



NORTH CAROLINA



FINAL LEGISLATIVE UPDATE

October 5, 2016

SPEAK UP! TAKE ACTION! CREATE CHANGE!

The 2015 legislative session concluded in the wee hours of the morning on September 30th (finally!). In our last update, we provided you with a summary of budget provisions effecting United Ways. We just wanted to give you one last update from the last few weeks of session. Hopefully we will see a good number of you at the fall legislative briefings!

Strengthening the Nonprofit Sector



HB 765, Regulatory Reform Act of 2015 (McElraft). Among its many provisions, the Regulatory Reform bill, passed in the last days of the session, contains a provision effecting nonprofit workers' compensation insurance. The bill clarifies that nonprofits are not required to provide workers' compensation insurance for their uncompensated board officers (recommendation of the NC Center for Nonprofits). Nonprofits (and businesses) with three or more employees are required to purchase workers' compensation insurance. Because the current law includes unpaid board officers as employees, many small nonprofits have had to purchase essentially meaningless insurance policies.

Financial Stability

House Bill 318, Protect North Carolina Workers Act

(Cleveland, Millis, Whitmire, Conrad). HB 318 includes a number of provisions regarding undocumented immigrants in addition to new restrictions on food assistance. With regards to immigration, the bill contains two primary provisions: 1. It limits the types of IDs that are considered valid by the government; and 2. It bans "sanctuary cities" where local law enforcement isn't required to cooperate with federal deportation efforts. The food assistance provision cuts the amount of time childless adults can receive food assistance, even though it is 100% federally funded. The state currently has waivers in 77 counties to provide assistance to these individuals, but the waivers may not extend past July 1, 2016 under this legislation.



Health

HB 372, Medicaid Transformation and Reorganization (Dollar,

Lambeth, B Brown, Jones). The long-awaited and debated Medicaid Reform legislation was signed into law on September 23d. The legislation sets up the basic framework and infrastructure to move the state's Medicaid program from fee-for-service to managed care. The proposal includes the creation of a new Division of Health Benefits with a Director confirmed by the General Assembly (Division of Medical Assistance to be eliminated 12 months after capitated contracts begin). The managed care system will be covered by a combination of private managed care insurers and Provider Led Entities (PLEs) with three statewide contracts and up to ten regional contracts with PLEs (6 regions that cover the whole state). LME/MCOs are excluded from the contracts for 4 years. It also directs the CCNC contract to be renegotiated by July 1, 2016 to reduce PMPM payments by 15%, preparing to transition Primary Care Case Management to the new entities, with the contract terminating when the new entities are up and running. More details will be developed as we move forward with the new system.

[SB 676](#), Autism Health Insurance Coverage (Apodaca, Krawiec). After months of delay, SB 676 passed on the last day of the session. It requires insurance companies to cover treatments for autism in children under age 18. The coverage is capped at \$40,000 per year.

Education

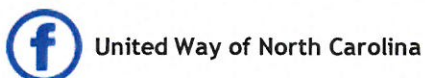
[HB 539](#), Charter School Funding (originally School Playgrounds Available to Public) (Bradford, B Brown, Szoka). In the last weeks of session, the Senate proposed a new version of HB 539 that would have required school districts to provide charter schools with funding even if they do not provide the services associated with that funding (like school lunch). The House did not take the Senate version up before session concluded.



LEGISLATIVE BRIEFINGS ACROSS NORTH CAROLINA

Tuesday	November 10	1-3:00pm	Wilmington
Wednesday	December 2	9-11:00am	Charlotte
Monday	December 7	10-12:00noon	Burlington
Tuesday	December 8	9-11:00am	Asheville

*Be on the watch for an **invitation with registration link coming very soon**. The briefings will be informative, engaging and provide you an opportunity to share your advocacy work and learn from your partners.*



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