COMMITTEE ON HEALTH CARE PROVIDER PRACTICE SUSTAINABILITY AND TRAINING/ADDITIONAL TRANSPARENCY IN HEALTH CARE (LRC) (2013)
December 16, 2013
Room 643

The Committee on Health Care Provider Practice Sustainability and Training/Additional Transparency in Health Care (LRC) (2013) met on Tuesday, December 16, 2013 at 1:00 pm. The meeting was held in Room 643. Senate members present were David Curtis; Ralph Hise, co-chair; Gene McLaurin; and Tommy Tucker. House of Representative members present were Jim Fulghum, M.D.; Mark Hollo, co-chair; Verla Insko; Bert Jones; and Susan Martin.

Legislative Services staff attending the meeting included Jennifer Hillman, Amy Jo Johnson, and Barbara Riley from Research Division; Joyce Jones from Bill Drafting Division; and Steve Owen and David Rice from Fiscal Research Division; and Committee Assistants, Susan Fanning and Carol Wakely.

Senate Sergeants-at-Arms present were Billy Fritscher, Anderson Meadows, and Steve Wilson. House of Representatives Sergeants-at-Arms present were Bill Bass and Reggie Sills. A **Visitor Registration Sheet** filed with these minutes is **Attachment 1**.

Senator Hise presided.

Senator Hise opened the meeting by welcoming everyone and reading the first paragraph of the Committee Authorization. He directed Committee members to review the Committee Authorization included with their meeting materials. See **Attachment 2 – Committee Authorization**. He noted that the Co-Chairs were planning three meetings of the Committee before having final recommendations in place, in preparation for the short session.

Senator Hise recognized Erin Fraher, PhD, MPP, Director, Program on Health Workforce Research and Policy, Cecil G. Sheps Center for Health Services Research, Assistant Professor, Depts. of Family Medicine and Surgery, University of North Carolina at Chapel Hill, to speak on the Status of Health Care Provider Supply in North Carolina. See **Attachment 3 – Health Workforce Supply in North Carolina: Future Trends, Opportunities and Challenge**.

Dr. Fraher began by speaking about current challenges and status, noting that she would talk about the health workforce of the future and how we would get there. She explained that she directs a research program at the Sheps Center, in charge of workforce policy. She explained that she would speak on the right mix of healthcare professionals, in the right geographies, and in the right practice settings, rather than only the number of healthcare professionals that would be needed. She encouraged thinking about specialty, geography, and setting, as well as thinking beyond healthcare professions—doctors, nurses, dentists, optometrists, physician assistants—and

instead thinking about new roles. At the conclusion of her presentation she answered questions from Committee members.

Chairman Hise: Thank you. Questions? Sen. Tucker.

Sen. Tucker: I'm going to share a scenario with you that was true, and presented to me by dentists, initially, but this could cross all practices and all docs. We built an $80 million dental school in Greenville. We have one of the best in the world in Chapel Hill. This is policy; you didn't have anything to do with it. I wasn't here before that. The dentists have shared with me that, perhaps, instead of spending that $80 million plus, plus the millions it's going to take to keep that school up and staff it, that we could have taken those monies and required dentists for a period of three years to go to rural areas and utilize that money to pay down their debt coming out of med school or dentistry. I appreciate what you've said, but I'm seeing a lot of debt on students and nobody wanting to incentivize them to go to these rural counties that are not being served now. We just keep on building buildings; we keep on spending money. They would have gone for three years to those rural areas outside of Greenville or in northeastern North Carolina and been a dentist there. Tell me what you think about that equation; you didn't mention it.

Dr. Fraher: What I would say is we need to evaluate the outcomes. The General Assembly has actually charged us tracking medical students over time and figuring out the degree to which they stay in-state. But we're also going to be tracking, we hope, ECU dental students. We don't have any money; we're applying for funding to do that. We need to start evaluating the outcomes of all these monies that we're spending. What are you getting back? So for the loan repayment program, the FELS loan repayment program that gives scholarships to allied health students and others to pay off. What are we getting for that? We don't even know. We're not evaluating these outcomes. What are your burning questions? We can probably, in most cases, have the data to evaluate the outcomes. We don't have the money to evaluate the outcomes, but I wouldn't want to sit in your shoes, having to make the decisions without better data about the outcomes of investing in education versus loan repayment versus all these different things we're doing. We need the outcome data. We know that ECU's medical school is producing many more physicians for the state than other places. It's not a precise answer.

Sen. Tucker: Just a follow-up. I would submit to you that you have the data as your colleague has written. You've had the data for years. These counties have been underserved. You're all PhDs and somebody years ago, you said even in your slide, that they hadn't changed that much from years gone by, and why do we pay all you folks at UNC to gather data and help us make decisions and we still have the same outcome, and now we are evaluating again and we're still with the same outcome. Help me with that, and I'll be quiet, Mr. Chairman.

Dr. Fraher: We are trying to evaluate the data. We're charged at Sheps Center with collecting data. We actually don't get a very large amount of money for evaluating the data. We actually hope to serve you better, and to serve the committee and the state better by putting data out that actually show – our job is actually to do precisely what you are saying, which is to evaluate the data to give people a sense of what's going on, and things haven't budged, but I would submit that we haven't done enough evaluation, in fact.

Chairman Hise recognized Denise Thomas of Fiscal Research, who presented agenda item **III. Current State Spending on Physician Recruitment/Retention**, and answered questions from Committee members. See **Attachment 4 – Physician Retention and Recruitment Funding**.

Chairman Hise: Thank you Denise, one quick question. We indicate that for this year the appropriations had decreased coming in, but we also said that we've gone from 14 to 35 individuals enrolled in the program so far this year. Is it a fund balance that they carry forward year to year that they can spend to make that possible?

Denise Thomas: It's not a fund balance. Money is coming from the Medicaid transfer and also the federal receipts, but, basically, each year you provide an appropriation or a budget, and as they sign contracts they transfer that money into a reserve, but each year they just start anew to recruit more with the new money, and if there is any unspent money from the prior year it would be carried forward.

Chairman Hise: I'm just trying to get how they've doubled the number of individuals receiving the loan payment when their appropriations were reduced.

Denise Thomas: The appropriations have been reduced, but I think they've had pretty steady or an increased transfer from the Medicaid program, and then also for a couple of those years there was some increased federal funding, but it was not a permanent increase.

Rep. Insko: Mr. Chairman, could I just follow up on your Medicaid question? How is the Medicaid contribution figured? Is it a percent of something?

Denise Thomas: Representative Insko, I would have to defer to the Department for this, and I think Chris [Collins] when she comes up to present will talk more about that.

Chairman Hise: Senator Tucker.

Sen. Tucker: Thank you, Mr. Chairman and Denise, just a quick question—to be a recipient of these funds, how long do you have to serve in an underserved community?

Denise Thomas: Again, I would like to defer to the Department, and I think Chris will cover that in her presentation.

Chairman Hise recognized Chris Collins, MSW, acting director for the North Carolina Office of Rural Health and Community Care who presented agenda item **IV. Physician Recruitment and Retention Efforts Update**, and answered questions from Committee members. See **Attachment 5 – Office of Rural Health and Community Care**.

Chairman Hise: Thank you. One thing—I just want to comment real quickly on your sixth slide under residency. It indicates that recent legislation has eliminated the UPL for UNC and East Carolina. The State budget we passed only froze those funds at current operations. There has been no reduction to them off of campus.

Chris Collins: I secured that information from the Division of Medical Assistance, so I will certainly take that feedback back. Thank you.

Chairman Hise: They need to check again. Senator Tucker.

Sen. Tucker: Just a follow-up question, Ms. Collins, and maybe Dr. Fraher can answer this too. In your recruitment efforts, have you folks, since you've started using computers and tracking data—I hear all this new data you're getting again I'm amazed that in the 1990s we didn't collect this data and know these things. Do you happen to know what the strategic threshold for a doctor to consider a rural community would be throughout the posturing of his loan? Say he owes $300,000; do you find that more of them would move at $150,000 level vs. $100,000? Is there a sweet spot there that you are not able to get to because of funding? I know 100% would be wonderful, but have you thought of that data, or is that statistical information available?

Chris Collins: I would like to go back and ask my senior recruiter and follow back up with you if I may, because she certainly has the experience of knowing when people choose not to accept an opportunity, which isn't what we are necessarily tracking, but I will say that our loan repayment amounts are publically available. So if somebody might not even apply, they might look at that and then just move on and say no that's not an option. I will say we are obligating all of our loan repayment money now, so to expend even more may mean that we have less candidates that we are able so serve with pot that we have.

Chairman Hise: Representative Jones.

Rep. Jones: Thank you Mr. Chairman. Thank you for your presentation; I just wanted to ask, when you are recruiting health care providers from other states to come to our underserved area, obviously they have to be licensed to practice in North Carolina, and I understand each

profession has its own licensing process and so forth, but to what degree does that provide an obstacle for you? Are there particular areas or professions where that is a substantial obstacle or are you generally able to deal with that okay?

Chris Collins: I think on the primary care side I'm not aware of any obstacles. I would again want to go back and ask my senior recruiter and follow back up that I know the dental requirements are slightly different and the psychiatric requirements are slightly different, so if I may? Thank you.

Chairman Hise recognized Erin Fraher who presented agenda item **V. Status of Residency Training in North Carolina, Needs for the Future, Opportunities for Expansion**, and answered questions from Committee members. See **Attachment 6 – Residency Training in North Carolina: Needs for the Future, Opportunities for Expansion.**

Chairman Hise: Thank you. Questions?

Rep. Fulghum: Thank you very much. I had some confusion in my mind about the 408 graduates 2005 and that's a total of medical graduates for the whole State for all the medical schools correct?

Dr. Fraher: That was in 2005, yes, sir.

Rep. Fulghum: I know it has expanded somewhat since then. Of those 408 how many did their residencies in North Carolina?

Dr. Fraher: I don't have that number on the top of my head, but actually that would be a very good question. We can go back and look at that, and we could create two charts which would be those who did the medical residency in North Carolina and those who didn't. So we could do that.

Rep. Fulghum: Follow-up, Mr. Chairman? My interest in asking that question is did they not have slots in North Carolina for those graduates to fulfill in North Carolina, which more or less blows any kind of strategy for having them stay in North Carolina out of the water. I would like that data if I could get it.

Dr. Fraher: Sure we can do that, and I would say the overall number of slots is, even if you add Campbell, we're at just at about the number of medical students and then the number of residency entry positions. The issue is also distribution as you well know. If I want a general surgery residency and I can't get one, I do leave. So it's the distribution of the number and the specialty, and we can pull those data for you, sir.

Chairman Hise: Representative Jones.

Rep. Jones: Thank you Mr. Chairman, and thank you for your presentation. First thing I wanted to note is that I really appreciated Lesson #5.B. when you said more money is not the answer. We don't hear that around very often around here. That generally always seems to be the answer for folks, but let me just ask you this question or maybe pose it in this way. Data is a wonderful thing and you can learn a lot from data. Generally, it comes down to how you interpret the data and so forth, and one of the things you were talking about was how the physicians that complete the AHEC residency for instance tend to stay in North Carolina longer, or stay in North Carolina to practice, and maybe that's true. I guess you could extrapolate from that that we just need have more residencies and therefor more will stay in North Carolina. Could it also be true that education in North Carolina is traditionally very good in our secondary institutions? It's also relatively inexpensive compared to a lot of places in the country. I think there are place that they can probably come here and be educated better and less expensive than in their home state, but they never really intended to stay here to start with. They wanted to go back to where they were from, or they wanted to go to a different area of the country, but they wanted to come here for their education. So I guess as you try to analyze this data in the attempt to not try to oversimplify it and say, well, if you build it they will come, or if you establish the residency they will stay. Perhaps we need to look at other factors as well, and I'm sure you have, but I guess, maybe, that's more of a statement than a question, but just in the attempt not to oversimplify this, and, like you say, sometimes you're looking at relatively small numbers, but does that make sense? I mean, surely it's good to have residencies in North Carolina, but it's also probably fair to say that there are other reasons that people come to North Carolina for their education where they never really intended to stay, and I would suggest that one of those reasons is that we offer very good education at relatively low price.

Chairman Hise: Representative Insko.

Rep. Insko: I have, I think the same question, but I'll ask it in a different way. Of the people who complete both their medical graduate education and their residency here, more stay. Sixty-nine percent stay in North Carolina, and the other factor that I was thinking about that might influence people is where they are from originally? The people who stay here—are a greater percent of them people who just came up through the system either from birth or from high school here.

Dr. Fraher: That's a very important question, and one of the things we're trying to work on, Dr. Newton and I, is trying to actually figure out for the medical schools as they are admitting their students, where they are admitting them from, and we're both looking at issues of which county and whether it's a rural county, and then where those folks end up, and so we're just beginning to

build those data sets to be able to do those analyses to answer that precise question, because we do, as you are both noting, need to look across the trajectory from admission in medical school and who we're selecting at that front end and then look at them over time. So we are trying to build that capacity.

Chairman Hise recognized Elizabeth Baxley, MD, Senior Associate Dean for Academic Affairs, Brody School of Medicine at East Carolina University, who presented agenda item **VI. Physician Recruitment and Retention: Perspective From the Brody School** and answered questions from Committee members. See **Attachment 7**.

Chairman Hise: Senator McLaurin.

Sen. McLaurin: Thank you, Mr. Chairman. Just to make sure I understood correctly one of your earlier slides. Twenty-one percent of the graduates of the Brody School of Medicine are practicing in rural areas. Is that specific to North Carolina or are you just saying rural areas?

Dr. Baxley: That's North Carolina. The 82% was a national number from the Shep Center data, but the other was from North Carolina.

Chairman Hise recognized Warren Newton, MD, MPH, Vice Dean, UNC School of Medicine, Director, North Carolina Area Health Education Center at UNC who presented agenda item **VII. Physician Recruitment and Retention: Perspective from UNC School of Medical and the AHECs**, and answered questions from Committee members. See **Attachment 8 – Building a Foundation of Primary Care for North Carolina**.

Dr. Newton: So with that I would love to hear any questions or comments.

Chairman Hise: Sen. Tucker.

Sen. Tucker: Doctor, a question. On your second slide, were you talking going from 142 hospitals to 24. Are you talking about systems?

Dr. Newton: Yes

Sen. Tucker: You're not talking about hospitals? You're talking about the systems may go down to three or four. Is that what you mean?

Dr. Newton: I don't believe it's going to go that low, but it's currently at 24 and I think that it will be 10 to 12 systems within a year.

Sen. Tucker: Thank you, sir, for that clarification. Next thing, in your enrollment, I think the Brody School of Medicine all the applicants are native North Carolinians or live in North Carolina. You talked about diversity. Sometimes, we get heat from the UNC system because they don't admit my grandson who's got great grades, but will admit somebody from Thailand or somewhere. In your diversity what percentage of North Carolinians does the UNC system admit?

Dr. Newton: 85%

Sen. Tucker: 85%, North Carolina residents, so they're born here, they train here, they do residency here, and they are normally going to stay here. Is that the thought process much like Brody?

Dr. Newton: Yes, and also I think we want people with our state institution. We want to support education in the State.

Chairman Hise: Representative Jones.

Rep. Jones: Thank you, Mr. Chairman, and thank you, Dr. Newton, for your presentation, and I want to thank Senator Tucker for asking my first question. Maybe great minds do think alike, Senator. Just a follow-up on that regarding the UNC School of Medicine—you said 85% are from North Carolina. Approximately, what is the in-state cost versus the out-of-state cost in attending UNC School of Medicine?

Dr. Newton: I think it is a little bit higher than Brody. We are the second least expensive medical school in the country, and it's about $15,000. I don't know what the out-of-state tuition is right now, sir.

Rep. Jones: Just a follow-up? If we could get that information, I would be interested in knowing just what the difference is between the in-state and out-of-state.

Dr. Newton: Sure.

Chairman Hise noted a change in the agenda for the presenter of agenda item **VIII. Private Efforts to Address Medically Underserved Areas: Community Practitioner Program**. He recognized Melanie Phelps of the North Carolina Medical Society Foundation who presented for Franklin Walker, and then answered a question from a Committee member. See **Attachment 9**.

Chairman Hise: Representative Jones.

Rep. Jones: Thank you, Mr. Chairman, and thank you for your presentation. I want to say, first of all, congratulations to the Medical Society Foundation and thank you for what you do. I think too often we don't hear enough about what the private world is doing, in professional societies in particular. I do want to take you back to the fifth slide—Sites of the CPP Education Loan Repayment Awards. When you look at the Tier 3 yellow counties there, and you do see quite a few, you generally don't tend to think of Research Triangle or Mecklenburg County or some of those. Can you explain that a little bit? There does seem to be a fair amount in Tier 3 areas.

Melanie Phelps: So why do we have a number in Tier 3? We really look more at what the practice's patient mix is. So our primary focus—well, I think a Tier 1 would get preference. If the applicant is from a Tier 3 county we are going to be looking at that Medicare, Medicaid, and Uninsured. So these are practices regardless of where they are that are serving a very distressed population.

Chairman Hise recognized Dr. Robin Cummings, Deputy Secretary, DHHS, who presented agenda item **IX. Implementation Plan for Statewide Telepsychiatry Program**. See **Attachment 10**.

Chairman Hise recognized the last presenter, Dr. Peter Kragel, Director, The Brody School of Medicine Telemedicine Center, who presented agenda item **X. Telemedicine** and answered a question from Chairman Hise. See **Attachment 11 – The Telemedicine Center East Carolina University.**

Chairman Hise: Thank you. I think last year we saw with telepsychiatry opportunity for a state to make a rather modest investment and explode the utilization of that program pretty quickly. Are there other potentials for additional services you provide at the school of medicine in your telehealth areas?

Dr. Kragel: I don't want to speak for the other physicians who may feel like they don't have a lot of marginal capacity at this point in time, and I believe that even Dr. Saeed needed to increase his staff. I think the best approach is really to look for where the area of need is, and then try to see how we can expand or leverage the workforce. So if we felt, for example, that as we move to more chronic care that there's a real need to provide chronic cancer care, and that we have a lot of readmissions and a lot of resources being expended on chronic cancer care that might be addressed if we could have better access throughout the State. Then we might really want to look at, well, can we train family medicine physicians to provide that care. Can we leverage our oncology workforce and is there capacity, and there may not be capacity at this point in time, but one of the benefits of telemedicine, of course, is that you can do this nationally if there is capacity elsewhere, but it will take some time to build it up. Probably it wouldn't be as rapid at telepsych, because nationally there is a relative shortage of oncologists, and you still have to find

the oncology workforce that would be able to provide that for you. So that's a long-winded answer to a pretty simple question.

XI. Committee Discussion.

Chairman Hise recognized Rep. Insko for question.

Rep. Insko: I have a question. I think it was early in the meeting, the first presentation. Dr. Fraher, this is sort of an overall statement, too. We started out by talking about the change in the workforce across a broad range of providers, so we have patient navigators, nurse case managers, care coordinators, community health workers, and so then we've narrowed it down more to physicians, physician extenders. You've talked a lot about the need to expand those, is the need the same in all these other professions, too. I was interested in one of the presenter's comments about the fact that even office staff need specialized training, that there's a shortage of that staff, too. So could you just comment on that in general?

Dr. Fraher: Thank you for the question. We actually are really lucky to have just gotten a $2 million grant from the Health Resources and Services Administration at UNC to actually study this precise issue, because as you can probably appreciate the system is moving so quickly that we're trying to really gather information about the numbers of folks that we will need, but also the implications of these role changes for workforce development at the community college and university levels. So I hope to be able to come back to you with more information and to the Committee once we've actually been able to get the center and get this issue studied. It's a really important one that we need to be tracking because we do tend to talk a lot about physicians, nurses, and dentists, and this is the emerging health workforce of the future.

Rep. Insko: This doesn't just have to do with training individuals to be patient navigators or nurse case managers to do that job. It's like training people to work in a team, too.

Dr. Fraher: Yes, thank you. Once you introduce these new roles, you have to actually integrate them into the existing system, right? So having the physician or the nurse understand the role of a patient navigator; what are the competencies, what can I delegate to that person, and how does the team actually function, and so a good portion of that work has to be around helping the team understand the other team members' roles, what they are capable of, and how to best utilize them.

Rep. Insko: So where is this going to take place? Is it going to take a place in medical schools or is it going to take place out after people get into their practice? Where are they going to learn these skills, or will it be through their whole training?

Dr. Fraher: As I mentioned, most of the efforts at the moment are in the pipeline in trying to redo the curriculum around team-based and inter-professional education, but actually what we think there's a need for, and I tried to highlight it, is the need for ongoing and continuing education opportunities either through AHEC or the community college system to really train people in these new models of care and how these team-based practices will work. It's absolutely critical.

Chairman Hise: Chris Collins.

Ms. Collins: I would just add a little bit to that. In the new teaching centers that are happening in the community health centers, HERSA has a very strong focus for those FQHCs in community health centers, that they are increasingly being asked to be multi-disciplinary, so they have behavioral health providers. Some of them have dentists also integrated in those settings, and they funded for the ACA the exchange health navigators, but I think in these community settings they are getting some of that exposure in their residency as well.

Chairman Hise: Any other questions or comments? I think we've got a lot to start putting together in a short time period, before we come out with some recommendations, and I think most of our presenters will see staff back in touch with them. Sen. McLaurin.

Sen. McLaurin: Thank you Mr. Chairman. Just a real quick comment as we move forward I just think that it's important we keep our community colleges in this conversation and in this dialogue as well, and I know you've already thought of that. I just think their role is crucial as we provide what our citizens are going to need in the future. Thank you.

Chairman Hise: Thank you, I appreciate that. Seeing nothing else we will stand adjourned.

There being no further business, the meeting adjourned at 4:00 pm.

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Senator Ralph Hise, Co-Chair

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Susan Fanning, Committee Assistant