

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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1

HOUSE BILL 1232

Short Title: Rural/Primary Care Initiatives.

(Public)

Sponsors: Representatives Diamont; Baddour, H. Hunter, and Warner.

Referred to: Health and Human Services.

May 4, 1993

1 A BILL TO BE ENTITLED
2 AN ACT TO DEFINE PRIMARY CARE HOSPITAL AND RURAL HOSPITAL
3 NETWORK, AND APPROPRIATE FUNDS FOR ENCOURAGING HEALTH
4 CARE PROVIDERS TO PRACTICE PRIMARY CARE AND PROVIDE
5 SERVICES TO RURAL AREAS.

6 The General Assembly of North Carolina enacts:

7 Section 1. Chapter 131E of the General Statutes is amended by adding a new
8 section to read:

9 **"§ 131E-83. Rural hospital network.**

10 (a) As used in this section, unless otherwise specified:

11 (1) 'Primary care hospital' means a hospital which has been designated as
12 a primary care hospital by the Department of Human Resources. To
13 be designated as a primary care hospital, the hospital must be located
14 in a rural community, provide primary care inpatient services not
15 including inpatient surgery, and provide outpatient services which may
16 include outpatient surgery. A primary care hospital must have a
17 maximum annual average daily census of 15 patients and may have
18 distinct psychiatric and long-term care units.

19 (2) 'Rural hospital network' means an alliance of hospitals that includes at
20 least one primary care hospital and one other hospital that is not a
21 primary care hospital.

22 (b) Hospitals desiring to form a rural hospital network shall submit a
23 comprehensive, written memorandum of understanding to the Department of Human
24 Resources for the Department's approval. The memorandum of understanding must

1 include provisions for patient referral and transfer, a plan for network-wide emergency
2 services, and a plan for sharing patient information and services between hospital
3 members including medical staff credentialing, risk management, quality assurance, and
4 peer review."

5 Sec. 2. (a) There is appropriated from the General Fund to the Department of
6 Human Resources, Office of Rural Health, the sum of four hundred fifty thousand
7 dollars (\$450,000) for the 1993-94 fiscal year and the sum of four hundred fifty
8 thousand dollars (\$450,000) for the 1994-95 fiscal year for the purpose of providing
9 financial incentives to encourage health care practitioners to practice in medically
10 underserved areas. Funds appropriated under this section shall be used as follows:

11 (1) To pay first-, second-, and third-year generalist residents in family
12 medicine, internal medicine, or general pediatric medicine in a North
13 Carolina residency program not more than ten thousand dollars
14 (\$10,000) per year per resident upon agreement by the resident to
15 practice in an area designated by the Office of Rural Health as
16 medically underserved; and

17 (2) To pay students enrolled in an accredited educational program in
18 North Carolina leading to approval to practice as nurse practitioners,
19 nurse midwives, or physician assistants not more than ten thousand
20 dollars (\$10,000) per year per student, not to exceed a total of twenty
21 thousand dollars (\$20,000) per student, upon agreement by the student
22 to practice in an area designated by the Office of Rural Health as
23 medically underserved.

24 (b) Repayment of the stipend is forgiven if the resident or student completes
25 for each year's stipend one full year of service in a medically underserved area of North
26 Carolina.

27 (c) The Office of Rural Health shall report expenditures for this program to
28 the 1993 General Assembly, Regular Session 1994, and to the 1995 General Assembly,
29 by the end of the first week after convening.

30 Sec. 3. Effective June 30, 1992, Section 51 of Chapter 1044 of the 1991
31 Session Laws, reads as rewritten:

32 "Sec. 51. The funds appropriated in this act to the Office of Rural Health for rural
33 health recruitment shall be used to pay first, second, and third-year residents in family
34 medicine, internal medicine, or general pediatric medicine the sum of ten thousand
35 dollars (\$10,000) upon the resident's agreeing to practice in an area designated by the
36 Office of Rural Health as medically underserved.

37 Repayment of the stipend is forgiven if the resident completes ~~the~~ for each year's
38 stipend one full year of service in a medically underserved area of North Carolina.

39 The Office of Rural Health shall report expenditures for this program to the 1993
40 General Assembly by the end of the first week after convening.

41 This item shall not become a part of the continuation budget request for the 1993-95
42 fiscal biennium."

43 Sec. 4. There is appropriated from the General Fund to the Department of
44 Human Resources, Office of Rural Health, the sum of five hundred thousand dollars

1 (\$500,000) for the 1993-94 fiscal year and the sum of five hundred thousand dollars
2 (\$500,000) for the 1994-95 fiscal year to be used to provide financial incentives to
3 primary care physicians and other primary care professionals practicing or being
4 recruited to practice in rural and underserved areas. Funds may be used to provide such
5 incentives as loan repayments, signing bonuses, moving expenses, practice supports, or
6 other expenses related to the practice, in order to recruit or retain a primary care
7 provider in a rural or underserved area.

8 Sec. 5. There is appropriated from the General Fund to the Department of
9 Human Resources, Office of Rural Health, the sum of eight hundred thousand dollars
10 (\$800,000) for the 1993-94 fiscal year and the sum of eight hundred thousand dollars
11 (\$800,000) for the 1994-95 fiscal year to be used to provide support for the 54 health
12 centers in rural and underserved areas, enabling them to increase the number of
13 uninsured persons served and to increase the number of providers of services.

14 Sec. 6. There is appropriated from the General Fund to the Department of
15 Human Resources, Office of Rural Health, the sum of two hundred fifty thousand
16 dollars (\$250,000) for the 1993-94 fiscal year and the sum of two hundred fifty
17 thousand dollars (\$250,000) for the 1994-95 fiscal year to be used to establish 10
18 scholarships for North Carolina medical students who agree to serve in rural and
19 underserved areas. The scholarships are to be awarded according to procedures
20 established by the Office of Rural Health.

21 Sec. 7. There is appropriated from the General Fund to the Department of
22 Human Resources, Office of Rural Health, the sum of one hundred sixty thousand
23 dollars (\$160,000) for the 1993-94 fiscal year and the sum of one hundred sixty
24 thousand dollars (\$160,000) for the 1994-95 fiscal year to be used to establish and
25 administer a Community Primary Care Grant Program to encourage community
26 development of primary care clinics through collaborative arrangements with existing
27 providers. The main focus of any project provided planning grant funds shall be to meet
28 the primary care needs of the community, especially the provision of primary care
29 services at night and on weekends.

30 Sec. 8. There is appropriated from the General Fund to the Department of
31 Environment, Health, and Natural Resources, Division of Maternal and Child Health,
32 for the Rural Obstetrical Care Program, the sum of four hundred thousand dollars
33 (\$400,000) for the 1993-94 fiscal year and the sum of four hundred thousand dollars
34 (\$400,000) for the 1994-95 fiscal year to be used as follows:

- 35 (1) To expand Rural Obstetrical Care Incentive Program payments to
36 physicians and certified nurse midwives in more counties than are
37 currently served;
- 38 (2) To increase the amounts paid to providers; and
- 39 (3) To increase the total amount that counties may receive under the
40 Program.

41 General surgeons who provide cesarean section backup to family physicians in counties
42 where there are no obstetricians or where there are no obstetricians willing or able to
43 provide such backup are also eligible for the program. Physicians and certified nurse
44 midwives covered under the Rural Obstetrical Care Incentive Program are required to

1 participate in an obstetrical care coverage plan developed by their local health
2 department or community, migrant, or rural health center, and must agree to provide
3 services to pregnant women regardless of their ability to pay for the services.

4 Sec. 9. (a) The Board of Governors of The University of North Carolina shall
5 ensure that all medical schools receiving State appropriations for support of enrollment
6 of North Carolina residents initiate whatever changes are necessary in admissions,
7 advising, curriculum, and other policies to ensure that of all medical school graduates,
8 the following percentages are selecting residencies in family medicine, general pediatric
9 medicine, or general internal medicine: thirty percent (30%) by 1995, forty percent
10 (40%) by 1998, and fifty percent (50%) by 2000, and at least fifty percent (50%)
11 thereafter.

12 (b) The Board of Governors shall further initiate whatever changes are necessary
13 in admissions, advising, curriculum, and other policies to ensure that residency
14 programs have medical residency positions for medical school graduates in these
15 generalist specialties according to the following percentages: thirty percent (30%) by
16 1995, forty percent (40%) by 1998, and fifty percent (50%) by 2000, and at least fifty
17 percent (50%) thereafter.

18 (c) Compliance with this section shall be determined by (i) the entry of State-
19 supported medical graduates into generalist residencies, and (ii) the specialty practiced
20 by a physician as of a date five years after graduation, provided that the physician
21 entering the generalist career remains in the generalist career and does not subsequently
22 choose a subspecialty. The Board of Governors shall certify data on graduates, their
23 residencies, and subsequent careers by October 1 of each calendar year, beginning in
24 October of 1995, to the Joint Legislative Education Oversight Committee and to the
25 Fiscal Research Division of the Legislative Services Office.

26 (d) If it is found that a medical school does not comply with this section, the
27 General Assembly intends to reduce the average per capita funding for that school by an
28 amount reached by multiplying the State appropriation for each full-time medical
29 student by the number of graduates that fail to meet the goal established in this section.

30 (e) This section remains in effect until the General Assembly acts to change
31 it.

32 Sec. 10. There is appropriated from the General Fund to The University of
33 North Carolina, Board of Governors, for the Area Health Education Center Program, the
34 sum of two million one hundred ninety-seven thousand dollars (\$2,197,000) for the
35 1993-94 fiscal year and the sum of two million one hundred ninety-seven thousand
36 dollars (\$2,197,000) for the 1994-95 fiscal year to be used, according to Area Health
37 Education Center Program plans, to expand programs for training primary care medical
38 students, residents, and other health professionals in community settings. These settings
39 include private practices, health departments, and community health services. Funds
40 may be used to develop new programs and to expand existing programs to assure well-
41 supervised outreach training sites.

42 Sec. 11. This act becomes effective July 1, 1993.