



INTRODUCTION

ABORTION BILL BECOMES LAW

The House and Senate have overridden Gov. Cooper's veto of Senate Bill 20, Care for Women, Children, and Families Act, on a strict party line vote. This means, starting July 1st, the state will prohibit elective abortions after the first 12 weeks, allowing abortions up until the 20th week in instances of rape or incest or up until the 24th week if there is a life-limiting anomaly in the unborn child. In cases of a medical emergency for the pregnant woman, abortions will be allowed at any time. The bill also includes a number of other policy measures, including allowing for independent practice by Certified Nurse Midwives, appropriating additional funds for a number of maternity programs, new reporting requirements for all abortions and criminalizing certain actions, like the provision or advertising of abortion-inducing drugs.

As you can imagine, there were mixed reactions to this new law. Speaker Moore, and many other Republican policymakers, were quick to share their excitement over the move to further abortion restrictions in our state. "Today the North Carolina House of Representatives has affirmed the value of human life, and I am proud that the 'Care for Women, Children, and Families Act' is now law," Speaker Moore said in a statement. Speaker Moore also suggested again to reporters that there could be more to come on this in the future, with the Speaker personally supporting a six-week ban. "This represents the legislation that I believe this General Assembly can pass," Moore told reporters. "I can't say what'll happen two years, four years, 10 years from now." Meanwhile, Gov. Cooper had less than favorable things to say about this policy change that he has strongly advocated against. "North Carolinians now understand that Republicans are unified in their assault on women's reproductive freedom and we are energized to fight back on this and other critical issues facing our state. I will continue doing everything I can to protect abortion access in North Carolina because women's lives depend on it," Gov. Cooper said in a statement. While Lieutenant Governor Mark Robinson released a statement following the override, he has been noticeably distant from this policy measure. This has been perhaps one of the biggest Republican wins on a social issue in North Carolina in decades, and yet Lieutenant Governor Mark Robinson did not choose to preside over the vote in the Senate. He also has withheld comments on the abortion policy during campaign speeches this week.



NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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SENATE BUDGET IS UNVEILED / PASSES SENATE

The Senate unveiled, and approved, their version of the budget last week. Now that the chambers have both released their spending plans, it is safe to say there's a lot of work left to do for the chambers to reach a consensus. There are significant differences between the House and Senate versions, and the two chambers will take the next few weeks to hammer out a compromise before sending it to the Governor, which they hope to do by June 15th. Seven Democrats voted with Republicans to pass this budget out of the Senate this week. Senate leader Berger told reporters following the vote, that he expects to appoint some of the Democrats who voted for the budget as conferees.

Please see below for some of the notable provisions in the Senate budget, including how some differ from the House's plan:

- Proposed teacher raises: 4.5% over 2 years. The House proposed 10.2% over 2 years.
- Proposed state employee raises: 5% over 2 years. The House proposed 7.5% over 2 years.
- Includes cuts to the state income tax rate, dropping it nearly in half to 2.49% in 2030 (currently 4.99%).
- Increases annual salaries of nursing faculty positions at The University of North Carolina and in the North Carolina Community College System by 10%, while no nursing faculty member's annual salary can be increased by more than fifteen percent (15%).
- Creates a Fund for High-Cost Workforce Programs, a fund that would be used to assist community colleges in starting new programs in high-demand career fields that require significant start-up funds, including at least \$15 million dollars for programs related to healthcare.
- Provides \$20 million to establish within a new behavioral health provider initiative targeting the recruitment and retention of additional licensed psychiatrists and additional nurse practitioners and physician assistants specializing in mental or behavioral health in rural and medically underserved areas of the State.
- Expands 8% short-term car rental tax to include peer-to-peer rentals.
- Provides \$96 million for rural loan repayment incentive programs for primary care and behavioral health providers.
- Provides \$60 million for start-up costs and expansion of healthcare programs at community colleges.
- Provides \$110 million to increase behavioral health provider rates on a recurring basis.
- Provides \$60 million recurring each year for direct care worker wage increases.
- Increases Medicaid reimbursements for private duty nursing services from \$45 per hour to \$52 per hour.
- Creates a new excise tax applicable to the gross receipts derived from each for-hire ground transport service provided by a service provider, which includes transportation network companies, such as Uber and Lyft, and taxi services. The rate of tax is 2% for exclusive ride services and 1% for shared ride services.

OPPORTUNITY SCHOLARSHIP EXPANSION BILL CLEARS HOUSE

A bill that would remove income eligibility limits on opportunity scholarships and expand the program to all North Carolina K-12 students passed the House this week, with one Democrat voting in support. The bill would establish a needs-based scholarship grant program based on household income. If found eligible, students would be awarded a scholarship grant in the following amount, regardless of whether the student's attendance was full or part time:

- 100% of Average Daily Membership (ADM) for students with household incomes not in excess of the federal free or reduced-price lunch program (FRL standard).

- 90% of ADM for students with household incomes between the FRL standard and 200% of that standard.
- 60% of ADM for students with household incomes between 200% and 450% of the FRL standard.
- 45% of ADM for all other students

“We all should know by now that education is not one-size-fits-all,” bill sponsor Rep. Tricia Cotham said on the floor. “This bill allows the family to act in the child’s best interest.” Opponents of this bill have argued that elimination of income standards would not help those who need it most. Instead, it would shift funds to wealthy families who are already able to pay for private schools. “Whose children are really getting meaningful choice from this bill?” Rep. von Haefen asked on the floor. Critics have also argued that there should be more focus on improving our public education. The state has not financially complied with the Leandro court ruling which declared that the state has failed to give children an “opportunity to receive a sound basic education.”

BUDGET

Following is an overview of the numerous healthcare-related appropriations and comprehensive policy changes in the Senate Budget. The Senate funded several programs through the newly-created ARPA Temporary Savings Fund consisting of savings realized from the enhanced federal medical assistance percentage the state is receiving as a result of Medicaid expansion, made available in the federal American Rescue Plan Act of 2021 (The House budget did not include these funds but filed a separate bill). The two chambers will now negotiate differences between their versions to develop a final budget for the 2023-2025 biennium.

- Budgets increases at the state and county level to implement Medicaid expansion
- Increases the Medicaid reimbursement rates for behavioral health providers
- Funds an additional 350 people and increases the wages of direct care workers in the Innovations waiver program
- One-time funds from the ARPA Temporary Savings Fund:
 - \$80 million over two years for incentives to primary care physicians, behavioral health and other health providers who agree to practice in rural and underserved communities
 - \$20 million over two years for grants to rural healthcare providers for start-up equipment for telehealth
 - \$6 million one-time funds to the Carolina Pregnancy Care Fellowship for grants to pregnancy centers
 - Funds grants to several nonprofit organizations for capital investments in behavioral health, intellectual and developmental disability, and substance abuse facilities
- Provides \$30 million over two years to the NC Association of Free and Charitable Clinics for health care for uninsured and underserved
- Removes \$10 million appropriation for group home funding
- Provides \$44 million annually for increased Medicaid services for children in foster care
- Provides \$5 million annually to support competitive integrated employment through vocational rehabilitation services and other support for those with intellectual and developmental disabilities
- Funds 50 additional crisis stabilization beds for children statewide
- Provides \$10 million over two years for grants to nonprofit organizations for treatment to uninsured and underinsured individuals

- Directs \$22.5 million over two years from the Juul Labs settlement for youth electronic nicotine dependence abatement
- Directs DHHS to convene a workgroup of stakeholders to identify innovative Medicaid service options to address gaps in the care of children receiving foster services
- Directs DHHS to issue an RFP to procure a single statewide children and families (CAF) specialty plan contract and specifies details of how the plan would work
- Includes language similar to Senate Bill 625 modifying the procedures when a juvenile in custody of social services is brought to an emergency department for mental health treatment
- Includes language similar to Senate Bill 425 specifying when a county may withdraw from an LME/MCO area authority, when the DHHS Secretary shall dissolve an area authority, and other matters
- Appropriates the following funds from the national opioid settlement as follows:
 - \$5 million in each of the next two years for grants to nonprofit organizations to provide opioid use disorder treatment to individuals who are uninsured or underinsured
 - \$9 million over two years for UNC campuses to conduct opioid abatement research and development projects
- Prohibits the use of state funds to contract with any entity that performs abortions
- Establishes authority and requirements regarding transport of high-risk juveniles
- Prohibits payment to supervising physicians of nurse practitioners under a collaborative practice agreement or of midwives under a supervision agreement
- Prohibits state and local entities from denying employment to any person who refuses to receive a COVID-19 vaccination, unless vaccination is a federal requirement or the person is an employee of a state healthcare facility
- Prohibits public schools, community colleges, UNC system schools, and private colleges receiving state funds from requiring students to receive a COVID-19 vaccination

Components Funded Through the Community College System

- Directs the State Board of Community Colleges to establish a community college training program for students with intellectual and developmental disabilities that leads to increased employment outcomes; provides \$4 million annually to create and administer the program
- Directs the State Board of Community Colleges to establish the Vocational Rehabilitation Pilot Program for the next three academic years to place vocational rehabilitation counselors in community colleges to assist students with intellectual and developmental disabilities; provides \$750,000 in one-time funds for the program
- Increases salaries for nursing faculty in the community college system
- One-time funds from the ARPA Temporary Savings Fund:
 - \$15 million to develop and expand courses in healthcare-related fields
 - \$15 million for colleges to start programs in nursing and other healthcare-related fields
 - Funds new health science buildings and other capital investments at multiple colleges

Components Funded Through the UNC System

- \$8 million annually plus \$7.5 million one-time over two years to support training and residency programs to increase medical services in rural areas
- \$6 million in the coming fiscal year and \$10 million annually in subsequent years to expand various healthcare programs at East Carolina University
- \$20 million for the construction of a new school of medicine at ECU
- One-time funds from the ARPA Temporary Savings Fund:

- \$25 million over two years to provide loans to hospitals in rural areas in financial crisis
- \$6 million over two years to UNC Health Southeastern to support Campbell University's medical residency program
- \$8 million in each of the next two fiscal years for forgivable loans to medical students who choose to practice primary care or psychiatry in eligible counties
- \$20 million over two years to UNC Pembroke for new healthcare-oriented programs to meet regional workforce demands
- \$185 million over two years to construct a new children's hospital in the Triangle area to include a behavioral health hospital
- \$50 million to construct a regional children's behavioral health facility in Greenville
- \$210 million to construct three rural care centers as part of the NC Care initiative
- \$150 million for capital investment in community-owned hospitals as part of NC Care
- Repeals and rewrites statutes concerning the University of North Carolina Health Care System and the East Carolina University health system/Vidant (similar language as Senate Bill 743):
 - changes governance structures and enables easier expansion of these two systems across the state without typical market competition or antitrust oversight
 - Removes UNC and ECU health system employees from regulations and protections of state personnel laws, but with some accommodations for existing employees
 - Gives the two health systems greater authority to encumber real property, issue bonds, merge with nonprofit corporations, and purchase insurance or self-insure
- Directs the UNC Health Care System and ECU Health and their affiliate schools of medicine to collaborate on an initiative called NC Care to enhance healthcare availability in rural parts of the state through clinical integration of community hospitals; provides \$10 million in annual funding for the effort

BILL UPDATES

HOUSE BILL 259, 2023 Appropriations Act Amendment #27, (now found in section 9F.8 of the Senate budget bill) amends the definition of qualified ambulatory surgical facility in the Certificate of Need law to require that it be located in a county that does not have a hospital operating in the county. **The provision is part of the Senate budget bill which now moves to the conference committee process.**

HOUSE BILL 587, Health Care Practitioner Transparency Act, would regulate the practice of genetic counseling and establish the Genetic Counselor Licensure Board. The proposed committee substitute for the bill would create a definition for “genetic testing,” amend the scope of practice for genetic counselors, create criminal penalties for practicing without a license, and allow the Genetic Counselors Licensure Board to seek injunctive relief, administer oaths, and subpoena witnesses. **The bill received a favorable report in House Rules and is scheduled to be heard in House Finance.**

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