

Chowan County Board of Commissioners
Special Joint Meeting
With the Edenton Town Council
Thursday, February 28, 2019
5:30pm
Town Council Chambers
504 South Broad Street
Edenton, NC

The Chowan County Board of Commissioners held a special joint meeting with the Edenton Town Council on Thursday, February 28, 2019, at 5:30 pm in the Edenton Town Council Chambers, 504 South Broad Street Edenton.

County Commissioners Present Chair Patti Kersey, Commissioners Ron Cummings, Bob Kirby, Larry McLaughlin, Greg Bonner and Ellis Lawrence.

Commissioner Don Faircloth was absent.

Town Council Present: Mayor Roland Vaughan, Councilmen Samuel Dixon, Steve Biggs, Jimmy Stallings, Craig Miller, Roscoe Poole, Jr.

Councilmen Elton Bond was absent.

County Staff Present, County Manager Kevin Howard and Clerk Susanne Stallings

Town Staff Present, Town Manager Anne-Marie Knighton

Mayor Vaughan called the special meeting of the Town Council to order. He introduced the Council members that were present.

Chair Kersey called the special meeting of the County Board of Commissioners to order and introduced the Commissioners present.

Mayor Vaughan welcomed Senator Bob Steinburg and Representative Ed Goodwin who were present.

Mayor Vaughan then noted that the purpose of the meeting was to receive information from Dr. Michael Waldrum regarding the impacts of proposed changes to the NC State Employees Health Care Plan. He welcomed Dr. Waldrum.

Mayor Vaughan welcomed members of the Chamber of Commerce, the Economic Improvement Council and the Vidant Health Team who were also present.

Dr. Waldrum thanked the group for the welcome. He provided the group with a PowerPoint presentation. A copy of the PowerPoint is in the meeting file labeled February 28, 2019. Dr.

Waldrum highlighted that recently there have been remarks made by the State Treasurer regarding the State Health Plan for State Employees. He stated that there are proposed cuts to the plan beginning 2020 that could be \$400 million to the health systems and hospitals across North Carolina. He noted one of the hardest hits would be the OB services provided in small communities like Edenton. He stated the change would be in how providers are reimbursed for services and are tied to Medicare rates. He stated that his proposal is modeled after a plan in Montana which has a population 1/10 the size of North Carolina. He stated that state plan has 33,000 beneficiaries and North Carolina has 720,000. He stated the potential reimbursement reduction to Vidant would be \$40 million. He stated that costs would be shifted to businesses and the hospitals will face consolidations and closures. He stated that hospitals are mandated to provide services to patients who are uninsured. He stated in rural areas there is a larger number of uninsured patients. He shared information on local partnerships in the community. He noted that Medicaid, Medicare and BCBSNC are all moving towards value based care and the State Health Plan is moving towards fee for services. He noted a House Bill 184 created a joint legislative study committee to consider issues related to the State Health Plan design. That committee must report by April 1, 2020.

Representative Bob Steinburg noted the State has spent much time on this issue. He noted that Treasurer Falwell is trying to correct a deficit in the State. He stated that there needs to be a solution where both groups need to work together. He noted the State will not get everything it wants and the Hospital will not get everything it wants. He stated the groups need to work together and that Treasurer Falwell is willing to sit down with the Hospital to negotiate.

Representative Ed Goodwin stated that Vidant anticipates losing \$40 million and the State is losing \$30 million. He stated the two groups need to work together to find a solution and he said he feels a solution is in the works.

Board members from the Council and Commissioners asked questions.

Councilman Poole discussed the impact of rising drug costs on the hospital.

Commissioner Kirby asked if there are any other states with a plan like Montana.

Dr. Waldrum stated Montana is the only state with this type of plan. He stated all others are moving towards value based payments.

Commissioner Cummings discussed the impact on the County budget if there is a potential shift in costs to the customers.

Chair Kersey asked about the impact of the value based payment.

Dr. Waldrum stated he has not investigated this.

Members of the public discussed were invited to ask questions the following comments were noted:

- BCBS should be involved in the negotiations
- Can the State plan change providers?
- Medicaid transformation to managed care
- Impact on neighboring Counties if facilities close

Dr. Waldrum provided handouts with more information on the efforts of Vidant. He thanked the group for their participation.

Mayor Vaughan thanked all in attendance, he then declared his Board adjourned.

Chair Kersey then declared the Board of Commissioner's adjourned.

Patti F. Kersey, Chair

Susanne Stallings, Clerk