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Health Care Reform Planning Comes to North Carolina

Shorts on Long Term Care September 2010

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Kenneth L. Burgess

What will health care reform mean for me and my company? That's the ten thousand-dollar question everyone is asking. And it's probably no surprise that an entire cottage industry of "experts" has arisen quickly, all claiming they have the answer. I get daily email notices of another health care reform summit, conclave, webinar, or book explaining the new reform law. In reality, no one knows yet the full extent or impact of health care reform in North Carolina or anywhere else in the nation. So much of this massive law has yet to be defined in regulations, federal and state agency policies and other government interpretations.

But North Carolina's state government has begun planning for reform. Recently, I was invited to participate in a new Fraud and Abuse Task Force organized by the Institute of Medicine (IOM) in Chapel Hill and the North Carolina Department of Health and Human Services, and I quickly agreed. The purpose of the task force, in part, is to identify gaps in enforcement of fraud and abuse provisions in the health care reform legislation, to identify new or revised statutes the state will need to adopt, and generally to ensure our state enforcement mechanisms "fit" within the many fraud and abuse provisions of the new reform law. The task force has no real decision-making power. Instead, we will make recommendations to state government agencies and, either directly or through those agencies, to the General Assembly.

I agreed to serve on the task force as a representative of the long term care industry for one primary reason -- we need to be at the table as our state government looks at fraud and abuse enforcement involving public funding for health care. The IOM is highly influential with state government agencies and the General Assembly, and its prior work has often resulted in new or revised legislation and/or agency policy. I was greatly encouraged when the president of the IOM opened our first session with a strong message: "This isn't about dinging health care providers." One of the primary charges to our task force, in addition to identifying potential gaps in enforcement mechanisms, is to educate providers of all types about financial integrity, fraud and abuse programs, and reporting obligations, of which there are many in the reform law.

Our group includes representatives from the Criminal Investigations Division of the Department of Insurance; the Division of Medical Assistance (including both Clinical Operations and Program Integrity); the Division of Health Service Regulation; consumer groups such as AARP and Easter Seals; the attorney general's office; private insurers; and other trade and licensing organizations, including the North Carolina Medical Society, the Board of Pharmacy, and the Hospital Association, among others. The task force will meet monthly, with meetings through December 2010 already scheduled and further meetings in 2011 anticipated.

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The Fraud and Abuse Task Force is one of several IOM task forces organized to address health care reform issues at the state level. Other task forces include: Health Benefit and Insurance Oversight; Health Professional Workforce; Medicaid and Elder Services; New Models of Care; Prevention; Quality; and Safety Net.

When the "universal coverage" provisions of health reform are fully implemented by 2014, state officials predict that an additional 500,000 to 800,000 North Carolinians will be eligible for Medicaid (anyone under 133 percent of the federal poverty level); many more will be eligible for health insurance premium subsidies, employers and individuals will have new insurance coverage requirements; and at some point, North Carolina, like all other states, will have a new Health Benefits Exchange to manage these new insurance requirements and opportunities. Medicaid, and thus Medicaid fraud and abuse enforcement tools, will be a major part of these changes.

Our participation on the task force will help ensure the North Carolina long term care industry understands the implications of these changes for fraud and abuse enforcement, prevention, and reporting. One of my first requests was for a "cheat sheet" or matrix of existing state government Medicaid-based recoupment and enforcement tools and programs, which the Department of Justice graciously agreed to provide and circulate, so everyone on the task force and in our industry understands the growing array of Medicaid enforcement/recoupment programs already in existence.

We'll keep you posted on the work and recommendations of the task force as our work moves forward. I appreciate the opportunity to represent the North Carolina long term care industry on this task force.

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