



2022 Legislative Issues and NEW PAC Chair

The NCOA leadership has approved the 2022 legislative agenda. These initiatives include:

- Telehealth Licensure to address increasing usage of telehealth services with NC patients who may be visiting other states, or patients across state lines who use a NC orthopaedist.
- Push for legislation to suspend prior authorization review for scheduled surgeries in hospital facilities, hospital admissions, hospital outpatient services, and home healthcare services following a hospital admission and inpatient rehabilitation services following a hospitalization.
- Continue building support for additional CON reform.

NCOA PAC Donor Recognition Levels

NCOA PAC Hero
\$1,000+

NCOA PAC Champion
\$500+

NCOA PAC Friend
\$365+

NCOA PAC Donor
\$1+

NCOA Legislative Update November 2021

North Carolina became the last state in the country to pass a budget with strong bipartisan support with the governor's quick signing. The budget totals \$25.9 billion for FY 2021-2022 and \$27 billion for FY 2022-2023.

It has been since 2018 that our state had a comprehensive budget ratified. The major point has been Governor Cooper's requirement of Medicaid expansion. Many compromises were made between the legislature and governor, Medicaid expansion was not one of them. As a show of good faith that the issue would continue to be considered, a study commission provision is included in the budget.

Just over \$430M is designated for the Medicaid Transformation Fund over the next year. Total funded payments for Medicaid are estimated to be \$4.3B for this year and next.

The budget includes two CON provisions that create exemptions for rural hospitals from CON laws for Stokes and Yadkin Counties. Studies have shown that easing CON laws will help rural hospitals, which is demonstrated by the need for these provisions to be included in this proposal.

By Jan. 1, Medicaid plans must include coverage for orthotic devices and prosthetics when those are prescribed by a podiatrist. In talking with DHHS, this provision was not necessary because CMS has this policy in place and is requiring the states to comply. Physicians already have the authority to prescribe these devices and prosthetics.

Dr. Lucas Romine, MD is your new NCOA PAC Chairman. Dr. Romine graduated from medical school at the University of Tennessee Health Science Center and has been a member of EmergeOrtho since 2014. He was recently elected chief of surgery at UNC-Johnston Health. We look forward to the great things Dr. Romine will accomplish as NCOA PAC Chairman.



Key Budget Appropriations

Health:

- \$1.5 million for the statewide telepsychiatry program.
- \$5.8 million for loan repayment (physicians, PAs, NPs, dentists).
- \$1.5 million to the Medical Society for the Foundation for Children with Neuroimmune Disorders.
- \$102 million for vaccination efforts.
- \$36 million to local health departments.
- 115 new positions for school psychologists.
- \$40 million in food bank funds.
- \$75 million for Brody School of Medicine – East Carolina University.
- \$950 million for broadband.
- Medicaid: extends eligibility for certain pregnant women; parental eligibility when child is in foster care; 2022 legislative study on health care.
- \$8 million for expansion of the Community Supervision Pilot for Substance Abuse.
- \$4.3 billion for Medicaid payments, which is estimated to be about the same for the coming fiscal year.
- \$49.2 million in Medicaid administrative costs and \$33.3 million in Medicaid rebase, the calculation of how much above previous estimates it will cost to run the Medicaid program. The transition to managed care was done largely to rein in these two costs.
- Increase of Medicaid co-copay from \$3 to \$4 to pre-covid rate.

Salaries:

- A 5% pay raise for most state employees and an average 5% pay raise for teachers over the biennium
- Minimum wage increased for all non-certified personnel and community college staff to \$15 per hour beginning in 2022.
- A \$2,800 bonus to most teachers using federal funds.
- Bonuses for all state employees using federal funds: \$1,500 for state employees who make less than \$75,000, and \$1,000 for state employees who make more than \$75,000. Law enforcement, correctional officers and staff, and 24-hour residential or treatment facility employees receive \$1,500.
- \$100 million in recurring funds for a new state-funded teacher salary supplement focused on low-wealth counties to help them compete with larger, wealthy counties when recruiting teachers. (This supplement is not reflected in the average salary raise figure.)



Key Budget Appropriations Continued

Capital/Infrastructure:

- \$6 billion in cash to the State Capital and Infrastructure Fund over the biennium to fund infrastructure projects and pay down debt.
- Begins annual cash contributions to capital and infrastructure projects and debt service totaling \$16.1 billion over 10 years.
- Provides \$84 million to Elizabeth City State University for a residence hall, sky bridge, dining facility, and flight school.
- Provides \$1 billion for broadband expansion.

Taxes:

- Increases zero-tax bracket to \$25,500.
- Cuts the personal income tax rate from 5.25% to 3.99% by 2027, starting with 4.99% in 2022.
- Increases child tax deduction by \$500 per child.
- Eliminates state income tax on military pensions.

Education:

- Additional \$1.5 billion above the base budget over the biennium in recurring funds for K-12 education.
- \$528 million transfer over the biennium from the N.C. Education Lottery to the Needs-Based Public School Capital Building Fund, \$200 million to the Public School Capital Fund, and \$80 million into a newly created repair and renovations fund. Over the course of the next 7 years, a projected \$2.6 billion will be spent on school capital.