



North Carolina Chapter

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Legislative Update: CSRS, Step Therapy and Medicaid Reform

The legislative calendar is filling up with a flurry of late-session committee hearings while House and Senate budget leaders hammer out differences between two versions of the state's FY2016-17 budget update. Last week on June 14, the Senate Health Care Committee heard public comments both in favor and opposing a full repeal the state's Certificate of Need program, but did not vote on any legislation. On June 16, the legislature ratified a bill that allows the State Health Director to prescribe an opioid antagonist via a statewide standing order. The bill was [signed into law by Governor Pat McCrory](#) on Monday, June 20. Step therapy (see below) will be heard by the House Insurance Committee on Wednesday.

The Budget and CSRS – Legislators have their sights set on a target adjournment date of July 4. The budget is now in the hands of a conference committee that will hammer out a \$118 million difference in DHHS spending between the two chambers' versions of the FY2016-17 budget update. A Controlled Substances Reporting System (CSRS) mandate, which was included in the Senate's proposed budget, is also on the table. The Senate provision would require physicians to register with the CSRS and use the system, or face license suspension or revocation, when prescribing controlled substances.

Step Therapy – The House Insurance Committee is scheduled to take up [House Bill 1048, Reduce Barriers to Improve NC Health & Safety](#), on Wednesday, June 22, at 1:00 pm. The bill sets standards for the development of step therapy (or "fail first") pharmaceutical coverage protocols and requires transparency in the exceptions/override determinations process. The bill also includes provisions for health benefit plans' coverage of abuse-deterrent opioids. Step therapy was a concern raised in the 2015 session of the NC General Assembly and a study committee was convened in the 2015-2016 interim to investigate step therapy restrictions in North Carolina. At a February 24, 2016 hearing, physicians representing several medical specialties offered testimony expressing concerns over the challenges physicians face in treating patients due to step therapy denials from insurance companies. A coalition of physician and patient organizations, including the NC Chapter-ACP, is organizing in support of the bill. [A live audio feed from the committee hearing will be accessible online.](#)

Medicaid Reform & Expansion – North Carolina submitted its Medicaid waiver application to CMS on June 1. Federal review of [the state's plan to capitate payment for services provided to NC's Medicaid population](#) through a network of statewide and regional Medicaid carriers could take up to two years. DHHS Secretary Richard Brajer presented an overview of the final application to the House Health Committee moments before the application was signed by Governor Pat McCrory and sent to CMS.

Brajer told legislators his department had worked with over 50 stakeholder organizations, held 12 public hearings across the state and received comments from over 750 organizations and individuals in developing this final waiver application. At the hearings and in the written comments, many citizens advocated for expansion of Medicaid, according to Brajer. The waiver application, however, does not include provisions for expanding Medicaid, he said, since the waiver must comply with the reform legislation passed last fall, which does not envision expansion.

The NC Chapter restated its support for Medicaid expansion in meetings with legislators last month. Three internists participated in the Internal Medicine White Coat Wednesday @ the Legislature on May 18. ACP Governor **Peter Lichstein, MD FACP** (Winston-Salem), **Michael Norins, MD** (Greensboro) and **Jenny Hinson, MD** (Norwood) took part in the event which included a legislative briefing and one-on-one meetings with legislators in Raleigh. The Internal Medicine White Coat Wednesday @ the Legislature is an annual advocacy program presented jointly by the NC Chapter and the NC Medical Society. For more information about how we can help you coordinate meetings with your legislators, please contact your NC-ACP staff Denna Suko at dsuko@ncmedsoc.org.

Diabetes Prevention Program for State Health Plan Members

The State Health Plan has announced a new covered benefit that supports members at risk for diabetes: the Diabetes Prevention Program (DPP). This CDC-approved, evidence-based program is proven to delay or avert diabetes in at-risk people. It is a comprehensive lifestyle change program offered in two phases over 12 months. The program is offered in-person at various locations throughout the state and online. Plan members pay just \$25; the Plan supplements the remaining \$400 cost of the program.

As a partner in preventing diabetes, please assess State Health Plan members' risk, discuss their risk and prevention strategies, and refer at-risk members to DPP. State Health Plan members can find more information and registration at www.diabetesfreenc.com.

Blue Medicare: Avoid Claims Processing Delays for Diabetic Supplies

Blue Cross and Blue Shield of North Carolina (BCBSNC) provides coverage under its Medicare Advantage plans (Blue Medicare HMOSM and Blue Medicare PPOSIM) for certain diabetic supplies such as lancets and test strips. Coverage is based on medical necessity.

According to the Glucose Monitors (L33822) Local Coverage Determination, the Blue Medicare member must meet the following criteria in order to be eligible for coverage of home blood glucose monitors and related accessories and supplies:

- The member has diabetes
- The member's doctor has concluded that the member (or the member's caregiver) has sufficient training using the particular device prescribed as evidenced by providing a prescription for the appropriate supplies and frequency of blood glucose testing.

Providers are reminded that the following guidelines apply to the units filed for the Healthcare Common Procedure Coding System (HCPCS) codes for test strips and lancets:

- Glucose test strips (HCPCS A4253) – **one box of 50 equals one (1) unit of service**
- Lancets (HCPCS A4259) – **one box of 100 equals one (1) unit of service**

Prompt processing of claims is contingent upon proper claim submission. Please ensure your billing staff is accurately reporting the units of service in claim field 24G when filing claims for diabetic supplies.

Providers may call Blue MedicareSM Provider Customer Service at 1.888.296.9790, if they have any questions.

Registration Open for Kanof Institute for Physician Leadership Fall Programs

The North Carolina Medical Society Foundation and the Kanof Institute of Physicians Leadership (KIPL) invite you to register for one of two programs beginning this fall; Leadership College and the new Health Care Leadership & Management program. Applications for both of these exciting programs are due July 15, 2016.

The Leadership College Program focuses on leadership fundamentals to enhance physicians' and PA-Cs' core aptitudes to excel as leaders within organized medicine, hospitals, health care systems, medical staffs, group practices, as well as in the public policy arena. The curriculum of the Health Care Leadership & Management Program is designed with greater emphasis on deeper leadership development and skills that include strategic planning, negotiation and financial literacy and application.

To learn more about the programs, please [visit the NCMS Foundation website](#).

M3 Is the Place to Be This September

Where are you going to be on Sept. 15-18? The historic M3 Conference in Greensboro is the place to be for physicians and practice managers this fall. This landmark conference will bring physicians and practice managers together for three days of education, networking and inspiration with colleagues from across the state. All the information and registration materials are now available on the M3 Conference website.

Visit often as we continue to add new sessions. Don't miss this opportunity to merge medicine and management in North Carolina.

e-Notification of New NCMJ Issues

As a North Carolina health care provider, you might find the North Carolina Medical Journal (NCMJ) to be of interest. A journal of health policy analysis and debate, the NCMJ covers a range of medical and public health topics. For example, 2015 topics included rural health, traumatic brain injury, patient and family engagement, evidence-based practice, and military health.

If you would like to be notified when new issues are available online, sign up at <http://www.ncmedicaljournal.com/cgi/alerts/etoc>. Your email address will only be used for new issue alerts.

CMS Resuming Regular Medicare Revalidation Cycles

The Centers for Medicare and Medicaid Services (CMS) has completed its initial round of revalidations and will be resuming regular revalidation cycles. In an effort to streamline the revalidation process and reduce provider/supplier burden, CMS implemented several new revalidation processing improvements. CMS is making multiple attempts to notify enrolled providers of their revalidation due date. You must complete revalidation by [your assigned due date](#) to avoid possible hold on your Medicare payment and deactivation of your Medicare billing privileges. For complete information, including FAQs, [visit the CMS website](#).