

NC Health Policy and Trends to Watch For in 2019 – Part 1

For people of all ages, 2019 will be the year of a state and national debate on health care access to public programs.

North Carolina government, the health care industry and citizen advocates, as well as affected patients, will be consumed with the effects of Medicaid transformation in 2019. On the national level, the president, Congress and the political parties will propose changes to programs such as Medicaid, Medicare, SNAP and many more with an eye to scoring points in the 2020 elections.

As “Medicare for all” attracts attention as a political slogan, it’s worthwhile to ask what that would mean in reality. Existing Medicare has countless manifestations, a situation that would likely be replicated in any single-payer or “pay-in” system. Would Medicare-for-all mean Medicare Advantage-for-all? Part D-like prescription drug coverage for all? Billions in tax dollars will be involved in any case, but Democrats will likely argue that the benefits will outweigh the costs.

More “orphan” seniors

Look for a group of North Carolina advocates for older people to push this year for increased state attention and funding for adult protective services.

North Carolina county workers have to step in if a resident is financially or physically unable to look after himself, is being abused or neglected, and has no one else to take responsibility. State law mandates this role for adult protective services but leaves the counties to pay for most of it.

This hits some poor areas extra hard, as caseloads are on the rise and as much as 80 percent of the cost falls to counties. The consequence to inaction here can be substantial neglect, or death, in a society where family support for older relatives has waned over past decades.

More often than most people would like to think, older people become victims of neglect and exploitation, often at the hands of family members.

“Inadequately supported APS is a crisis ready to come to a head, in the view of many state policy people,” according to a statement from the North Carolina Coalition on Aging.

- Thomas Goldsmith: Generations Beat (Aging)

HCA’s purchase of Mission Health delayed

When Mission Health leaders announced in August they’d finalized a deal with Nashville, Tenn.-based HCA Healthcare to sell the Asheville-based health system, they seemed confident that the transaction would be finalized by the end of the year.

But the deal is contingent upon approval by N.C. Attorney General Josh Stein, and his review of the deal is still underway. Stein has also publicly echoed concerns raised by scores of western North Carolina residents, including some local elected officials and activist groups.

Asheville’s Mission Hospital is looking to sell itself to for-profit giant HCA. Photo credit: Mark TosczaK
Their two chief concerns are the fate of Mission’s rural hospitals under HCA ownership and the leadership of the new Dogwood Health Trust, which would receive the \$1.5 billion in proceeds from Mission’s sale.

Critics have argued that HCA, the country’s largest for-profit hospital operator, will have little incentive to keep

supporting rural hospitals with slim or nonexistent profit margins. Mission leaders have said HCA's industry-best operating efficiencies will help those facilities operate more efficiently, which in theory should help keep them open.

In the case of Dogwood, many in western North Carolina have questioned whether the foundation's board, which is dominated by people with ties to Mission Health and Buncombe County, will be able to properly represent the interests of 18 mostly rural counties.

Hospitals protest State Health Plan cost-cutting moves

When N.C. State Treasurer Dale Folwell announced his plan to slash \$300 million per year in spending from the State Health Plan, the N.C. Healthcare Association, which represents the state's hospitals, condemned it almost immediately. The plan would peg reimbursement rates to Medicare rates, paying out a level higher than Medicare does, but with fees rising or falling with the federal program.

State Treasurer Dale Folwell (second to the left) speaks about his plans to peg hospital reimbursement to Medicare rates in October at the meeting of the State Health Plan board of trustees. Photo credit: Rose Hoban
Folwell says cost cutting is necessary to preserve health care benefits for state employees and ensure the longtime financial viability of the State Health Plan. Hospitals and some others have said the cuts to reimbursements could damage communities — especially rural communities — where hospitals depend on the profits they earn from employer-based health plans, including the State Health Plan, to make up for losses in Medicaid and Medicare. There's been a good bit of public acrimony between the treasurer's office and the hospital group. Behind the scenes, lobbyists on both sides worked the hallways at the General Assembly in December. One legislator drafted a bill that would have delayed Folwell's cost-cutting plan, but it was never introduced.

In early 2019, we'll be watching for two things. First, will the General Assembly step in and take action to stop or delay Folwell's plan, which would take effect in January of 2020? Second, will Folwell get enough hospitals, doctors and other providers to agree to the new pricing plan? While some providers, such as independent physicians and mental health providers, might get paid more under the plan, most hospitals would see their reimbursements cut.

Uncertainty continues in health insurance market

Two years after President Trump took office with promises to "repeal and replace" the Affordable Care Act (Obamacare) with something better, the ACA has proven remarkably resilient to repeal efforts.

But Congress and the Trump administration have pushed through legal and regulatory changes that have begun to reshape the health insurance marketplace. Congress passed a law that essentially neutered the ACA's individual mandate that required anybody not covered by an employer-based policy to obtain health insurance some other way.

In mid-December a federal judge in Texas ruled the ACA was unconstitutional, raising questions about the ultimate fate of the law and setting the stage for new legal and political battles in 2019. There's speculation this case will eventually be decided by the Supreme Court of the U.S.

Meanwhile, the Trump administration approved new regulations to make it easier to sell "association health plans," which are supposed to allow nonprofit associations to offer health plans to their members that would save money by combining the purchasing power of many small businesses. The federal government also extended the duration of short-term health insurance plan from three months to 12 months.

But critics have argued that all of these changes could weaken the ACA marketplace by luring some people to cheaper alternatives that, they say, offer fewer benefits.

Meanwhile, many people — especially those without employer-provided insurance who make too much to qualify for ACA subsidies — continue to complain about high premiums and deductibles that only kick in after someone has spent thousands of dollars out of pocket on health care expenses.

- Mark Tosczak: Health Care Business beat

North Carolina — and most the U.S. — has failed in many ways at controlling the wildfire that is the opioid crisis.

The number of confirmed 2017 opioid-related overdose deaths in North Carolina surpassed the state health department's worst case scenario projection for the year 2021.

Recent data from the Centers for Disease Control and Prevention shows that North Carolina had the third highest increase in drug overdose death rates in the country from 2016 to 2017.

A grab bag with cottons, cookers, alcohol wipes, syringes and a list of treatment resources put together by North Carolina Harm Reduction Coalition. Photo credit: Taylor Knopf

It's not for lack of trying, however. North Carolina, like many other states, has legalized syringe exchanges. Law enforcement and EMS personnel carry the overdose reversal drug, naloxone. And the legislature passed a law limiting the number of opioids that can be prescribed for acute pain.

There has also been the beginning of a culture shift as people start to think about addiction as a chronic illness rather than a moral failing. Law enforcement and state officials frequently repeat the mantra: "We cannot arrest our way out of this."

There's been a glimmer of hope as preliminary state data show a decrease in opioid overdoses from the end of 2017 to early 2018. Early state data also show a 7 percent decrease in overdose-related emergency department visits across the state in 2018 compared to 2017.

However, North Carolina's morgues remain full. The state's medical examiner's autopsy count has hit a record high. Much of that office's work is now fueled not by prescription drug deaths, but by deaths caused by illegal drugs such as heroin and black market fentanyl, which is 100 times stronger than morphine.

There seems to be another way.

Across the Atlantic, many European countries dealt with similar spikes in heroin use, overdose deaths and high rates of HIV and Hepatitis C infections, which spread through sharing needles.

In contrast to the U.S., countries such as Switzerland and France have reigned these in. So North Carolina Health News visited programs in Bordeaux, Paris, Geneva and Zurich to observe their programs and talk to experts and users. Coming soon, we will have a series of stories that dive into the French and Swiss approaches to drug use and harm reduction.

Disasters could trip up rural health progress

Though the storm has passed, the cleanup and rebuilding after Hurricane Florence have just begun. It will take years to fully recover from the historic storm, and rural eastern North Carolina has a long journey ahead of it. In 2019, the region will need to consider addressing their aging sewage systems, which frequently become overwhelmed by heavy rains, causing them to divert raw sewage from treatment until plants can catch up.

Sewer overflows emanating from manhole covers can befoul local waterways and, in the worst case, contaminate drinking water supplies. Photo courtesy: City of Brevard

This happened in at least 79 places following Hurricanes Florence and Michael this fall, resulting in roughly 50 million gallons of untreated sewage, according to the state Department of Environmental Quality.

The Federal Emergency Management Agency (FEMA) will continue to assist in the rebuilding. As of Dec. 25, more than \$122.6 million FEMA dollars were approved for 34,000 N.C. households.

Rural housing is going to be one of the toughest issues to address due to the huge lack of existing affordable housing in those areas, according to Samuel Gunter, director of policy and advocacy for the NC Housing Coalition. In recent years, there's been more of an understanding of the relationship between health and issues such as housing, the so-called social determinants of health.

Something to watch for in 2019 will be how quickly the relief money is distributed. The funds from Hurricane Matthew — which made landfall in fall 2016 — only started arriving in North Carolina shortly before Hurricane Florence.

And Florence hit eastern businesses hard. It will take many — especially agriculture and fishing industries — a long time to recoup the lost profits and rebuild their businesses.

This coming year could be a dark time as these folks struggle with depression and anxiety as a result of the storm losses. Disasters take the resilience out of people. Suddenly small setbacks on the farm, such as a broken piece of equipment, become a big deal because farmers don't have a financial buffer to absorb any more hits. The mental health needs in eastern North Carolina are expected to rise.

- Taylor Knopf: Rural Health, Mental Health