

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 6
Second Edition Engrossed 2/17/93

Short Title: Rural/Primary Care Initiatives.

(Public)

Sponsors: Senators Daniel; Forrester, Perdue, Tally, Cochrane, Edwards, and Warren.

Referred to: Appropriations.

January 28, 1993

1 A BILL TO BE ENTITLED
2 AN ACT TO DEFINE PRIMARY CARE HOSPITAL AND RURAL HOSPITAL
3 NETWORK, AND APPROPRIATE FUNDS FOR ENCOURAGING HEALTH
4 CARE PROVIDERS TO PRACTICE PRIMARY CARE AND PROVIDE
5 SERVICES TO RURAL AREAS.

6 The General Assembly of North Carolina enacts:

7 Section 1. Chapter 131E of the General Statutes is amended by adding a new
8 section to read:

9 **"§ 131E-83. Rural hospital network.**

10 (a) As used in this section, unless otherwise specified:

11 (1) 'Primary care hospital' means a hospital which has been designated as
12 a primary care hospital by the Department of Human Resources. To
13 be designated as a primary care hospital, the hospital must be located
14 in a rural community, provide primary care inpatient services not
15 including inpatient surgery, and provide outpatient services which may
16 include outpatient surgery. A primary care hospital must have a
17 maximum annual average daily census of 15 patients and may have
18 distinct psychiatric and long-term care units.

19 (2) 'Rural hospital network' means an alliance of hospitals that includes at
20 least one primary care hospital and one other hospital that is not a
21 primary care hospital.

22 (b) Hospitals desiring to form a rural hospital network shall submit a
23 comprehensive, written memorandum of understanding to the Department of Human

1 Resources for the Department's approval. The memorandum of understanding must
2 include provisions for patient referral and transfer, a plan for network wide emergency
3 services, and a plan for sharing patient information and services between hospital
4 members including medical staff credentialing, risk management, quality assurance, and
5 peer review."

6 Sec. 2. (a) There is appropriated from the General Fund to the Department of
7 Human Resources, Office of Rural Health, the sum of four hundred fifty thousand
8 dollars (\$450,000) for the 1993-94 fiscal year and the sum of four hundred fifty
9 thousand dollars (\$450,000) for the 1994-95 fiscal year for the purpose of providing
10 financial incentives to encourage health care practitioners to practice in medically
11 underserved areas. Funds appropriated under this section shall be used as follows:

12 (1) To pay first, second, and third-year generalist residents in family
13 medicine, internal medicine, or general pediatric medicine in a North
14 Carolina residency program not more than ten thousand dollars
15 (\$10,000) per year per resident upon agreement by the resident to
16 practice in an area designated by the Office of Rural Health as
17 medically underserved; and

18 (2) To pay students enrolled in an accredited educational program in
19 North Carolina leading to approval to practice as nurse practitioners,
20 nurse midwives, or physician assistants not more than ten thousand
21 dollars (\$10,000) per year per student, not to exceed a total of twenty
22 thousand dollars (\$20,000) per student, upon agreement by the student
23 to practice in an area designated by the Office of Rural Health as
24 medically underserved.

25 (b) Repayment of the stipend is forgiven if the resident or student completes
26 for each year's stipend one full year of service in a medically underserved area of North
27 Carolina.

28 (c) The Office of Rural Health shall report expenditures for this program to
29 the 1993 General Assembly, Regular Session 1994, and to the 1995 General Assembly,
30 by the end of the first week after convening.

31 Sec. 3. Effective June 30, 1992, Section 51 of Chapter 1044 of the 1991
32 Session Laws, reads as rewritten:

33 "Sec. 51. The funds appropriated in this act to the Office of Rural Health for rural
34 health recruitment shall be used to pay first, second, and third-year residents in family
35 medicine, internal medicine, or general pediatric medicine the sum of ten thousand
36 dollars (\$10,000) upon the resident's agreeing to practice in an area designated by the
37 Office of Rural Health as medically underserved.

38 Repayment of the stipend is forgiven if the resident completes ~~the~~ for each year's
39 stipend one full year of service in a medically underserved area of North Carolina.

40 The Office of Rural Health shall report expenditures for this program to the 1993
41 General Assembly by the end of the first week after convening.

42 This item shall not become a part of the continuation budget request for the 1993-95
43 fiscal biennium."

1 Sec. 4. There is appropriated from the General Fund to the Department of
2 Human Resources, Office of Rural Health, the sum of five hundred thousand dollars
3 (\$500,000) for the 1993-94 fiscal year and the sum of five hundred thousand dollars
4 (\$500,000) for the 1994-95 fiscal year to be used to provide financial incentives to
5 primary care physicians and other primary care professionals practicing or being
6 recruited to practice in rural and underserved areas. Funds may be used to provide such
7 incentives as loan repayments, signing bonuses, moving expenses, practice supports, or
8 other expenses related to the practice, in order to recruit or retain a primary care
9 provider in a rural or underserved area.

10 Sec. 5. There is appropriated from the General Fund to the Department of
11 Human Resources, Office of Rural Health, the sum of eight hundred thousand dollars
12 (\$800,000) for the 1993-94 fiscal year and the sum of eight hundred thousand dollars
13 (\$800,000) for the 1994-95 fiscal year to be used to provide support for the 54 health
14 centers in rural and underserved areas, enabling them to increase the number of
15 uninsured persons served and to increase the number of providers of services.

16 Sec. 6. There is appropriated from the General Fund to the Department of
17 Human Resources, Office of Rural Health, the sum of two hundred fifty thousand
18 dollars (\$250,000) for the 1993-94 fiscal year and two hundred fifty thousand dollars
19 (\$250,000) for the 1994-95 fiscal year to be used to establish 10 scholarships for North
20 Carolina medical students who agree to serve in rural and underserved areas. The
21 scholarships are to be awarded according to procedures established by the Office of
22 Rural Health.

23 Sec. 7. There is appropriated from the General Fund to the Department of
24 Human Resources, Office of Rural Health, the sum of one hundred sixty thousand
25 dollars (\$160,000) for the 1993-94 fiscal year and the sum of one hundred sixty
26 thousand dollars (\$160,000) for the 1994-95 fiscal year to be used to establish and
27 administer a Community Primary Care Grant Program to encourage community
28 development of primary care clinics through collaborative arrangements with existing
29 providers. The main focus of any project provided planning grant funds shall be to meet
30 the primary care needs of the community, especially the provision of primary care
31 services at night and on weekends.

32 Sec. 8. There is appropriated from the General Fund to the Department of
33 Environment, Health, and Natural Resources, Division of Maternal and Child Health,
34 for the Rural Obstetrical Care Program, the sum of four hundred thousand dollars
35 (\$400,000) for the 1993-94 fiscal year and the sum of four hundred thousand dollars
36 (\$400,000) for the 1994-95 fiscal year to be used as follows:

- 37 (1) To expand Rural Obstetrical Care Incentive Program payments to
38 physicians and certified nurse midwives in more counties than are
39 currently served;
- 40 (2) To increase the amounts paid to providers; and
- 41 (3) To increase the total amount that counties may receive under the
42 Program.

43 General surgeons who provide cesarean section backup to family physicians in counties
44 where there are no obstetricians or where there are no obstetricians willing or able to

1 provide such backup are also eligible for the program. Physicians and certified nurse
2 midwives covered under the Rural Obstetrical Care Incentive Program are required to
3 participate in an obstetrical care coverage plan developed by their local health
4 department or community, migrant, or rural health center, and must agree to provide
5 services to pregnant women regardless of their ability to pay for the services.

6 Sec. 9. There is appropriated from the General Fund to The University of
7 North Carolina, Board of Governors, for the Area Health Education Center Program, the
8 sum of two million one hundred ninety-seven thousand dollars (\$2,197,000) for the
9 1993-94 fiscal year and the sum of two million one hundred ninety-seven thousand
10 dollars (\$2,197,000) for the 1994-95 fiscal year to be used, according to Area Health
11 Education Center Program plans, to expand programs for training primary care medical
12 students, residents, and other health professionals in community settings. These settings
13 include private practices, health departments, and community health services. Funds
14 may be used to develop new programs and to expand existing programs to assure well-
15 supervised outreach training sites.

16 Sec. 10. This act becomes effective July 1, 1993.