

Government Relations Update

September 26, 2017



Pennsylvania Issues

Advocacy

• State Budget: As previously reported, on July 11, 2017, the Commonwealth's \$32 billion state budget became law, although it passed without corresponding revenue legislation necessary to fund the bill. On July 26, 2017, the Senate passed a \$2.2 billion revenue package, but the House refused to consider it. The House instead adopted its own revenue bill, which was rejected in the Senate by a vote of 43 to 7. On September 15, 2017, the Commonwealth became unable to pay its expenses. Governor Wolf (D) delayed a \$1.2 billion payment to state-contracted managed care providers and a \$581 million payment needed to fund the Commonwealth's pension obligations. As a result of the impasse, Standard & Poor's downgraded the state's credit rating from AA- to A+, which is the lowest rating received in 39 years. The Governor and legislative leaders hope to pass a final revenue bill by October 1, 2017.

Miscellaneous

- Legislative Visits: On August 17, 2017, the St. Luke's Nurse-Family Partnership hosted an event for Senator Mario Scavello (R-Monroe) and State Representatives Peter Schweyer (D-Lehigh), Michael Schlossberg (D-Lehigh) and Zach Mayo (R-Lehigh, Northampton) at the Bethlehem Public Library. In addition, on August 24, 2017, United States Congressman Charlie Dent (R-15-PA), State Representative Marcia Hahn (R-Northampton), State Representative Schlossberg, State Representative Schweyer and Bethlehem Mayor Bob Donchez (D) attended the opening of the St. Luke's Anderson Campus Specialty Pavilion. On September 9, 2017, Mayor Donchez and State Representative Schlossberg participated in the opening of the St. Luke's Baby & Me Support Center. Finally, Congressman Dent, State Representative Schlossberg, State Representative Schweyer, Lehigh County Executive Tom Muller (D) and Allentown City Councilmen Daryl Hendricks (D) and Ray O'Connell (D) attended the joint press conference with Sacred Heart HealthCare System on September 19, 2017.
- Representative Dan McNeill: On September 8, 2017, State Representative Dan McNeill (D-Lehigh, Northampton) died at home following a series of health challenges. Representative McNeill was serving his third term in office. Pennsylvania House Speaker Mike Turzai (R-Allegheny) has scheduled a special election for the seat on December 5, 2017. Representative McNeill's district included St. Luke's University Hospital Bethlehem Campus.

New Jersey Issues

Legislation

• P.L. 2017, c.117: Authorizing Services through Telemedicine. As previously reported, on January 12, 2016, Senator Diane Allen (R-Burlington) introduced legislation requiring New Jersey's Medicaid and NJ Family Care programs, as well as commercial carriers offering coverage to public employees in New Jersey, to reimburse providers diagnosing and treating patients using certain electronic technology at the same rate payable for in-person care. Moreover, the bill prohibits any plan provisions requiring an in-person visit as a condition of payment for telemedicine coverage. The bill applies to services provided by doctors, physician assistants, nurse practitioners, clinical social workers, psychiatrists, psychoanalysts and mental health screeners using two-way video conferencing. However, it does not require payment for the provision of services using audio-only telephone, e-mail, text or instant messaging. The Senator asserts that the measure creates greater access to care and better outcomes for patients with chronic illnesses, seniors who are homebound and families who live in rural areas. Similar legislation has been adopted in 29 other states. On June 22, 2017, the bill was unanimously approved by both the Assembly and the Senate. Governor Chris Christie (R-NJ) signed the bill into law on July 21, 2017, and it became effective immediately. The bill was supported by the New Jersey Hospital Association (NJHA).

Federal Issues

Legislation

- H.R. 1148: Furthering Access to Stroke Telemedicine (FAST) Act. On February 16, 2017, Congressman Morgan Griffith (R-9-VA) introduced the FAST Act. The FAST Act would extend Medicare reimbursement for telestroke services to urban and suburban areas. On August 16, 2017, Dr. Jonathan Hosey, Chairman of the Department of Neuroscience for St. Luke's University Health Network, and Dr. Amtul Farheen, a St. Luke's neurologist, met with Congressman Dent to discuss the legislation, and Congressman Dent agreed to join Congressmen Brian Fitzpatrick (R-8-PA), Matt Cartwright (D-17-PA) and Leonard Lance (R-7-NJ) as co-sponsors of the legislation. The bill, which has 150 co-sponsors, was assigned to the House Energy & Commerce and Ways & Means Committees. The legislation is supported by the American Academy of Neurology, the American Hospital Association (AHA), the Hospital & Healthsytem Association of Pennsylvania (HAP) and the NJHA.
- <u>H.R. 1628</u>: The American Health Care Act (AHCA). On January 13, 2017, the House and Senate passed a budget resolution for federal fiscal year 2017. The budget resolution permits bills to pass in the Senate with 51 votes rather than 60 votes. Congress has been attempting to use the budget resolution process to overturn the Affordable Care Act (ACA). However, efforts by Congress to repeal the ACA have been unsuccessful, and the budget resolution process expires on September 30th.

As previously reported, on May 4, 2017, the House passed legislation repealing major portions of the ACA. The bill would reduce the federal deficit by \$119 billion by 2026, but it would cause at least 23 million more Americans to become uninsured during the same period. On July 28, 2017, after 20 hours of debate and weeks of refining the legislation, the Senate failed to pass its own version of repeal legislation. The bill has been stalled in the Senate since that time.

In an effort to pass a repeal bill before the budget resolution expires, Senators Lindsey Graham (R-SC), Bill Cassidy (R-LA), Dean Heller (R-NV) and Ron Johnson (R-WI) introduced a new repeal and replace bill on September 13, 2017. Among other provisions, the proposal would repeal the individual and employer mandate penalties and medical device tax, transition the Medicaid program into a block grant program, repeal by 2020 the Medicaid expansion for the 31 states that expanded the program and eliminate protections for people with pre-existing conditions. In response, Senator John McCain (R-AZ) announced that he will not support the bill. Senator Pat Toomey (R-PA) has not announced his position. Every Democrat in the Senate plans to oppose the bill. The AHA, HAP and the NJHA oppose the bill. As a result, the latest proposal is expected to fail.

Miscellaneous

- Retirement: On September 7, 2017, Congressman Dent announced that he would not seek reelection in 2018. State Representatives Justin Simmons (R-Berks, Lehigh) and Ryan Mackenzie (R-Berks, Lehigh) both announced that they will compete for the Republican nomination. Allentown pastor Greg Edwards and former Lehigh County Commissioner Bill Leiner have announced that they will run for the Democratic nomination. Congressman Dent's district includes St. Luke's Hospital Allentown Campus and St. Luke's University Hospital Bethlehem Campus.
- <u>United States Senate</u>: On August 29, 2017, Congressman Lou Barletta (R-11-PA) announced that he plans to seek his party's nomination in order to challenge Senator Bob Casey (D-PA) in 2018. Congressman Barletta was first elected to Congress in 2010 and previously served as the Mayor of Hazleton. Montgomery County real estate developer Jeff Bartos, State Representatives Jim Christiana (R-Beaver, Washington) and Rick Saccone (R-Allegheny, Washington) and former energy executive Paul Addis have also announced their intentions to compete for the Republican nomination.