capitation payments to Prepaid Health Plans were to be made beginning November 1, 2019.

S.B. 548 and H.B. 656, filed in the Senate and House, propose to amend current law in order to implement the Medicaid Transformation legislation (S.L. 2015-245) as amended and contracts with Prepaid Health Plans by November 1, 2019. H.B. 656's primary purpose is to do the following: (1) list those who are entitled to disenroll in a PHP for cause and without cause; (2) establish the process for disenrollment; (3) amend the enrollee grievance and appeal process; (4) set out the requirements for LME/MCO and PHP networks; and (5) other changes necessary for the transition to a capitated Medicaid program.

After passing a committee substitute to H.B. 656 in the House, the Senate committee substitute made various changes, including changes to enrollee grievances and appeals, changes in terminology, and changes to managed care entity provider networks, which were ultimately supported by the House. The House concurred on June 24, 2019.

H.B. 656 is now law and became effective on October 1, 2019.

The N.C. Medical Society monitored and sought amendments to S.B. 548 and H.B. 656.

House Bill 114 – Gross Premiums Tax/PHPs

Status: H.B. 114 passed the House on March 7, 2019 and has been referred to the Senate Finance Committee. The provision taxing capitated payments was included in H.B. 966.

Sponsors: Rep. Josh Dobson (R-Avery), Rep. Julia Howard (R-Davie), and Rep. Donny Lambeth (R-Forsyth)

Summary: H.B. 114, as amended, requires transition of the current Health Choice and Medicaid programs to capitated contracts with Prepaid Health Plans under a waiver approved by the Centers for Medicare and Medicaid Services, whereby the Department of Health and Human Services has agreed to pay the Prepaid Health Plans a monthly per person capitated rate to cover all Health Choice and Medicaid services for their enrollees. Capitation payments to Prepaid Health Plans were to begin on November 1, 2019.

H.B. 114 directs the General Assembly to enact legislation to ensure that the annual 1.9 percent tax applied to gross premiums from business done in North Carolina for all other healthcare insurance plans be applied to the capitation payments received by Prepaid Health Plans.

H.B. 114 does as much by adding Prepaid Health Plans to the types of organizations subject to the gross premiums tax and the insurance regulatory charge, adding capitation payments for Health Choice and Medicaid programs received by a Prepaid Health Plan to the tax base on which the gross premiums tax is imposed, and establishing an annual 1.9 percent tax rate for Prepaid Health Plan gross premiums. H.B. 114, if enacted, would apply to capitation payments received by Prepaid Health Plans on or after October 1, 2019.

The committee substitute that passed out of the House also included a provision to amend the definition of insurance company as it is used in the statute to include prepaid health plans that pay the gross premiums tax.

H.B. 114 was originally filed in the House on February 19, 2019. The committee substitute that passed out of the House also included a provision to amend the definition of insurance company as it is used in the statute to include prepaid health plans that pay the gross premiums tax. H.B. 114 moved to the Senate, where it was referred to the Senate Finance and Rules Committees.

The General Assembly chose to include the provision of H.B. 114 imposing the tax on capitated payments in H.B. 966—2019 Appropriations Act that has not yet become law.

The N.C. Medical Society monitored and sought amendments to H.B. 114.

Senate Bill 387 – Medicaid Work and Community Engagement Opp.

Status: Referred to the Committee on Rules and Operations of the Senate.

Sponsors: Sen. Dan Bishop (R-Mecklenburg), Sen. Ralph Hise (R-Madison), and Sen. Joyce Krawiec (R-Forsyth)

Summary: S.B. 387 would require that all beneficiaries of the North Carolina Medicaid Program be subject to work and community engagement as a contingency to their participation therein, with the exception of 21 classes of individuals, including individuals under 19 years of age and over 64 years of age and individuals with specified types of disorders.

S.B. 387 further directs the Department of Health and Human Services to establish work and community engagement as a contingency to participation in the North Carolina Medicaid Program in a manner that adheres to federal guidance and requires the Department, in doing so, to submit to the Centers for Medicare and Medicaid Services any waivers necessary to establish such a contingency, on or before October 1, 2019. The legislation requires that the contingency be established upon the later of approval of the waiver by the Centers for Medicare and Medicaid Services or July 1, 2020.

The N.C. Medical Society opposes S.B. 387.

S.B. 387 was filed in the Senate on March 27, 2019, and was referred to the Senate Rules Committee, where it currently resides.

XI. Seek Funding for Social Determinants of Health Arrangements

House Bill 613 – Essential Services For Homeless Youth

Status: H.B. 613 passed the House on May 7, 2019 and has been referred to the Committee on Rules and Operations of the Senate.

Sponsors: Rep. Josh Dobson (R-Avery) and Rep. Susan Fisher (D-Buncombe)

Summary: H.B. 613 proposes to (1) enable unaccompanied homeless minors to consent to such medical procedures as dental services, mental health and substance abuse services,

optometry services, and physical examinations necessary for participation in school activities; and (2) enable the Social Services Commission to adopt rules facilitating access to childcare for such unaccompanied homeless minors.

The first provision of H.B. 613, if enacted, would have become effective on October 1, 2019. The second provision will become effective upon enactment.

The N.C. Medical Society supports H.B. 613.

H.B. 613 was filed in the House on April 4, 2019, and it passed the House. The bill was sent to the Senate and was referred to the Senate Rules Committee, where it is still assigned.

Senate Bill 601 – School-Based Mental Health

Status: Referred to the Committee on Rules and Operations of the Senate.

Sponsors: Sen. Deanna Ballard (R-Ashe), Sen. Don Davis (D-Pitt),
and Sen. Joyce Krawiec (R-Forsyth)

Summary: S.B. 601 proposes to (1) require the State Board of Education to develop and implement a school-based mental health policy that includes minimum requirements for a school-based mental health plan for public school units as well as a model mental health training program and model suicide risk protocol for public school units by December 1, 2019; (2) require public school units to develop and implement their own school-based mental health plan by July 1, 2020; and (3) require public school units to provide the mental health training program and suicide risk protocol to school personnel working with students by the end of the 2020-2021 academic year.

The N.C. Medical Society supports S.B. 601.

S.B. 601 was filed in the Senate on April 3, 2019, and was referred to the Senate Rules Committee, where it is currently assigned.

Senate Bill 487 – Student Meal Debt Policy

Status: Referred to the Committee on Rules and Operations of the Senate; funding was included in H.B. 966.

Sponsors: Sen. Brent Jackson (R-Sampson)

Summary: S.B. 487 would require the State Board of Education to develop and implement a policy to ensure the uniform administration of unpaid meal charges in local school administrative units and require that students not be prevented from receiving nutritious meals because of any unpaid meal charges. In H.B. 966—2019 Appropriations Act, the General Assembly included provisions of a report on unpaid meal charges from the Joint Legislative Education Oversight Committee next year. It also requires the Department of Public Instruction (DPI) to cover the cost of unpaid meals from another source. H.B. 966 is not law.

A committee substitute added a \$3,000,000 appropriation in recurring funds to DPI for providing free lunches to students who qualify in all grade levels. The committee substitute also requires DPI to use funds appropriated for the National School Breakfast Program for these purposes if the state appropriation is insufficient.

The N.C. Medical Society supports S.B. 487.

S.B. 487 was filed in the Senate on April 2, 2019, and passed favorably out of Senate Education Appropriations Subcommittee and currently remains in the Senate Rules Appropriations Committee.

XII. Update Professional Licensing Statutes for Physicians and Physicians' Assistants

House Bill 228 / S.B. 178 – Modernize Laws Pertaining to NC Medical Board

Status: Enacted on August 1, 2019.

Sponsors: Rep. Greg Murphy (R-Pitt) and Sen. Dan Bishop (R-Mecklenburg)

Summary: H.B. 228 and S.B. 178, filed in the House and Senate to modernize laws pertaining to the North Carolina Medical Board. Some of the more important provisions include; (1) imposing upon every licensee a duty to report any incidents involving a licensee in drug diversion, fraudulent prescribing, misuse or theft of controlled substances, or sexual misconduct with a patient; and (2) requiring that applicants complete at least 130 weeks of medical education or provide proof of a current certification by a specialty board and reducing minimum requirements for international medical educations from three years to two years.

H.B. 228 became law (S.L. 2019-191) this session. H.B. 228 became effective on October 1, 2019.

The bill as signed into law included additional provisions: (1) increasing civil penalties for practicing outside the scope of various limited purposes licenses; (2) clarifies the Board's disciplinary authority; (3) creates a new criminal offense for sexual contact or penetration under the pretext of medical treatment; (4) allows death certificates to be completed by any physician, physician assistant, or nurse practitioner who took reasonable efforts to determine the patient's cause of death; and (5) prohibits the Board from setting fees through the rule-making process.

The N.C. Medical Society supported H.B. 228.

Senate Bill 305 / H.B. 910 – OLB Reform

Status: S.B. 305 has been referred to the Senate Commerce and Insurance Committee; H.B. has been referred to the House Committee on Regulatory Reform.

Sponsors: Sen. Andy Wells (R-Alexander), Sen. Warren Daniel (R-Avery), Rep. Ashton Clemmons (D-Guilford), Rep. Jon Hardister (R-Guilford), and Rep. Brian Turner (D-Buncombe)

Summary: S.B. 305 and H.B. 910, filed in the Senate and House, propose to clarify and simplify the licensure process for Occupational Licensing Boards, tasked with regulating the entry of persons into, or the conduct of persons within, particular professions in North Carolina.

Specifically, S.B. 305 and H.B. 910 require all Occupational Licensing Boards to submit to the Joint Legislative Administrative Procedure Oversight Committee information: (1) the number of applicants and, of that number, the number of applicants granted a license, as well as (2) the number of applicants with a conviction record and, of that number, the number granted a license, denied a license for any reason, and denied a license because of a conviction.

Except as otherwise provided for particular provisions thereof, S.B. 305 and H.B. 910, if enacted, was to become effective on October 1, 2019.

The N.C. Medical Society is monitoring and seeking amendments to S.B. 305 and H.B. 910.

S.B. 305 was filed in the Senate on March 19, 2019, and was referred to the Senate Rules Committee. S.B. 305 is currently assigned to the Senate Commerce and Insurance Committee. H.B. 910 was filed on April 16, 2019, and was referred to the House Regulatory Reform Committee, where it is currently remains.

House Bill 474 / S.L. 2019-83 / S.B. 375 – Death by Distribution

Status: Enacted on July 8, 2019.

Sponsors: Rep. Dean Arp (R-Union), Rep. Destin Hall (R-Caldwell), Rep. John Faircloth (R-Guilford), Rep. Carson Smith (R-Pender), Sen. Dan Bishop (R-Mecklenburg), and Sen. Harry Brown (R-Onslow)

Summary: H.B. 474 and S.B. 375 were filed respectively in the House and Senate.

Previously under North Carolina law, the criminal offense of second-degree murder includes the unlawful killing of another human being with malice proximately caused by the unlawful distribution of any cocaine, synthetic or natural salt, opiate, opioid, opium, or other substance described in N.C. Gen. Stat. § 90-90(1)(d); or any depressant or methamphetamine described in N.C. Gen. Stat. § 90-92(a)(1).

H.B. 474 establishes a new criminal offense for death by distribution, and aggravated death by distribution, of certain controlled substances described in N.C. Gen. Stat. § 14-17(b)(2) without malice.

H.B. 474 (S.L. 2019-83) was enacted and becomes effective on December 1, 2019, and applies to any and all offenses committed on or after that date.

The N.C. Medical Society monitored and successfully sought amendments to improve H.B. 474 and S.B. 375.

H.B. 474 was filed in the House on March 26, 2019; passed the House on May 6, 2019; passed the Senate on June 26, 2019; and was signed by the Governor into law on July 8, 2019.

NOTES



Your North Carolina Medical Society (NCMS) is the largest – and oldest – professional organization representing the interests of physicians and physicians in North Carolina. Your dues dollars support our many advocacy efforts throughout the year.

We offer opportunities for you to:

- learn about health care policymaking;
- be an effective advocate for your profession and your patients;
- influence policy decisions within the medical society;
- contribute to our political action committee (PAC);
- have an insider's perspective on health care legislation that may not make the headlines.

The most popular ways our members engage with us include:

- White Coat Wednesdays, which include a briefing at the NCMS headquarters just down the block from the General Assembly, and then personal visits with legislators to share your professional perspective on pending legislation.
- Advocacy training included in our Kanof Institute for Physician Leadership programs.
- Being part of our grassroots network to rally support for important legislation.
- Receiving the NCMS Political Pulse, a weekly video update from our lobbying team offering their behind-the-scenes perspective.
- Access to our expert policy staff and their decades of experience dealing with complex health care issues.
- Opportunities to take on a leadership role by joining an NCMS committee or task force to delve into the timely issues of the day and influence our policy positions.

The NCMS offers you a range of ways to support issues of importance to you and your patients and to effect positive change in North Carolina.

Together We Can!



2019 NCMS Legislative Priorities

(Updated 05/17/19)

Legend

- ✓ Support = Working toward passage of this legislation
- ➔ Amend = Monitoring and seeking changes to the proposed legislation
- ✗ Oppose = Opposing passage of the bill

- I. **Prioritize Health over Healthcare in all Reform Efforts 6**
 - ➔ [H.B. 70 / S.L. 2019-23 – Delay N.C. HealthConnex for Certain Providers](#)
 - ✗ [S.B. 544 – Establish Non-Opioid Treatment Alternatives](#)
 - ✓ [H.B. 524 – Additional Funds for School Nurses](#)
- II. **Support Greater Transparency in our Health System 8**
 - ✓ [H.B. 184 – Study State Health Plan Design](#)
 - ✗ [S.B. 386 – Greater Transparency in Health Care Billing](#)
 - ✓ [H.B. 534 – N.C. Pharmacy Benefits Manager Licensure Act](#)
- III. **Ensure that Patients Have Information to Understand Provider Credentials 11**
 - ✓ [H.B. 849 – Health Care Practitioner Transparency Act](#)
- IV. **Guard Against Genuine Patient Safety Threats 11**
 - ✗ [H.B. 185 / S.B. 143 – The SAVE Act](#)
 - ➔ [S.B. 573 / H.B. 993 – Enact Naturopathic Doctors Licensure Act](#)
 - ✓ [H.B. 575 / S.B. 633 – Establish Birth Center Licensure Act](#)
 - ✗ [H.B. 267 – Require Safety Helmets/Under 21](#)
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