1

SENATE BILL 698

Short Title: Modify COPA Agreement/Mission Health. (Public)

Sponsors: Senator Davis.

Referred to: Rules and Operations of the Senate.

April 20, 2011

A BILL TO BE ENTITLED AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE ATTORNEY GENERAL TO MODIFY THE SECOND AMENDED CERTIFICATE OF PUBLIC ADVANTAGE AGREEMENT BETWEEN THE STATE OF NORTH CAROLINA AND MISSION HEALTH SYSTEMS, AS RECOMMENDED IN THE REPORT ENTITLED "AN ECONOMIC ANALYSIS OF THE CERTIFICATE OF PUBLIC ADVANTAGE (COPA) AGREEMENT BETWEEN THE STATE OF NORTH CAROLINA AND MISSION HEALTH," WITH CERTAIN MODIFICATIONS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The Department of Health and Human Services and the Attorney General shall modify the second amended certificate of public advantage (COPA) issued to Mission Health Systems (MHS) under Article 9A of Chapter 131E of the General Statutes. The modified COPA shall incorporate all of the recommendations in the report entitled "An Economic Analysis of the Certificate of Public Advantage (COPA) Agreement Between the State of North Carolina and Mission Health," with the following modifications:

- MHS shall immediately halt all activities related to management agreements, (1) acquisitions, affiliations, and joint ventures, including physician practice acquisitions and joint ventures until December 31, 2011, or until the Department has time to study and implement a Price Cap, whichever is later.
- The Price Cap, once determined, applies to all MHS activities described in (2) subdivision (1) of this section.
- At the end of the period specified in subdivision (1) of this section, all of the (3) following apply:
 - MHS shall provide the Department and the Attorney General with a. advance notice, in writing, of any proposed new acquisition, affiliation, or joint venture. Upon receipt of this notice, the Department shall give public notice in the North Carolina Register of the proposed new acquisition, affiliation, or joint venture. After notice is given, the public shall have 30 days to file written comments on the proposed new acquisition, affiliation, or joint venture. Public comments submitted in response to the notice are public records as set forth in Chapter 132 of the General Statutes.
 - b. A physician employment cap of ten percent (10%) of the total number of licensed physicians in full-time practice within the county applies to (i) each county in Western North Carolina (Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain,



S

2 3 4

1

5 6 7

8 9

10 11

12 13 14

15 16 17

18 19 20

22 23 24

21

29 30 31

32 33

34 35

36

37

15

16

17

18 19

20

21

22

23

24

25

26

27

Transylvania, and Yancey) and (ii) each of the following specialties: family practice/internal medicine, general pediatrics, obstetrics/gynecology, oncology, radiation oncology, cardiology, otolaryngology, general surgery, and orthopedics. To the extent that MHS has exceeded the physician employment cap specified in this sub-subdivision in any of the applicable counties as of the effective date of this act, it shall not be required to take any action to bring itself in compliance with the cap. In determining the number of physicians in full-time practice: (i) the hours of licensed physicians in part-time practice shall be combined and (ii) the hours of retired physicians, physicians who spend more than fifty percent (50%) of their time on administrative duties instead of directly providing professional medical or surgical services, federal and military physicians, residents, and fellows shall be excluded.

SECTION 1.(b) The following definitions apply in this section:

- (1) "Licensed physician in full-time practice" means any physician who maintains a full, active, and unrestricted license to practice medicine from the North Carolina Medical Board and directly provides professional medical or surgical services, or both, in one or more of the counties specified in subsection (a)(3)b. of this section for at least 36 hours per week.
- "Licensed physician in part-time practice" means any physician who maintains a full, active, and unrestricted license to practice medicine from the North Carolina Medical Board and directly provides professional medical or surgical services, or both, in one or more of the counties specified in subsection (a)(3)b. of this section for more than eight hours per week but less than 36 hours per week.

SECTION 2. This act is effective when it becomes law.