



HOUSE BILL 998: Improving NC Rural Health.

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2017-2018 General Assembly

Committee:	House Health	Date:	June 4, 2018
Introduced by:	Reps. Lewis, Murphy, White, Hunter	Prepared by:	Theresa Matula
Analysis of:	PCS to First Edition H998-CSSH-35		Legislative Analyst

OVERVIEW: *The PCS for HB 998 directs the Department of Health and Human Services (DHHS) to study incentives for medical education in rural areas and assist rural hospitals in becoming designated as teaching hospitals; directs the Office of Rural Health, DHHS, to ensure the loan repayment program is targeted to benefit health care providers in rural areas, and to identify the need for dentists in rural areas; and directs DHHS to study changes to the Medicaid Program that will increase preventative health services, improve health outcomes, and lower the cost of care.*

The PCS for HB 998 combines HB 998, Section 2 of HB 999, and Section 2 from HB 1000, which as introduced were recommendations from the Legislative Research Commission, Committee on Access to Healthcare in Rural NC.

[As introduced, this bill was identical to S742, as introduced by Sens. Curtis, McInnis, Britt, which is currently in Senate Rules and Operations of the Senate.]

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 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.

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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 III. Study Medicaid requires the DHHS to study Medicaid to determine methods to increase preventative health services, improve health outcomes, and lower the overall cost of care.

Section 4 requires DHHS to study whether there are changes to the State Medicaid Program that will increase preventative health services, improve health outcomes, and lower the overall cost of care. The alternatives studied should include evaluation of the direct primary care model. The study must determine the following: (i) how options will relate to the outcome measures that will be included in Prepaid Health Plan contracts under the transformed Medicaid program, (ii) the contract options for improving primary care physician quality of life in a rural setting that include, but are not limited to, a direct primary care type payment model, and (iii) the total cost implications and legislation needed to implement recommendations. DHHS is required to report to the JLOC-Medicaid & Health Choice on or before October 1, 2019.

EFFECTIVE DATE: The bill would become effective when it becomes law.