H.B. 998
May 23, 2018
HOUSE PRINCIPAL CLERK

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL DRH20068-BCz-6B*

Short Title: GME/Rural Hospital Study. (Public)

Sponsors: Representatives Lewis, Murphy, White, and Hunter (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT DIRECTING THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO STUDY AND REPORT RECOMMENDATIONS TO CREATE INCENTIVES FOR MEDICAL EDUCATION IN RURAL AREAS OF THE STATE AND TO ASSIST RURAL HOSPITALS IN BECOMING DESIGNATED AS TEACHING HOSPITALS BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES, AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The Department of Health and Human Services shall conduct a study to identify options for modification, enhancements, and other changes to graduate medical education payments to hospitals, as well as any other reimbursements, to incentivize health care providers in rural areas of the State to (i) participate in medical education programs exposing residents to rural areas, programs, and populations and (ii) support medical education and medical residency programs in a manner that addresses the health needs in the State. In conducting the study, the Department may collaborate with the North Carolina Area Health Education Centers Program. The study shall examine at least all of the following:

(1) Changes in Medicaid graduate medical education reimbursement and funding sources after the 1115 Medicaid waiver submitted by the Department to the Centers for Medicare and Medicaid Services is approved, including how the changes vary from the current model, the rationale for the changes, and the specific incentives the new structure creates for urban and rural hospitals.

(2) Options to coordinate North Carolina Area Health Education Centers funding to create incentives for attracting residents and students to rural areas of the State, with the goal of ensuring the maximum benefit of the funding.

(3) Any other issues the Department deems appropriate.

SECTION 1.(b) The Department shall report its findings to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by October 1, 2018. The report must include specific, actionable steps that can be implemented, along with estimated costs and a timetable for implementation.

SECTION 2.(a) The Department of Health and Human Services shall conduct a study to (i) identify rural hospitals that desire to be designated as new teaching hospitals by the Centers for Medicare and Medicaid Services; (ii) determine the technical assistance those hospitals require in order to be designated as new teaching hospitals by the Centers for Medicare and Medicaid Services; and (iii) calculate the expected cost for those hospitals to be designated as new teaching hospitals by the Centers for Medicare and Medicaid Services. In conducting this

study, the Department shall engage external professionals with experience and expertise in the establishment of new teaching programs, expanding existing programs, and maximizing the effectiveness of funding for medical education, particularly in rural areas. The study shall examine at least all of the following:

(1) Expansion of graduate medical education payments to outpatient costs and services.

(2) Modifications to cost-finding and reimbursement formulas that incentivize rural hospitals to participate in education programs.

(3) Options in physician reimbursement to incentivize participation, including a graduate medical education or geographic add-on for rural areas of the State.

(4) Any other issues the Department deems appropriate.

SECTION 2.(b) The Department shall provide an interim report of its findings to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by October 1, 2018. The Department shall submit a final report to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by October 1, 2019.

SECTION 3. This act is effective when it becomes law.