



State Health Plan

▶ Joint Health Committee

February 19, 2019

Mike Waldrum, MD, MSc, MBA

Chief Executive Officer, Vidant Health

Chairman, North Carolina Healthcare Association (NCHA) Board of Trustees

Uniting hospitals, health systems and care providers for healthier communities

© 2018 NCHA | All rights reserved

Vidant Roanoke-Chowan Hospital

*Thank you for allowing us to serve
you and your family this year.*



*Vidant Roanoke-Chowan Hospital
Women's and Children's Unit*

*Five of our Labor and Delivery nurses
had babies of their own this year!*

*"We are taking care of
team members and their
families as they are taking
care of patients and
families."*

Lisa Rushing, Women's &
Children's Unit Nurse Manager

State Health Plan Proposal

▶ Reference Based Pricing

- Average reduction to providers is 15%
- Overall, it's an annual \$400+ million reduction in reimbursement to hospitals and providers

▶ Impact

- Costs will be shifted to businesses
- Hospital consolidation and closures
- Decreased access to services
- Inability to recruit top talent
- Disproportionately impacts rural communities where there is higher government payment and uninsured patients

North Carolina is Not Montana

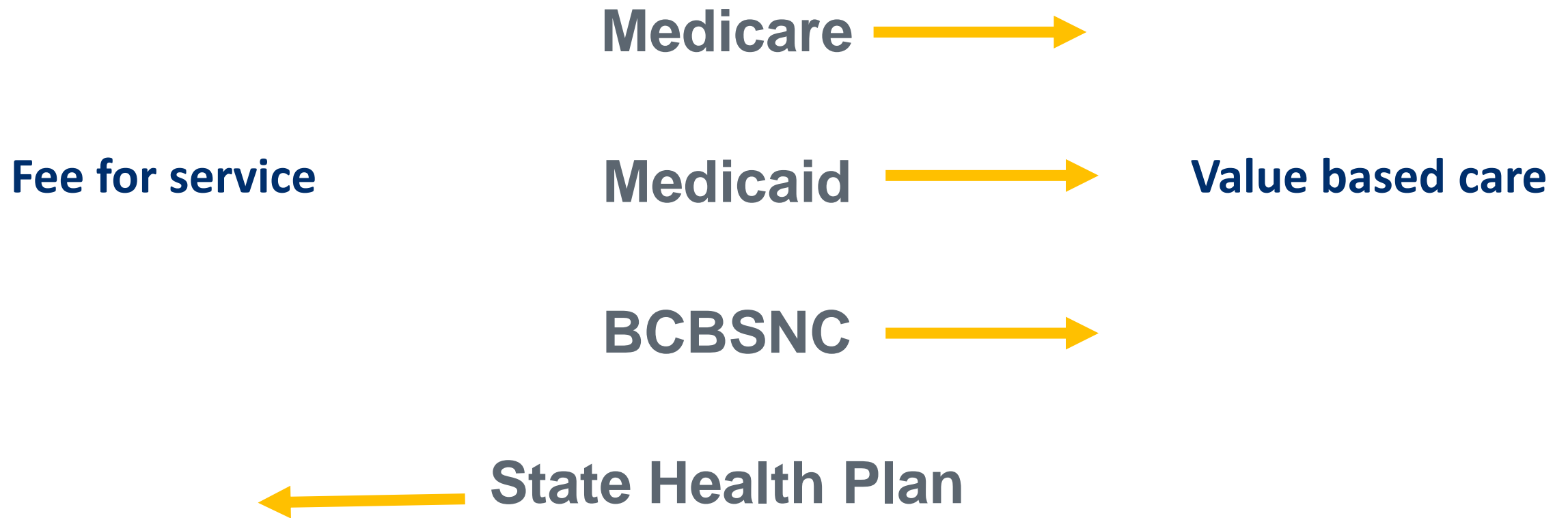
Statistics	Montana	North Carolina
Population	1,062,305 ¹	10,383,620 ¹
State Health Plan Beneficiaries	33,000 ²	720,000 ³
Critical Access Hospitals	48 of 53 ⁴	20 of 126 ⁵
At High Risk Hospitals or Financially Distressed	0 ⁶	8 ⁶

Montana: “The reference price is based on Medicare rates and is generally an average of 234 percent of those rates” ⁷

1. Quick Facts – North Carolina; Montana (2018, July 1). Retrieved from: <https://www.census.gov/quickfacts/fact/table/nc.mt/PST045218>
2. About-HCBD (2019, February 15). Retrieved from: <http://benefits.mt.gov/Resources/About-HCBD>
3. Who We Are (2019, February 15). Retrieved from: <https://www.shpnc.org/about-us/who-we-are>
4. RHIhub (2019, February 18). Retrieved from: <https://www.ruralhealthinfo.org/states/montana>
5. NC Rural Hospital Program (2019 February 18). Retrieved from: <https://www.ncdhhs.gov/divisions/office-rural-health/office-rural-health-programs/north-carolina-rural-hospital-program>
6. Sheps Center (2017, December) Retrieved from: <https://www.shepscenter.unc.edu/download/15784/>
7. Becker’s Hospital Review (2018, June) Retrieved from <https://www.beckershospitalreview.com/finance/how-montana-cut-healthcare-costs-with-reference-based-pricing.html>



Value Based Care vs. Fee for Service



Concerns

- ▶ Medicaid Transformation
- ▶ State Health Plan Proposal

Moving Forward

North Carolina Hospitals stand ready to partner with the State Health Plan and State Employees to build a smarter health plan that promotes health and manages costs

One Team



“We’ve all worked in hurricane conditions and understand what they are going through,” Kaili Nixon said. “We’re all nurses who want to take care of each other. We’re one team.”

Questions?