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HOUSE BILL 998
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PROPOSED SENATE COMMITTEE SUBSTITUTE H998-PCS30522-BP-11

Short Title: Improving NC Rural Health. (Public)

Sponsors:

Referred to:

May 24, 2018

A BILL TO BE ENTITLED

AN ACT TO DIRECT 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; TO DIRECT THE OFFICE OF RURAL HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES, TO ENSURE ITS LOAN REPAYMENT PROGRAM IS TARGETED TO BENEFIT HEALTH CARE PROVIDERS IN RURAL NORTH CAROLINA, INCLUDING IDENTIFYING AND MAKING RECOMMENDATIONS TO ADDRESS THE NEED FOR DENTISTS IN RURAL AREAS; AND TO IMPROVE ACCESS TO DENTAL CARE IN RURAL NORTH CAROLINA; AND TO DIRECT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO STUDY MEDICAID HEALTH OUTCOMES PROGRAMS.

The General Assembly of North Carolina enacts:

PART I. GME AND NEW TEACHING HOSPITALS

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.

PART II. TARGET LOAN REPAYMENT PROGRAMS

SECTION 3.(a) The Office of Rural Health, Department of Health and Human Services, is directed to structure the North Carolina State Loan Repayment Program so that it is aligned with all of the following goals:

(1) The Program is targeted to increase the number of health care providers in rural areas of the State.
(2) The Program is coordinated with the National Health Service Corps and Federal Loan Repayment programs, as well as any other publicly or privately funded programs, to maximize funding in order to increase the number of health care providers in rural areas of the State.
(3) The Program encourages both recruitment and retention of health care providers in rural areas of the State.

SECTION 3.(b) The Office of Rural Health, Department of Health and Human Services, is directed to work with data from the Cecil G. Sheps Center for Health Services Research, and other sources, to identify the need for dentists in rural areas in North Carolina and to develop a recommendation to target loan repayment funds for dentists in rural areas that have been identified as having the greatest need for dentists.

SECTION 3.(c) On or before October 1, 2018, the Office of Rural Health, Department of Health and Human Services, shall provide an interim report to the Joint Legislative Oversight Committee on Health and Human Services on the actions required by this section. On or before October 1, 2019, the Office of Rural Health, Department of Health and

Human Services, shall provide a final report to the Joint Legislative Oversight Committee on Health and Human Services on the actions required by this section.

PART III. IMPROVE ACCESS TO DENTAL CARE

SECTION 6.(a) In addition to the efforts in Section 3(b) of this act, residents of rural areas will benefit from increased access to dental care provided by expediting the license by credentials process for dentists in states that border North Carolina.

SECTION 6.(b) G.S. 90-36 reads as rewritten:

"**§ 90-36. Licensing practitioners of other states.**

(a) The North Carolina State Board of Dental Examiners may issue a license by credentials to an applicant who has been licensed to practice dentistry in any state or territory of the United States if the applicant produces satisfactory evidence to the Board that the applicant has the required education, training, and qualifications, is in good standing with the licensing jurisdiction, has passed satisfactory examinations of proficiency in the knowledge and practice of dentistry as determined by the Board, and meets all other requirements of this section and rules adopted by the Board. The Board may conduct examinations and interviews to test the qualifications of the applicant and may require additional information that would affect the applicant's ability to render competent dental care. The Board may, in its discretion, refuse to issue a license by credentials to an applicant who the Board determines is unfit to practice dentistry.

(a1) The North Carolina State Board of Dental Examiners shall issue a license by credentials to any dentist who applies for a license by credentials and who holds a current license and is in good standing with the licensing jurisdiction in one of the four states that border North Carolina provided that the dental board of the border state will also issue a license by credentials to a dentist having a license to practice in North Carolina. The requirements of subsections (b), (c) and (d) of this section shall apply to any dentist who applies for a license by credentials from a border state in accordance with this subsection.

(b) The applicant for licensure by credentials shall be of good moral character and shall have graduated from and have a DDS or DMD degree from a program of dentistry in a school or college accredited by the Commission on Dental Accreditation of the American Dental Association and approved by the Board.

(c) The applicant must meet all of the following conditions:

(1) Has been actively practicing dentistry, as defined in G.S. 90-29(b)(1) through (b)(9), for a minimum of five years immediately preceding the date of application.

(2) Has not been the subject of final or pending disciplinary action in the Armed Forces of the United States, in any state or territory in which the applicant is or has ever been licensed to practice dentistry, or in any state or territory in which the applicant has held any other professional license.

(3) Presents evidence that the applicant has no felony convictions and that the applicant has no other criminal convictions that would affect the applicant's ability to render competent dental care.

(4) Has not failed an examination conducted by the North Carolina State Board of Dental Examiners.

(d) The applicant for licensure by credentials shall submit an application to the North Carolina State Board of Dental Examiners, the form of which shall be determined by the Board, pay the fee required by G.S. 90-39, successfully complete examinations in Jurisprudence and Sterilization and Infection Control, and meet the criteria or requirements established by the Board.

~~(e) The holder of a license issued under this section shall establish a practice location and actively practice dentistry, as defined in G.S. 90-29(b)(1) through (b)(9), in North Carolina within~~

~~one year from the date the license is issued. The license issued under this section shall be void upon a finding by the Board that the licensee fails to limit the licensee's practice to North Carolina or that the licensee no longer actively practices dentistry in North Carolina. However, when a dentist licensed under this section faces possible Board action to void the dentist's license for failure to limit the dentist's practice to North Carolina, if the dentist demonstrates to the Board that out-of-state practice actions were in connection with formal contract or employment arrangements for the dentist to provide needed clinical dental care to patients who are part of an identified ethnic or racial minority group living in a region of the other state with low access to dental care, the Board, in its discretion, may waive the in-State limitations on the out-of-state practice for a maximum of 12 months.~~"

PART V. MEDICAID HEALTH OUTCOMES PROGRAMS STUDY

SECTION 7.(a) The Department of Health and Human Services (Department) shall conduct a study to propose two coordinated quality outcomes programs that are consistent with subdivision (7) of Section 4 of S.L. 2015-245 requiring that the State's transformed Medicaid delivery system be built on defined measures and goals for risk-adjusted health outcomes and quality of care subject to specific accountability measures. One program shall be designed to apply to all acute care hospitals participating in the State Medicaid program. Another program shall be designed to apply to all Medicaid Prepaid Health Plans in the State. Components to be included in the proposed programs are as follows:

(1) The programs shall be designed to reduce unnecessary and inappropriate service utilization by providing hospitals and Prepaid Health Plans with information and incentives to reduce potentially avoidable hospital admissions, hospital readmissions, and emergency department visits.

(2) The programs shall be designed to generate sustainable savings within the Medicaid program that are quantifiable within a three-year period following implementation.

(3) The programs shall be initiated with comprehensive analysis of State Medicaid databases to identify potentially avoidable events causing waste in the Medicaid system. The Department shall establish the methodology for identifying potentially avoidable events, that is, to the extent possible, consistent with methodologies utilized by other state Medicaid programs or commercial payers. For hospitals and Prepaid Health Plans, potentially avoidable events shall include potentially avoidable hospital readmissions and complications. For Prepaid Health Plans, potentially avoidable events shall also include potentially avoidable hospital admissions and emergency department visits.

(4) The programs shall include the establishment of benchmarks for measurement of outcomes and cost savings related to potentially avoidable events for each program, based on the incidence and cost of potentially avoidable events identified through the comprehensive analysis.

(5) The programs shall include the establishment of a potentially avoidable events reporting system for hospitals and Prepaid Health Plans and monitoring of this system.

(6) The programs shall include financial incentives related to the reduction of potentially avoidable events by hospitals and Prepaid Health Plan utilizing value-based payments consistent with sub-subdivision a. of subdivision (5) of Section 5 of S.L. 2015-245.

SECTION 7.(b) No later than October 1, 2018, the Department shall submit a report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice containing the

proposed programs required by this section. This report shall also contain the following information:

(1) Specific, measurable details of each component of the programs, including the time frame for implementation of each component and a description of the measurable improvement in health outcomes that the programs are designed to achieve.

(2) An estimate of the cost to implement the programs and a description of all other resources that would be needed to implement the programs.

(3) A projected estimate of the savings that would be generated as a result of the achievement of the proposed outcomes and quality measures included in the two programs. This estimate shall (i) identify the portion of savings that is projected to be achieved by the State and (ii) identify how the estimated savings will be achieved in addition to anticipated savings associated with the management functions to be performed by Prepaid Health Plans under the transformed Medicaid system.

(4) Any anticipated barriers to implementation of the programs.

(5) A detailed description of any other initiatives or programs the Department is planning that will accomplish similar objectives.

PART VI. EFFECTIVE DATE

SECTION 8. Section 6(b) of this act becomes law effective October 1, 2018. The remainder of this act is effective when it becomes law.