

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE DRS85161-MG-80 (03/24)

Short Title: Modify COPA Agreement/Mission Health. (Public)

Sponsors: Senator Davis.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES
3 AND THE ATTORNEY GENERAL TO MODIFY THE SECOND AMENDED
4 CERTIFICATE OF PUBLIC ADVANTAGE AGREEMENT BETWEEN THE STATE OF
5 NORTH CAROLINA AND MISSION HEALTH SYSTEMS, AS RECOMMENDED IN
6 THE REPORT ENTITLED "AN ECONOMIC ANALYSIS OF THE CERTIFICATE OF
7 PUBLIC ADVANTAGE (COPA) AGREEMENT BETWEEN THE STATE OF NORTH
8 CAROLINA AND MISSION HEALTH," WITH CERTAIN MODIFICATIONS.

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.(a)** The Department of Health and Human Services and the Attorney
11 General shall modify the second amended certificate of public advantage (COPA) issued to
12 Mission Health Systems (MHS) under Article 9A of Chapter 131E of the General Statutes. The
13 modified COPA shall incorporate all of the recommendations in the report entitled "An
14 Economic Analysis of the Certificate of Public Advantage (COPA) Agreement Between the
15 State of North Carolina and Mission Health," with the following modifications:

- 16 (1) MHS shall immediately halt all activities related to management agreements,
17 acquisitions, affiliations, and joint ventures, including physician practice
18 acquisitions and joint ventures until December 31, 2011, or until the
19 Department has time to study and implement a Price Cap, whichever is later.
20 (2) The Price Cap, once determined, applies to all MHS activities described in
21 subdivision (1) of this section.
22 (3) At the end of the period specified in subdivision (1) of this section, all of the
23 following apply:
24 a. MHS shall provide the Department and the Attorney General with
25 advance notice, in writing, of any proposed new acquisition,
26 affiliation, or joint venture. Upon receipt of this notice, the
27 Department shall give public notice in the North Carolina Register of
28 the proposed new acquisition, affiliation, or joint venture. After
29 notice is given, the public shall have 30 days to file written
30 comments on the proposed new acquisition, affiliation, or joint
31 venture. Public comments submitted in response to the notice are
32 public records as set forth in Chapter 132 of the General Statutes.
33 b. A physician employment cap of ten percent (10%) of the total
34 number of licensed physicians in full-time practice within the county
35 applies to (i) each county in Western North Carolina (Buncombe,



1 Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson,
2 Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain,
3 Transylvania, and Yancey) and (ii) each of the following specialties:
4 family practice/internal medicine, general pediatrics,
5 obstetrics/gynecology, oncology, radiation oncology, cardiology,
6 otolaryngology, general surgery, and orthopedics. To the extent that
7 MHS has exceeded the physician employment cap specified in this
8 sub-subdivision in any of the applicable counties as of the effective
9 date of this act, it shall not be required to take any action to bring
10 itself in compliance with the cap. In determining the number of
11 physicians in full-time practice: (i) the hours of licensed physicians
12 in part-time practice shall be combined and (ii) the hours of retired
13 physicians, physicians who spend more than fifty percent (50%) of
14 their time on administrative duties instead of directly providing
15 professional medical or surgical services, federal and military
16 physicians, residents, and fellows shall be excluded.

17 **SECTION 1.(b)** The following definitions apply in this section:

- 18 (1) "Licensed physician in full-time practice" means any physician who
19 maintains a full, active, and unrestricted license to practice medicine from
20 the North Carolina Medical Board and directly provides professional
21 medical or surgical services, or both, in one or more of the counties specified
22 in subsection (a)(3)b. of this section for at least 36 hours per week.
- 23 (2) "Licensed physician in part-time practice" means any physician who
24 maintains a full, active, and unrestricted license to practice medicine from
25 the North Carolina Medical Board and directly provides professional
26 medical or surgical services, or both, in one or more of the counties specified
27 in subsection (a)(3)b. of this section for more than eight hours per week but
28 less than 36 hours per week.

29 **SECTION 2.** This act is effective when it becomes law.