



North Carolina Spirits Association

Legislative Report
August 16, 2019

This legislative session continued this week with many legislators absent, attending the American Legislative Exchange Council's (ALEC) convention in Austin, Texas. The House held session Monday through Wednesday, while the Senate was only in town on Tuesday. The House continues to place the motion to override Governor Cooper's veto of the State Budget on the calendar every legislative day, but has still not taken a vote. 51 of the 55 House Democrats signed on to a letter last week, pledging that they will not vote to override Governor Cooper's veto. This means that House leadership will have to wait until enough Democrats are not present to attempt an override, since they will not have the constitutionally required three-fifths vote if all 51 House Democrats vote no.

It was reported this week that the average cost of a day in session for the legislature is around \$40,000 to \$50,000, and it is estimated that the session has cost around a million dollars since the budget was vetoed. House Minority Leader Darren Jackson (D-Wake) calls this a waste of money, since House and Senate leadership are not having discussions with the Governor on a compromise budget. However, Senate President Pro Tem Phil Berger released a series of unanswered text messages that he sent Governor Cooper, inviting him to discuss the budget. Berger claims that the unanswered text messages prove that it is Cooper who is stonewalling budget negotiations. Cooper claims that he has reached out through staff to negotiate. The legislature has already approved a stop-gap funding bill to ensure that federal dollars can still be spent during the ongoing budget stalemate, and a 2015 law prevents a government shutdown by keeping in place the recurring funding levels of last year's budget until a new one is adopted.

The House Health Committee stripped a Senate Bill dealing with regulations on mini-trucks this week in a maneuver called a Proposed Committee Substitute (PCS) to create a new two-part bill that deals with birthing center regulations and Pharmacy Benefits Managers (PBMs). The first section of Senate Bill 432 establishes a licensure process for birthing centers and creates the NC Birth Center Commission to promulgate rules around accreditation for birthing centers and care standards. The second part of the bill would place new regulations on PBMs, and prevent them from charging pharmacists certain fees, including shipping and handling. It would also allow pharmacists to refuse filling a prescription that they feel is not in the best interest of the patient. Both provisions of the bill have been pursued in other bills, but had not gotten the traction that the sponsors wanted.

The North Carolina Department of Transportation (DOT) has announced that a cash flow shortage will force them to lay off around 1,000 temporary employees. The Department cited increased costs due to hurricane-related road repairs and slow federal reimbursements for road damage costs. In an average year, DOT spends around \$65 million on storm damage road repair, however, this year they have spent nearly \$300 million. DOT has also spent \$311 million defending the controversial Map Act, which prevents landowners from developing property in

areas where future highway projects are planned. The legislature repealed the Map Act earlier this year. Representative John Torbett (R-Gaston), who chairs the House Transportation Committee, said that the legislature is exploring options to help alleviate the cash shortage. DOT noted that the current budget stalemate between Governor Cooper and the legislature is not a factor in the budget hole.

The House passed an omnibus healthcare bill this week and the bill will now go to the Senate for a concurrence vote. The bill has nine parts that do the following: creates a Psychology Interjurisdictional Compact (PSYPACT), allows licensed marriage and family therapists to perform first examinations for involuntary commitments, eliminates redundant adult care home inspections, creates the Lupus Advisory Council, requires that insurers develop formularies for Center for Medicare and Medicaid Services (CMS) approved step therapy, requires insurers to cover oral chemo drugs the same as injected chemo, requires Medicaid to pay for telemedicine, requires private insurance and the State Health Plan to cover telehealth services, and creates the North Carolina Healthcare Solutions Task Force. The bill was approved on a 106-3 vote, but it is unclear what provisions the Senate will agree to, as they have historically blocked similar provisions dealing with what they consider to be insurance mandates.

The House and Senate will reconvene on Monday.

For more information about legislation described in the legislative reports, feel free to contact me at dferrell@nexsenpruet.com or (919) 573-7421. Information is also available on the General Assembly's website: www.ncleg.gov.

Prepared By: David P. Ferrell, Esq. - NCSA Lobbyist

***NEXSEN PRUET PLLC
150 Fayetteville Street, Suite 1140
Raleigh, North Carolina 27601
Telephone: (919) 573-7421
dferrell@nexsenpruet.com
www.nexsenpruet.com***