



HOUSE BILL 998: Improving NC Rural Health.

2017-2018 General Assembly

Committee:		Date:	July 27, 2018
Introduced by:		Prepared by:	Theresa Matula
Analysis of:	S.L. 2018-88		Legislative Analyst

OVERVIEW: *S.L. 2018-88 directs the actions outlined below in order to improve access to health care in rural areas.*

- **Graduate Medical Education and New Teaching Hospitals** – *Directs the Department of Health and Human Services (DHHS) to study incentives for medical education in rural areas and to assist rural hospitals in becoming designated as teaching hospitals and report to Joint Legislative Oversight Committee on Health and Human Services (JLOC-HHS) and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice (JLOC-Medicaid & Health Choice) by October 1, 2018. Also directs DHHS to conduct a study to identify rural hospitals that desire to be designated as new teaching hospitals, determine the technical assistance required, and calculate the expected costs. DHHS must provide an interim report by October 1, 2018, and a final report by October 1, 2019, to the JLOC-HHS and the JLOC-Medicaid & Health Choice.*
- **Target Loan Repayment Program** – *Directs the Office of Rural Health, DHHS, to ensure the NC State Loan Repayment Program is targeted to increase the number of health care providers in rural areas of the State and encourage both recruitment and retention, and to identify the need for dentists in rural areas. DHHS must provide an interim report to JLOC-HHS by October 1, 2018, and a final report by October 1, 2019.*
- **Improve Access to Dental Care** – *Amends the law to improve access to dental care in rural areas by facilitating the license by credentials process for current license holders in one of the four states that border NC. This section becomes effective October 1, 2018.*
- **Medicaid Health Outcomes Programs** – *Directs DHHS to conduct a study to propose two new Medicaid coordinated quality outcomes programs designed to reduce unnecessary and inappropriate service utilization and generate sustainable savings to the Medicaid program. DHHS must report to JLOC-Medicaid & Health Choice by October 1, 2018.*

This act became effective June 25, 2018, except as otherwise noted.

BILL ANALYSIS:

PART I. GME and New Teaching Hospitals focuses on health care providers and hospitals in rural NC by requiring DHHS to conduct two studies.

Section 1(a) and (b) require DHHS to study options to incentivize health care providers in rural NC by identifying modifications, enhancements, and other changes to graduate medical education payments to hospitals. In conducting the study, the Department may collaborate with the North Carolina Area Health Education Centers (AHEC) Program. DHHS is required to report to the Joint Legislative Oversight Committee on Health and Human Services (JLOC-HHS) and the Joint Legislative Oversight Committee

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on Medicaid and NC Health Choice (JLOC-Medicaid & 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) and (b) require DHHS to 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 (CMS); (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 (CMS). DHHS must provide an interim report by October 1, 2018 and a final report by October 1, 2019, to the JLOC-HHS and the JLOC-Medicaid & Health Choice.

PART II. Target Loan Repayment Programs requires the Office of Rural Health, DHHS, to align the Program with specified goals and to identify the need for dentists in rural areas then develop a recommendation to target Program funds for dentists.

Section 3(a) directs the Office of Rural Health, DHHS, to structure the North Carolina State Loan Repayment Program to align the Program with the following goals:

- (1) Increase the number of health care providers in rural areas of the State.
- (2) Coordinate it 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) Encourage both recruitment and retention of health care providers in rural areas of the State.

Section 3(b) directs the Office of Rural Health 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 NC and to develop a recommendation to target loan repayment funds for dentists in rural areas that have been identified as having the greatest need.

Section 3(c) requires the Office of Rural Health to provide an interim report by October 1, 2018, and a final report by October 1, 2019, on the requirements in this section to the JLOC-HHS.

PART IV. Improve Access to Dental Care seeks to increase access to dental care for residents of rural areas in addition to the efforts in Section 3(b) of the bill.

Section 6(b) amends G.S. 90-36 to require the North Carolina State Board of Dental Examiners to 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 apply to any dentist who applies for a license by credentials from a border state. G.S. 90-36(e) is deleted to conform to the changes above.

PART V. Medicaid Health Outcomes Program Study is required by DHHS.

Section 7(a) directs DHHS to conduct a study to propose two new Medicaid coordinated quality outcomes programs designed to reduce unnecessary and inappropriate service utilization and generate sustainable savings to the Medicaid program. Each program must (i) identify potentially avoidable events, including hospital admissions, readmissions, complications, and emergency department visits, (ii) establish benchmarks for outcomes and savings related to potentially avoidable events, and (iii) establish a reporting system for potentially avoidable events, and (iv) include financial incentives related to the reduction of potentially avoidable events. One program applies to all acute care hospitals participating in the State Medicaid program, and the other program applies to Medicaid Prepaid Health Plans.

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Section 7(b) directs the DHHS to provide a report to JLOC-Medicaid & Health Choice by October 1, 2018, containing details of the proposed programs, the estimated cost of implementing the programs, estimated savings that would result from the programs, anticipated barriers to implementation of the programs, and a description of other similar programs DHHS is planning.

EFFECTIVE DATE: Section 6(b) becomes effective October 1, 2018. The remainder of the act became effective June 25, 2018.