

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE BILL 998*
Committee Substitute Favorable 6/6/18
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Short Title: Improving NC Rural Health.

(Public)

Sponsors:

Referred to:

May 24, 2018

A BILL TO BE ENTITLED

1 AN ACT TO DIRECT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
2 STUDY AND REPORT RECOMMENDATIONS TO CREATE INCENTIVES FOR
3 MEDICAL EDUCATION IN RURAL AREAS OF THE STATE AND TO ASSIST RURAL
4 HOSPITALS IN BECOMING DESIGNATED AS TEACHING HOSPITALS BY THE
5 CENTERS FOR MEDICARE AND MEDICAID SERVICES; TO DIRECT THE OFFICE
6 OF RURAL HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES, TO
7 ENSURE ITS LOAN REPAYMENT PROGRAM IS TARGETED TO BENEFIT HEALTH
8 CARE PROVIDERS IN RURAL NORTH CAROLINA, INCLUDING IDENTIFYING
9 AND MAKING RECOMMENDATIONS TO ADDRESS THE NEED FOR DENTISTS IN
10 RURAL AREAS; AND TO DIRECT THE PROGRAM EVALUATION DIVISION TO
11 STUDY THE STATE HEALTH PLAN AND TO DIRECT THE DEPARTMENT OF
12 HEALTH AND HUMAN SERVICES TO STUDY THE IMPACT OF THE MEDICAID
13 PROGRAM ON THE HEALTH OF INDIVIDUALS RESIDING IN RURAL AREAS OF
14 THE STATE, AS WELL AS ON THE ECONOMIES OF THESE RURAL AREAS, AND
15 ANY CHANGES TO THE MEDICAID PROGRAM THAT WILL INCREASE
16 PREVENTATIVE HEALTH SERVICES, IMPROVE HEALTH OUTCOMES, AND
17 LOWER THE COST OF CARE; AND TO IMPROVE ACCESS TO DENTAL CARE IN
18 RURAL NORTH CAROLINA.

20 The General Assembly of North Carolina enacts:

22 **PART I. GME AND NEW TEACHING HOSPITALS**

23 **SECTION 1.(a)** The Department of Health and Human Services shall conduct a
24 study to identify options for modification, enhancements, and other changes to graduate medical
25 education payments to hospitals, as well as any other reimbursements, to incentivize health care
26 providers in rural areas of the State to (i) participate in medical education programs exposing
27 residents to rural areas, programs, and populations and (ii) support medical education and
28 medical residency programs in a manner that addresses the health needs in the State. In
29 conducting the study, the Department may collaborate with the North Carolina Area Health
30 Education Centers Program. The study shall examine at least all of the following:

- 31 (1) Changes in Medicaid graduate medical education reimbursement and funding
32 sources after the 1115 Medicaid waiver submitted by the Department to the
33 Centers for Medicare and Medicaid Services is approved, including how the
34 changes vary from the current model, the rationale for the changes, and the
35 specific incentives the new structure creates for urban and rural hospitals.



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1 (2) Options to coordinate North Carolina Area Health Education Centers funding
2 to create incentives for attracting residents and students to rural areas of the
3 State, with the goal of ensuring the maximum benefit of the funding.

4 (3) Any other issues the Department deems appropriate.

5 **SECTION 1.(b)** The Department shall report its findings to the Joint Legislative
6 Oversight Committee on Health and Human Services and the Joint Legislative Oversight
7 Committee on Medicaid and NC Health Choice by October 1, 2018. The report must include
8 specific, actionable steps that can be implemented, along with estimated costs and a timetable for
9 implementation.

10 **SECTION 2.(a)** The Department of Health and Human Services shall conduct a
11 study to (i) identify rural hospitals that desire to be designated as new teaching hospitals by the
12 Centers for Medicare and Medicaid Services; (ii) determine the technical assistance those
13 hospitals require in order to be designated as new teaching hospitals by the Centers for Medicare
14 and Medicaid Services; and (iii) calculate the expected cost for those hospitals to be designated
15 as new teaching hospitals by the Centers for Medicare and Medicaid Services. In conducting this
16 study, the Department shall engage external professionals with experience and expertise in the
17 establishment of new teaching programs, expanding existing programs, and maximizing the
18 effectiveness of funding for medical education, particularly in rural areas. The study shall
19 examine at least all of the following:

20 (1) Expansion of graduate medical education payments to outpatient costs and
21 services.

22 (2) Modifications to cost-finding and reimbursement formulas that incentivize
23 rural hospitals to participate in education programs.

24 (3) Options in physician reimbursement to incentivize participation, including a
25 graduate medical education or geographic add-on for rural areas of the State.

26 (4) Any other issues the Department deems appropriate.

27 **SECTION 2.(b)** The Department shall provide an interim report of its findings to
28 the Joint Legislative Oversight Committee on Health and Human Services and the Joint
29 Legislative Oversight Committee on Medicaid and NC Health Choice by October 1, 2018. The
30 Department shall submit a final report to the Joint Legislative Oversight Committee on Health
31 and Human Services and the Joint Legislative Oversight Committee on Medicaid and NC Health
32 Choice by October 1, 2019.

33 **PART II. TARGET LOAN REPAYMENT PROGRAMS**

34 **SECTION 3.(a)** The Office of Rural Health, Department of Health and Human
35 Services, is directed to structure the North Carolina State Loan Repayment Program so that it is
36 aligned with all of the following goals:

37 (1) The Program is targeted to increase the number of health care providers in
38 rural areas of the State.

39 (2) The Program is coordinated with the National Health Service Corps and
40 Federal Loan Repayment programs, as well as any other publicly or privately
41 funded programs, to maximize funding in order to increase the number of
42 health care providers in rural areas of the State.

43 (3) The Program encourages both recruitment and retention of health care
44 providers in rural areas of the State.

45 **SECTION 3.(b)** The Office of Rural Health, Department of Health and Human
46 Services, is directed to work with data from the Cecil G. Sheps Center for Health Services
47 Research, and other sources, to identify the need for dentists in rural areas in North Carolina and
48 to develop a recommendation to target loan repayment funds for dentists in rural areas that have
49 been identified as having the greatest need for dentists.
50

1 **SECTION 3.(c)** On or before October 1, 2018, the Office of Rural Health,
2 Department of Health and Human Services, shall provide an interim report to the Joint
3 Legislative Oversight Committee on Health and Human Services on the actions required by this
4 section. On or before October 1, 2019, the Office of Rural Health, Department of Health and
5 Human Services, shall provide a final report to the Joint Legislative Oversight Committee on
6 Health and Human Services on the actions required by this section.
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8 **PART III. STUDY STATE HEALTH PLAN AND MEDICAID**

9 **SECTION 4.** The Joint Legislative Program Evaluation Oversight Committee shall
10 include in the work plan of the Program Evaluation Division an evaluation of the State Health
11 Plan to determine whether there are changes that will increase preventative health services,
12 improve health outcomes, and lower the overall cost of care. The alternatives studied should
13 include evaluation of the direct primary care model. The study shall determine the following: (i)
14 the contract options for improving primary care provider quality of life in a rural setting that
15 include, but are not limited to, a direct primary care type payment model and (ii) the total cost
16 implications and legislation needed to implement recommendations. The Program Evaluation
17 Division shall report its findings and recommendations to the Joint Legislative Program
18 Evaluation Oversight Committee on or before March 1, 2019.

19 **SECTION 5.** The Department of Health and Human Services (Department) shall
20 study the impact of the Medicaid program on the health of individuals residing in rural areas of
21 the State, including access to care and the effect on population health outcomes. The Department
22 shall also study the impact of the Medicaid program on the economies of these rural areas.
23 Further, the Department shall study whether there are changes to the Medicaid program that will
24 increase preventative health services, improve health outcomes, and lower the overall cost of
25 care. The alternatives studied should include evaluation of the direct primary care model. The
26 study shall determine the following: (i) how options will relate to the outcome measures that will
27 be included in Prepaid Health Plan contracts under the transformed Medicaid program, (ii) the
28 contract options for improving primary care provider quality of life in a rural setting that include,
29 but are not limited to, a direct primary care type payment model, (iii) any recommendations to
30 improve rural access to health care through the Medicaid program, and (iv) the total cost
31 implications and legislation needed to implement recommendations. The Department shall report
32 its findings and recommendations to the Joint Legislative Oversight Committee on Medicaid and
33 NC Health Choice on or before October 1, 2019.
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35 **PART IV. IMPROVE ACCESS TO DENTAL CARE**

36 **SECTION 6.(a)** In addition to the efforts in Section 3(b) of this act, residents of rural
37 areas will benefit from increased access to dental care provided by expediting the license by
38 credentials process for dentists in states that border North Carolina.

39 **SECTION 6.(b)** G.S. 90-36 reads as rewritten:

40 **"§ 90-36. Licensing practitioners of other states.**

41 (a) The North Carolina State Board of Dental Examiners may issue a license by
42 credentials to an applicant who has been licensed to practice dentistry in any state or territory of
43 the United States if the applicant produces satisfactory evidence to the Board that the applicant
44 has the required education, training, and qualifications, is in good standing with the licensing
45 jurisdiction, has passed satisfactory examinations of proficiency in the knowledge and practice
46 of dentistry as determined by the Board, and meets all other requirements of this section and rules
47 adopted by the Board. The Board may conduct examinations and interviews to test the
48 qualifications of the applicant and may require additional information that would affect the
49 applicant's ability to render competent dental care. The Board may, in its discretion, refuse to
50 issue a license by credentials to an applicant who the Board determines is unfit to practice
51 dentistry.

1 (a1) The North Carolina State Board of Dental Examiners shall issue a license by
2 credentials to any dentist who applies for a license by credentials and who holds a current license
3 and is in good standing with the licensing jurisdiction in one of the four states that border North
4 Carolina provided that the dental board of the border state will also issue a license by credentials
5 to a dentist having a license to practice in North Carolina. The requirements of subsections (b),
6 (c), (d), and (e) of this section shall apply to any dentist who applies for a license by credentials
7 from a border state in accordance with this subsection.

8 (b) The applicant for licensure by credentials shall be of good moral character and shall
9 have graduated from and have a DDS or DMD degree from a program of dentistry in a school or
10 college accredited by the Commission on Dental Accreditation of the American Dental
11 Association and approved by the Board.

12 (c) The applicant must meet all of the following conditions:

- 13 (1) Has been actively practicing dentistry, as defined in G.S. 90-29(b)(1) through
14 (b)(9), for a minimum of five years immediately preceding the date of
15 application.
- 16 (2) Has not been the subject of final or pending disciplinary action in the Armed
17 Forces of the United States, in any state or territory in which the applicant is
18 or has ever been licensed to practice dentistry, or in any state or territory in
19 which the applicant has held any other professional license.
- 20 (3) Presents evidence that the applicant has no felony convictions and that the
21 applicant has no other criminal convictions that would affect the applicant's
22 ability to render competent dental care.
- 23 (4) Has not failed an examination conducted by the North Carolina State Board
24 of Dental Examiners.

25 (d) The applicant for licensure by credentials shall submit an application to the North
26 Carolina State Board of Dental Examiners, the form of which shall be determined by the Board,
27 pay the fee required by G.S. 90-39, successfully complete examinations in Jurisprudence and
28 Sterilization and Infection Control, and meet the criteria or requirements established by the
29 Board.

30 ~~(e) The holder of a license issued under this section shall establish a practice location and~~
31 ~~actively practice dentistry, as defined in G.S. 90-29(b)(1) through (b)(9), in North Carolina within~~
32 ~~one year from the date the license is issued.~~ The license issued under this section shall be void
33 upon a finding by the Board that the licensee fails to limit the licensee's practice to North Carolina
34 or that the licensee no longer actively practices dentistry in North Carolina. However, when a
35 dentist licensed under this section faces possible Board action to void the dentist's license for
36 failure to limit the dentist's practice to North Carolina, if the dentist demonstrates to the Board
37 that out-of-state practice actions were in connection with formal contract or employment
38 arrangements for the dentist to provide needed clinical dental care to patients who are part of an
39 identified ethnic or racial minority group living in a region of the other state with low access to
40 dental care, the Board, in its discretion, may waive the in-State limitations on the out-of-state
41 practice for a maximum of 12 months."

42 43 **PART V. EFFECTIVE DATE**

44 **SECTION 7.** Section 6(b) of this act becomes effective October 1, 2018. The
45 remainder of this act is effective when it becomes law.