

Increase Number of Medical Professional Providers Eligible for Supplemental Payments

Session Law 2018-5, Section 11.H.11(b)



Report to

**The Joint Legislative Oversight Committee on Medicaid
and NC Health Choice**

By

**North Carolina Department of
Health and Human Services**

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Reporting Requirements:

Session Law 2018-5; Senate Bill 99, Section 11.H.11.(a) amended section 12.H.13(a) of Session Law 2014-100 to read as follows:

Section 11.H.11.(a) Effective July 1, 2018, supplemental payments that increase reimbursement to the average commercial rate for certain eligible medical providers described in the Medicaid State Plan, Attachment 4.19-B, Section 5, Pages 2 and 3, shall be modified to increase the number of eligible medical professional providers listed in subdivision (1) of Section 12H.13(a) of S.L. 2014-100 by 60. The allocation of the increase among the listed entities shall be determined by the Department of Health and Human Services.

Section 11.H.11.(b) No later than October 1, 2018, the Department of Health and Human Services shall report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice regarding the allocation of the 60 additional medical professional providers eligible for supplemental payments, as required by subsection (a) of this section. This report shall also include a detailed analysis of how the increase in eligible medical professional providers will increase access to health care in rural areas of the State.

Executive Summary:

The Department of Health and Human Services has prepared a State Plan Amendment increasing the number of physicians eligible to participate in the Physician Supplemental Payments by 60, as allowed under S.L. 2018-5. The total physicians for East Carolina University (ECU) Brody School of Medicine was increased from 418 to 433. The total at UNC Health Care, which includes the University of North Carolina at Chapel Hill (UNC) Faculty Physicians, the UNC Hospitals' Pediatric Clinic, UNC Physicians Network and Chatham Hospital was increased from 1,283 to 1,328.

The current State Plan excluded any professional provider that is a member of a group practice acquired or assimilated by the UNC HCS after July 1, 2010, from participating in the Physician Supplemental Payments. To support the rural physician effort, language will be added to the State Plan that beginning with the quarter ending September 30, 2018, the afore mention exclusion will not apply to practices in those counties designated as rural as of January 2017 as listed on the North Carolina Department of Health and Human Services Office of Rural Health Statistics and Data website.

Report:

As noted above, ECU, the UNCSOM, and the UNCHCS are all important providers of health care to North Carolinians that live in rural areas. Most of North Carolina's 100 counties are rural. ECU Physicians presently sees patients from 97 of those 100 counties. ECU also has a number of clinical outreach programs targeted to substantially rural eastern North Carolina. ECU has a physical presence in 15 rural counties, providing a range of services from family medicine to cardiology and oncology. The UNCSOM and UNCHCS have a similar focus on rural health. In 2017, the UNCSOM created the Office of Rural Initiatives to align efforts related to the education, training, and retention of primary care physicians to rural and underserved areas in North Carolina. The Office of Rural Initiatives is working to establish connected resources, support, and programs to expand the number of primary care physicians seeking to serve rural and underserved North Carolina and directly reflects the mission and commitment of the UNCSOM and the UNCHCS.

The increase in the number of medical professional providers eligible for medical supplemental payments may increase access to health care in rural areas of the State. Increased funding for professional services allows institutions a focus on rural care that might not otherwise be cost-effective.

The Department of Health and Human Services has determined that the appropriate way to divide the 60 professional increase in the limits is to allocate 25 percent of the increase (15) to ECU and 75 percent of the increase (45) to the UNCSOM and the UNCHCS. This is in proportion to the limits in current law. The Department of Health and Human Services has also asked that ECU, the UNCSOM and the UNCHCS provide specific information regarding initiatives that this increased funding will assist:

- ECU has indicated that this additional funding will allow the continuation of existing efforts and may assist with plans to open a multi-specialty clinic in Wilson County that will include physicians and clinics in endocrinology, nephrology, dermatology, pulmonary and possibly neurology.
- The UNCSOM and UNCHCS have also indicated that additional funding will allow the continuation of existing efforts and will also support, in particular, services at Chatham Hospital, which is a critical access hospital in western Chatham County serving nearby rural areas.
- The UNC Faculty Practice (FP), which is the service and teaching component of the UNCSOM and UNCHCS, with more than 1,400 faculty physicians with a full range of specialty and primary care services, has indicated that the additional funding will assist in supporting its rural activities, such as the following:
 - FP is expanding services, including Radiation-Oncology and Cardiology, to UNC-Rockingham, which will provide much-needed specialties in a rural setting.

- FP has expanded pediatrics specialties (i.e. Pediatric Cardiology) to rural areas is providing Echo reads for clinics/hospitals in Moore, Harnett, and Sampson Counties.
- FP's Dermatology and Pediatric Dermatology practice has expanded to Burlington, which provides care for the population in Caswell County and other surrounding counties. The dermatology practice is providing procedural services for skin cancer removals at a high rate at this location.
- FP's Nephrology practice provides physician services in Lee County for patients receiving dialysis.
- FP's Ophthalmology practice travels to Roxboro in Person County to provide Oculoplastic Surgery, Cataract Surgery, and Medical Retina services.
- Rockingham, Moore, Harnett, Sampson, Caswell, Lee, and Person counties are all specified as rural counties on the North Carolina Department of Health and Human Services (NCDHHS) Office of Rural Health (ORH), Health Statistics and Data website.