



North Carolina Update on Health Care Legislation in 2017

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The North Carolina General Assembly considered several health care issues during the 2017 legislative session. Four of the more important of those issues are discussed below.

NC Health and Human Services Budget Highlights

- \$7.5 million in community and rural health center grants.
- Serves 3,525 additional children in the North Carolina Pre-Kindergarten program through a combination of state and federal block grant dollars.
- \$3.5 million to increase Smart Start funds to expand access to early literacy program known as Dolly Parton's Imagination Library.
- \$8.7 million to help implement an improvement plan for state child welfare system after a recent critical federal review.
- \$500,000 increase for smoking cessation programs and another \$500,000 towards youth smoking prevention programs.
- \$3 million to cover state laboratory budget deficit.
- \$1.3 million in funds to Carolina Pregnancy Care Fellowship for related clinics to purchase medical equipment.
- \$53.2 million reduction in funding for services for mental health, substance abuse and developmental disabilities.
- \$2.5 million in legal fees for DHHS with anticipated or pending litigation over delays in construction of new Broughton mental hospital.
- \$3.8 million provided for Medicaid funding to continue services at expected demands and userates.
- \$30 million to reinstate graduate medical education program within Division of Medical Assistance.

[Click Here to Read Senate Bill 257, PART XI pgs. 144-242](#)

STOP Act

Legislation designed to combat opioid abuse was enacted toward the end of the 2017 session. As background, opioid abuse was one of the most prominently discussed health care policy issues during the session with legislators, the attorney general and the governor all advocating for a state response to the epidemic. House Bill 243 restricts access to opioids and helps those who face addiction by doing the

following:

- Extending the statewide standing order for opioid antagonists to allow practitioners to prescribe an opioid antagonist to any governmental or nongovernmental agency. This provides access to medicine that can treat a patient who is overdosing.
- Designating certain Schedule II and III drugs as "targeted controlled substances" and making changes to the laws governing the prescribing of those targeted controlled substances.
- Requiring prescribers to check the Controlled Substance Reporting System before prescribing opioids to a patient.

[Click Here to Read the STOP Act](#)

Optometry Scope of Practice

A highly contentious battle between ophthalmologists and optometrists over the scope of optometry practice came to a halt two months before adjournment. House Bill 36, as originally drafted, would authorize optometrists to conduct certain surgical procedures, including two treatments for glaucoma patients that involve lasers. After extensive pushback from ophthalmologists, the House approved a new version of the bill that replaces the substance of the bill with a study of the topic.

The amended legislation would require the North Carolina Institute of Medicine to study the pros and cons of expanding optometrists' scope of practice and then report its findings to the General Assembly in October of 2018. However, the bill stalled in the Senate Rules Committee and was not acted on by the Senate. The controversial nature of the bill mixed with legislators' desires to adjourn before late July resulted in the bill failing to progress in the Senate.

[Click Here to Read House Bill 36](#)

Medicaid Transformation

Legislation amending the 2015 Medicaid transformation bill stalled during the 2017 session. As background, the 2015 legislation established a framework for transitioning the state's Medicaid program from a fee for service model to a managed care model.

The 2017 effort primarily involved modifications to how the care for patients with behavioral health issues would be managed. North Carolina has utilized a managed care structure for this population for over five years through public nonprofit entities called local management entities/managed care organizations (LME/MCOs).

In general, House Bill 403 would provide for integrated care as follows:

- Medicaid patients with mild or moderate behavioral health issues would have their care managed by a commercial plan or provider-led organization (PLE). The commercial plan or PLE would manage the "whole person" but could subcontract with an LME/MCO for the management of behavioral health care. This arrangement is commonly referred to as a "standard plan."
- Medicaid patients with severe behavioral health issues would have their care managed, at least for the first five years of Medicaid transformation, by LME/MCOs. The LME/MCO would be responsible for the whole person but would be required to contract with a commercial plan or PLE for the management of physical health. This arrangement is called a "tailored plan."

In addition, the legislation would also provide greater detail regarding the operations and governance of LME/MCOs.

During a special session earlier in 2018 there was another attempt to reconcile the differences between the House and Senate on this legislation. While new drafts were prepared and stakeholders assembled to discuss the newer versions of the bill, ultimately the two chambers failed to agree to a compromise. The legislation is eligible for consideration during the short session that begins on May 16.

[Click Here to Read House Bill 403](#)

Should you have any questions about the foregoing legislation or future NC health care legislative initiatives, please contact Rick Zechini at rzechini@williamsmullen.com or (919) 981-4074.

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