



2015-2016 General Assembly

HOUSE BILL 1030: 2016 Appropriations Act, Sec. 12A.8: Graduate Medical Education Funding/Cape Fear Valley Medical Center

Committee:
Introduced by:
Analysis of: Sec. 12A.8 of S.L. 2016-94

Date: July 26, 2016
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OVERVIEW: *Sec. 12A.8 of S.L. 2016-94, as amended by Sec. 5.1 of S.L. 2016-123, directs up to \$7.7 million of the funds allocated to the Department of Health and Human Resources, Division of Central Management and Support for graduate medical education to support the establishment of residency programs at the Cape Fear Medical Center (Center) affiliated with Campbell University School of Medicine.*

The recurring amount of funds allocated to the Center must not exceed the lesser of the total amount of actual lost Medicare payments attributed to the Center's reclassification as a rural hospital, less \$3 million in private donations for the residency programs, or \$7.7 million.

No funds will be paid to the Center until the Office of State Budget and Management (OSMB) has certified that the Center has received at least \$3 million in private donations, the Center obtains permission from the federal Centers for Medicare and Medicaid Services (CMS) to be reclassified as a rural hospital, and the Center obtains approval from the Accreditation Council for Graduate Medical Education or the American Osteopathic Association for residency programs with at least 130 additional residency slots. All of these criteria must be met by June 30, 2017.

Once CMS approves the Center's reclassification as a rural hospital, the Center must provide documentation of its lost Medicare payments to OSMB, which will certify the Center's computations to determine whether any payment is due the Center. The Center must report by April 1 of each year on its progress in establishing residency programs to the House and Senate Appropriations Committees on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division.

This section became effective July 1, 2016.

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