



## North Carolina Department of Health and Human Services

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Adam Sholar  
Legislative Counsel  
Director of Government Affairs

December 31, 2014

### SENT VIA ELECTRONIC MAIL

The Honorable Ralph Hise, Co-Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 1026, Legislative Building  
Raleigh, NC 27603

The Honorable Justin Burr, Co-Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 307A, Legislative Office Building  
Raleigh, NC 27603-5925

The Honorable Mark Hollo, Co-Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 639, Legislative Office Building  
Raleigh, NC 27603-5925

Dear Chairmen:

Section 131E-314 of the North Carolina General Statutes requires the Division of Medical Assistance (the Division or DMA) of the Department of Health and Human Services to report quarterly to the Joint Legislative Oversight Committee on Health and Human Services on the Division's regulatory activities in the enforcement of Article 17 of Chapter 131E, which provides for the licensure of Provider Sponsored Organizations (PSOs). DMA is also to provide, among other things, the Committee with a summary of non-confidential information on the financial plans and operations of PSOs, and the Division is to include a description and explanation of any regulations or regulatory interpretations that differ from Department of Insurance regulations applicable to HMOs, as well as PSO efforts to improve community health status.

Currently, the Division reports that no such PSOs report operation in the State of North Carolina, and, as such, the Division has nothing to report.

Sincerely,

Adam Sholar

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