



North Carolina Oncology Association

www.ncoa-northcarolina.com

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Legislative And Regulatory Update

**NCOA's Legislative Counsel,
Dana E. Simpson, Esq.**

The 2009 Session of the North Carolina General Assembly was a busy one for the North Carolina Oncology Association ("NCOA"). The NCOA represented the interests of oncologists on a wide variety of policy issues ranging from reforming the State Health Plan, Medicaid budget cuts, health insurance reform efforts, and several cancer-specific policy issues. A summary of some of the key legislative items of interest for NCOA members is outlined below.

State Health Plan

As outlined in more detail in the NCOA's last newsletter, the General Assembly passed reform legislation earlier this year that restructures premiums and benefits provided under the North Carolina State Employees' Health Plan. The NCOA was actively engaged in amending this legislation to exempt oral and intravenous cancer medications from a new specialty pharmacy vendor requirement covering all State Employees' Health Plan prescriptions exceeding \$400.00 in cost. NCOA President Jennie Crews, M.D. and President-Elect Richard Krumdieck, M.D. were actively engaged in lobbying legislative leaders and helped activate NCOA grassroots support that led to the successful exemption of cancer drugs from this new specialty pharmacy requirement.

State Budget/Medicaid

As a result of the recession, North Carolina tax revenues dropped precipitously in 2009. State Government faced its largest year-to-year budget deficit in the last 40 years. State legislators voted to close an estimated \$4-billion budget deficit through a combination of budget cuts, tax increases, and use of federal stimulus dollars.

The final State budget approved by the General Assembly cut State funding for the Department of Health and Human Services by almost \$700-million. As the largest portion of the HHS budget, Medicaid funding took the brunt of these cuts. Of particular interest to NCOA members, the State budget cut health care provider reimbursement rates by \$76-million annually. This equals an approximate 3% cut in physician reimbursement under Medicaid. While far from ideal, the 3% cut is much less than the 5-10% cut in provider reimbursement rates originally proposed by the House of Representatives. Additionally, Medicaid reimbursement for drugs was changed from Average Wholesale Price ("AWP") - 10% to Wholesale Acquisition Cost ("WAC") + 7%. This amounts to a \$10.4-million cut for the next fiscal year. Additionally, all physicians will now be required to submit Medicaid claims electronically. DHHS expects to implement these changes by October, 2009. Please refer to the monthly Medicaid Bulletin or contact the Division of Medical Assistance for more detailed implementation information.

In addition to Medicaid cuts, the final State budget also cut the funding for the Cancer Purchase of Medical Care Program in the North Carolina Division of Public Health. This Program has tradi-

A Message from President Jennie Crews



I am happy to report that the changes to the Bylaws that the membership recently considered were passed.

In addition, the Board of Directors recently passed a resolution by a 5-0 vote to request recognition by the House of Delegates and Coordinating Council of the North Carolina Medical Society (NCMS). Such action would permit NCOA to become a member of NCMS. This will be decided at the NCMS meeting in October.

Jennie Crews, M.D.

tionally helped pay for a portion of cancer drug costs provided to non-Medicaid eligible individuals with incomes below the federal poverty level. The Program was suspended by the Division in January 2009.

Health Insurance Reform

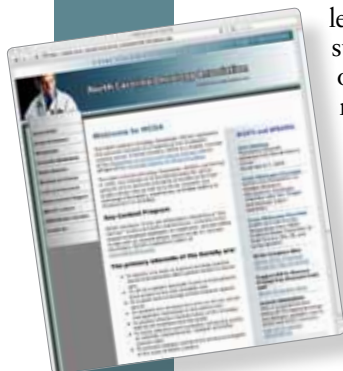
The NCOA joined the North Carolina Medical Society and other physician specialty societies in successfully lobbying to pass important health insurance reform legislation this year. Senator Dan Clodfelter (D-Mecklenburg) sponsored fair contracting legislation (SB 877) that for the first time requires health insurers to give physicians notice of proposed changes that would impact an existing contract fee schedule. If a physician objects to such a proposed change, then the change will not go into effect. This is a significant improvement over current law, which allows health insurers to make unilateral changes to contract terms, including previously negotiated fee schedules. Many NCOA practices experienced this problem firsthand in 2008 when BlueCross BlueShield of North Carolina unilaterally changed its drug reimbursement policies.

Despite strong opposition from BlueCross BlueShield of North Carolina and other health insurers, members of the General Assembly overwhelmingly voted to approve this commonsense fair contracting legislation. The new protections offered by this law will become effective for contracts that are entered into or renewed on or after January 1, 2010.

Cancer-Specific Legislation

The General Assembly passed legislation (H896) sponsored by Representative Ty Harrell (D-Wake) that updates references in North Carolina's insurance laws to include new federally recognized cancer compendia. Existing law prohibits insurers from denying coverage of off-label use of cancer drugs if such use is listed in one of the federally recognized cancer compendia. The NCOA worked with the North Carolina Chapter of the American Cancer Society to pass this important legislation.

The General Assembly also created a new cancer patient assistance pilot program (HB 1020) that will begin in Mecklenburg and Guilford Counties. Under the pilot program, a multi-disciplinary team will provide education and management assistance to



cancer patients. Initially, the pilot program will focus on breast and cervical cancer.

The NCOA joined the American Cancer Society, the North Carolina Medical Society, and many other health care organizations in supporting legislation sponsored by Representative Hugh Holiman (D-Davidson) that will prohibit smoking in restaurants and bars in North Carolina. The General Assembly passed this legislation in May and it will become effective January 1, 2010.

NCOA Advocacy Efforts

As the NCOA becomes more involved with legislative and regulatory policy issues at the State level, we will continue to build strong alliances with other statewide organizations that share our policy interests. This year, the NCOA worked closely with the North Carolina Medical Society and the North Carolina Chapter of the American Cancer Society in advancing our legislative priorities. We expect these and other alliances to continue. The NCOA Board of Directors recently voted to join the North Carolina Cancer Policy Alliance, which will include a number of statewide organizations devoted to promoting the adoption of public policies that result in improvements throughout the continuum of cancer care, including prevention, detection, care, and survivorship.

Announcing the Opening of the NC Cancer Hospital

On November 6-7, 2009, the School of Medicine of the University of North Carolina will celebrate the opening of the NC Cancer Hospital by sponsoring a symposium, "Translating Scientific Advances into Clinical Care for Cancer." The symposium will focus on how advances in basic science have led to improved care and longer survival for patients with many different types of cancer and will feature an international panel of experts from a variety of disciplines. The symposium will take place at the Sheraton Hotel in Chapel Hill. For more information and to register, go to NCOA's website, www.ncoa-northcarolina.com and click on UNC Meeting, or call 919.962.2118. A reception hosted by the North Carolina Oncology Association will take place on Friday evening, November 6.

Save the Date!

Joint NCOA/SCOS Membership Conference: February 26-27, The Ballantyne in Charlotte, NC

For more information about North Carolina Oncology Association go to: www.ncoa-northcarolina.com or call: 301-984-9496, ext. 218

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Wanted: A Few Good Key Contacts!

To augment its lobbying program, the North Carolina Oncology Society is initiating a Key Contact Program of members who are willing to discuss health-related issues, understand the impact of proposed legislation on healthcare, and talk with elected officials about concerns related to oncology and cancer care services. If you have questions about this Program or are interested in volunteering for the Program, please email Dr. Richard Krumdieck, NCOA's Legislative Liaison, at rkrumdieck@lnho.org.

It also is important for you to get to know your elected officials. Invite them to your office for a tour; participate in a fundraiser for a candidate you support. NCOA's goal is for North Carolina oncologists to become a "trusted" source on health care issues that members of the General Assembly will consult when grappling with difficult health policy questions.