

NC Legislative Update: February 8, 2019

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The legislature continued its slow start to the 2019 session, with the Senate holding skeletal sessions most of the week and the House only having a few committee meetings. Legislative leaders have indicated that the slow start is intentional, but they plan to pick up the pace next week and start moving bills. The only bill to become law so far has been an appointments bill to the State Ethics Commission. The Senate appointed Dr. Clarence G. Newsome of Mecklenburg County and former Senator Shirley Randleman of Wilkes County, and the House appointed former House Speaker Carl J. Stewart, Jr of Gaston County and former Representative Thomas "Roger" West of Cherokee County.

School Calendar Flexibility

Several NC House members have filed local bills that would give specific school districts more flexibility in setting when their school year begins and ends. As of now, 11 bills affecting 21 Local Education Administrations (LEAs) have been filed. On Tuesday, the 5th, the House K-12 Education Committee heard House Bill 12 and House Bill 13 for discussion purposes only. The committee also received a historical overview on school calendar legislation. The bill sponsors claim that the flexibility is needed to avoid students having to study for exams over winter break, and to allow school systems to match their calendar with community colleges so students can take advanced dual enrolment courses. However, these bills have historically been considered dead on arrival in the Senate, despite a pilot bill passing the House last session with nearly unanimous support. This is largely due to strong opposition from the tourism industry, which believes that a change to the start or end date of the school year will negatively affect travel rates.

Winston-Salem Journal: https://www.journalnow.com/news/elections/local/n-c-house-panel-briefed-on-bills-to-change-to/article_61eddc22-f7db-5a87-8189-342aef96b003.html

Medicaid Contracts Awarded

On Monday, February 4th, the Department of Health and Human Services (DHHS) announced that it was awarding 5 Medicaid managed care

contracts. DHHS awarded 4 statewide contracts to Prepaid Health Plans (PHP) and one regional contract to a Provider Led Entity (PLE) for Regions 3 and 5. The statewide PHPs were awarded to AmeriHealth Caritas North Carolina, Inc., Blue Cross and Blue Shield of North Carolina, UnitedHealthcare of North Carolina, Inc., and WellCare of North Carolina, Inc. The regional PLE contract was awarded to Carolina Complete Health, which is comprised of the NC Medical Society, NC Community Health Center, and Centene Corp. The contracts, worth a total of \$6 billion a year, have drawn criticism for not including a group of 12 North Carolina health care systems, collectively known as My Health by Health Providers, which bid for a statewide PHP contract.

The contracts are part of the 2015 Medicaid Transformation and Reorganization bill, which moved the State's Medicaid program from a fee-for-service model, where providers are paid for services provided at a predetermined rate, to a managed care model, in which the State pays providers a capitated per-person rate. The Medicaid program primarily serves low income families and children, and this change will effect 1.6 million beneficiaries of the program, while leaving roughly 500,000 individuals classified as medically complex patients on the traditional fee-for-service model.

The move to managed care Medicaid will take place in 2 phases, with the first taking effect in November 2019 in Regions 2 and 4, and the second phase taking effect in February 2020 in Regions 1, 3, 5, and 6.

A map of the NC Medicaid managed care regions can be found below.

NC DHHS: <https://files.nc.gov/ncdhhs/medicaid/Managed-Care-Regions-and-Rollout.pdf>

The State: <https://www.thestate.com/news/state/north-carolina/article225503175.html>

Committee Floaters

This week, the House adopted their chamber's permanent rules, which govern decorum and procedures. The usually mundane vote did, however, draw criticism from the minority party over revamping the committee floater policy, which allows select members to serve and vote on any committee. The policy has not been used since 2007, and House Democrats fear it will be used to sway committee votes in leadership's favor on hotly contested bills. The designated committee floaters are Representatives David Lewis, Sarah Stevens, John Bell, and Brenden Jones, all of whom serve in leadership positions.

WRAL: <https://www.wral.com/house-reinstitutes-floaters-giving-leadership-more-control/18174430/>

DMV Move

Plans to relocate the Department of Motor Vehicles (DMV) headquarters from its downtown Raleigh location has drawn criticism from both the Wake County Legislative Delegation and state employees. Efforts to move the Department headquarters out of its current location have been in the works for years, but a provision included in last year's state budget directed the Department to consider locations in surrounding counties. State law requires the Department to select the site with the lowest bid that meets all of the location needs, which resulted in a Rocky Mount site being selected. Opponents say that not all costs were factored into the equation, and that indirect costs associated with personnel turnover and efficiency should be considered. Many employees have stated that the hour commute would

force them to seek employment elsewhere.

WRAL: <https://www.wral.com/wake-lawmakers-ready-to-fight-dmv-headquarters-move/18171567/>

State of the State

Governor Cooper's 2nd State of the State address has been scheduled for Monday, February 25th at 7PM. The State of the State takes place at the start of every biennium before a joint session of the House and Senate. The General Assembly formally invites the Governor by a resolution.

Agriculture Hurricane Relief

North Carolina Commissioner of Agriculture Steve Troxler has announced that checks are in the mail to help farmers with crop loss and damage due to Hurricanes Florence and Michael. The Department of Agriculture estimates losses at over \$1.2 billion, and the legislature dedicated \$240 million in last fall's disaster relief bill for farmers to help cover part of their losses and qualify for financing for the 2019 growing season. The Department had hoped to disburse the money sooner, but attaining required information from federal Farm Service Agency offices was delayed due to the recent government shutdown.

WRAL: <https://www.wral.com/troxler-checks-in-mail-for-farmers-hurt-by-florence/18159029/>

NC Supreme Court Chief Justice to Step Down

After 20 years on the North Carolina Supreme Court bench, Chief Justice Mark Martin will be leaving the court to become the dean of Regent University law school in Virginia. His vacancy will allow Governor Cooper to appoint the next chief justice and potentially shift the 5-2 Democratic majority on the bench to a 6-1 Democratic majority. Senior Associate Justice Paul Newby has indicated that he will run for the chief justice position in 2020. This has led to a number of candidates announcing their intention to run for Newby's seat on the bench, including, Court of Appeals Judges Lucy Inman and Phil Berger Jr., and Former State Senator Tamara Barringer.

WRAL: <https://www.wral.com/nc-chief-justice-to-resign-next-month/18148219/>

WITN: <https://www.witn.com/content/news/List-of-candidates-growing-for-NC-Supreme-Court-seats-505405271.html>

Controversial Appointment

Governor Cooper has rescinded the nomination of Charlotte City Councilwoman LaWana Mayfield to the Human Relations Commission after controversial social media posts by Mayfield attracted criticism. Mayfield had referred to police officers as "homegrown terrorists wearing blue uniforms," which led to all 29 State Senate Republicans writing Cooper asking him to reconsider her nomination.

WRAL: <https://www.wral.com/cooper-rescinds-controversial-appointment/18174460/>

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