H.B. 1002
May 23, 2018
HOUSE PRINCIPAL CLERK

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H **D**

HOUSE BILL DRH50109-SHz-3A*

Short Title:	Medical Education & Residency Study.	(Public)
Sponsors:	Representatives Lambeth, Horn, Dobson, and Johnson (Primary Sponsors).	
Referred to:		

A BILL TO BE ENTITLED

AN ACT TO STUDY MEDICAL EDUCATION PROGRAMS AND MEDICAL RESIDENCY PROGRAMS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON HEALTH AND HUMAN SERVICES AND THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE.

Whereas, Section 11J.2 of S.L. 2017-57 authorized the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee to each appoint a subcommittee to jointly examine the use of State funds to support medical education programs and medical residency programs; and

Whereas, the Joint Subcommittee on Medical Education and Medical Residency Programs, appointed by the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee, was not able to conduct a thorough examination of medical education programs and medical residency programs and to develop a plan to support them in a manner that addresses the health care needs of the State prior to the March 15, 2018, reporting deadline; and

Whereas, there is continued interest in examining ways to support medical education programs and medical residency programs with a goal of addressing the short-term and long-term health care needs of the State's residents; and

Whereas, the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee may find it necessary to prioritize their interim work and both Committees may not be in a position to appoint a subcommittee to work jointly; and

Whereas, the intent of the act is to create a mechanism allowing flexibility for two appointed subcommittees to work jointly, or for one or more appointed subcommittees to work independently; and

Whereas, the Joint Subcommittee on Medical Education and Medical Residency Programs identified data and information that will be needed to inform the work of future subcommittees in order to more thoroughly examine medical education programs and medical residency programs in order to identify objectives for those programs throughout the State and to provide direction to the Department of Health and Human Services in designing programs that meet the needs of the State; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee may each appoint a subcommittee to study medical education programs and medical residency programs. If appointed, the subcommittees may consult each other and may elect to meet jointly, but each

subcommittee is authorized to work independently and report to its respective oversight committee.

SECTION 2.(a) The medical education and medical residency study may include examination of the following:

(1) The health care needs of the State's residents and the State's goals in meeting those health care needs through the support and funding of medical education programs and medical residency programs located within the State.

(2) The short-term and long-term benefits to the State for allocating State funds to medical education programs and medical residency programs located within the State.

(3) Recommended changes and improvements to the State's current policies with respect to allocating State funds and providing other support to medical education programs and medical residency programs located within the State.

(4) Development of an evaluation protocol to be used by the State in determining (i) the particular medical education programs and medical residency programs to support with State funds and (ii) the amount of State funds to allocate to these programs.

(5) Any other relevant issues deemed appropriate.

SECTION 2.(b) The study may include input from other states, stakeholders, and national experts on medical education programs, medical residency programs, and health care, as deemed necessary.

SECTION 2.(c) The study may examine the reports provided by the Department of Health and Human Services and The University of North Carolina in accordance with Section 11J.2(c) of S.L. 2017-57 and the report provided by the Department of Health and Human Services in accordance with Section 3 of this act.

SECTION 3. No later than August 1, 2019, the Department of Health and Human Services shall submit to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Education Oversight Committee, and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice a report on medical education programs and medical residency programs. This report shall be developed in collaboration with the Cecil G. Sheps Center for Health Services Research at the University of North Carolina at Chapel Hill, the North Carolina Area Health Education Centers, the North Carolina Institute of Medicine, the University of North Carolina at Chapel Hill School of Medicine, and the Brody School of Medicine at East Carolina University. The report shall be used to facilitate the development of measurable objectives, along with specified time frames for achievement, which will be used by the State when funding medical education programs and medical residency programs addressing the health care needs throughout the State, particularly increased health care access in rural areas. The report shall contain the following information:

(1) Detailed information about North Carolina medical school student slots, residency slots, and intern slots, including the number of slots for each medical school and medical residency program and how these slots have changed over time. This information shall include the slot caps set by Medicare and other agencies, the methodology used to establish those slot caps, information on how the slot caps have changed over time, and how changes to the slot caps may be accomplished in the future. This information shall also include an assessment of the effect of the slot caps on each medical school and medical residency program in North Carolina.

(2) Suggested overall objectives for the medical education programs and medical residency programs in the State, including identified outcomes and goals to meet the needs of rural areas.

(3) Total funding for the North Carolina Area Health Education Centers for the past three fiscal years, the primary purposes of the funding, and outcomes that have been achieved relative to those purposes.

(4) Total funding for the University of North Carolina at Chapel Hill School of Medicine and the Brody School of Medicine at East Carolina University for the past three fiscal years. This shall include an analysis of the cost of operating each school of medicine compared to the total funding for each school of medicine.

(5) The total reimbursement paid to hospitals related to Graduate Medical Education (GME) through the Medicaid program, including all of the following methodologies: receipts, claims payments, cost settlements, enhanced payments, and equity supplemental payments. This shall include an analysis of the funding source for this reimbursement, including how much of the funding is provided by the State, by hospitals, and by the federal government.

(6) A detailed explanation of all Medicaid GME reimbursement methodologies that the Department of Health and Human Services intends to use, or is using, under the transformed North Carolina Medicaid and North Carolina Health Choice programs, as described in S.L. 2015-245, as amended by Section 2 of S.L. 2016-121, Section 11H.17 of S.L. 2017-57, and Section 4 of S.L. 2017-186. This explanation shall include a rationale for any changes made to the Medicaid GME reimbursement methodology, outcomes to be achieved by these changes, and methods by which to measure these outcomes.

(7) Strategies, outside of the publically funded programs, used by hospitals and communities to attract and retain health care providers to rural areas.

(8) Any recommendations regarding a body to compile and oversee the State's medical education programs and medical residency programs data, including whether this additional oversight body is necessary. If an oversight body is recommended, this recommendation shall also include the composition of the body, the recommended agency to house the body, the duties of the body, the specific information the body is to oversee, the mechanism by which the body will collect the data, and any funding needs for the body.

(9) An analysis of how other states have modified or developed funding to meet the need in rural areas regarding the recruitment and retention of health care providers, including the use of Medicaid funding, loan forgiveness, and loan repayment. This analysis should include the processes by which other states have identified the need for health care providers by specialty or location and the outcomes achieved.

(10) Any limitations or parameters set by other entities that may restrict the State's ability to modify programs that support the State's objectives, including (i) Medicaid reimbursement for GME, (ii) loan forgiveness, (iii) loan repayment, or (iv) other sources of funding.

SECTION 4. A subcommittee authorized by this act and appointed shall develop a proposal for a statewide plan to support medical education programs and medical residency programs within North Carolina in a manner that maximizes the impact of financial and other support provided by the State for these programs and addresses the short-term and long-term health care needs of the State's residents, particularly increased health care access in rural areas. A subcommittee authorized by this act and appointed may provide an interim report to its respective oversight committee by November 1, 2018, and shall report to its respective oversight committee on or before March 1, 2020, at which time a subcommittee authorized by this act shall terminate.

SECTION 5. This act is effective when it becomes law.