



Government Relations Update

January 20, 2015



Pennsylvania Issues

Advocacy

- **Nurse-to-Patient Staffing Ratios:** As reported previously, on June 27, 2014, the Pennsylvania House of Representatives approved a resolution directing the Joint State Government Commission (JSGC) to study the issue of nurse staffing ratios in Pennsylvania hospitals. The resolution directs the JSGC to report to the House of Representatives within one year its findings and recommendations on: (1) serious adverse events in hospitals and their connection to nurse staffing levels; (2) the age and gender of nurses and their length of stay in the profession; (3) the lengths of shifts and overtime requirements for nurses; (4) the nurse staffing levels that are implemented at varying types of hospitals and for differing shifts and hospital units; and (5) recommended changes to laws, practices, policies and procedures related to nurse staffing that should be implemented.

Representative Mauree Gingrich (R-Lebanon) served as the prime sponsor of the resolution, which was supported by the Pennsylvania State Nurses Association. Representative Gingrich is expected to reintroduce legislation requiring nurse-to-patient staffing ratios once the JSGC issues its report. Similar bills have been introduced in previous legislative sessions, but they remained in committee and did not receive floor consideration.

- **State Elections:** Newly elected state legislators were inducted into office on January 6, 2015, and the current legislature will now govern through November 30, 2016. As previously reported, House Republicans will maintain their majority for the third consecutive session with 119 Republicans and 84 Democrats. Senate Republicans gained three seats and now hold a 30 to 20 majority. This represents the largest majority either party has held in both the House and the Senate since 1958.

On January 20, 2015, former Department of Revenue Secretary and York County businessman Tom Wolf (D) will be sworn in as Pennsylvania's 47th Governor, and former State Senator Michael Stack III (D) will become the Commonwealth's 33rd Lt. Governor. Mr. Stack has served as a member of the Pennsylvania State Senate since 2001 and is a graduate of LaSalle University and Villanova University School of Law.

- **Committee Chairs:** On January 5, 2015, House Speaker Mike Turzai (R-Allegheny) appointed Republican and Democratic committee chairs for the 2015-2016 legislative session. Representative Steve Samuelson (D-Northampton) was selected to serve as the Minority Chair of the Aging and Older Adult Services Committee. The Aging and Older Adult Services Committee is charged with planning, coordinating and advocating for services benefiting Pennsylvania's older adults.

On January 9, 2015, Senate President Pro Tempore Joe Scarnati (R-Jefferson) announced the Republican Senate Committee Chairs for the upcoming legislative session. Newly elected Senator Mario Scavello (R-Monroe, Northampton) was chosen as the Majority Chair of the Games and Fisheries Committee. As reported previously, Senator Pat Browne (R-Lehigh, Northampton) was selected as the Chair of the Senate Appropriations Committee. The Appropriations Committee is considered one of the Senate's most powerful committees, since it reviews all legislation for its fiscal impact and plays a crucial role in developing the state budget each year. Senate Democratic Committee Chairs have not yet been announced.

- **Pennsylvania Lt. Governor Cawley Transition:** On January 13, 2015, the United Way of Greater Philadelphia and Southern New Jersey announced that Pennsylvania Lt. Governor Jim Cawley will become its President & CEO after leaving office. Before becoming Pennsylvania's Lt. Governor, Mr. Cawley was a Bucks County Commissioner and worked as Chief of Staff to State Senator Tommy Tomlinson (R-Bucks). Current Governor Tom Corbett (R) has not announced his plans.

New Jersey Issues

Advocacy

- **A-1922:** Transparency of Health Insurance Provider Networks Act. On January 12, 2015, Assemblyman Herb Conaway (D-Delran) introduced legislation which would require commercial and Medicaid managed care organizations to conduct an annual audit to determine if their provider networks are adequate. Supporters of the bill argue that inadequate provider networks force patients to seek primary and specialty care services in already overcrowded emergency rooms. They assert that increased state oversight would assure that managed care plans meet state network adequacy requirements. Insurance industry advocates oppose the bill stating that it will only increase bureaucracy and that it will not expand networks or improve access to care. They further contend that doctors choose not to join managed care networks primarily because of low government reimbursement rates. New Jersey's Medicaid reimbursement rates are among the lowest in the country according to the New Jersey Association of Health Plans. On January 12, 2015, the Assembly Health and Senior Services Committee approved the bill, and it has been sent to the Assembly for consideration. The New Jersey Hospital Association and the Medical Society of New Jersey support the bill.

Federal Issues

Legislation

- **S. 149:** The Medical Device Access and Innovation Protection Act. On January 13, 2015, Senator Orrin Hatch (R-UT) reintroduced legislation to repeal the 2.3% medical device tax included in the Patient Protection and Affordable Care Act (PPACA). The medical device tax commenced on January 1, 2013, and it is expected to raise \$30 billion over the next ten years. Senator Patrick Toomey (R-PA) estimates that the tax costs Pennsylvania's economy \$100 million per year and claims that it causes significant job losses. Senator Robert Casey (D-PA) adds that the tax creates significant challenges for Pennsylvania businesses and limits innovation and job creation.

A study conducted by the Advanced Medical Technology Association found that the tax impacted approximately 33,000 American jobs in its first year through layoffs or jobs that were not created. Nearly 1,000 members of the medical device community, including GE Healthcare, B. Braun Medical and Orasure Technologies, Inc., sent a letter to Congressional leaders urging support for the bill. Similar bills were introduced in both the House and the Senate during the 113th Congress, but they were not passed before the session concluded. Senators Casey and Toomey serve as co-sponsors of the legislation, which has been assigned to the Senate Finance Committee.

- **H.R. 30:** Save American Workers Act of 2015. On January 6, 2015, Congressman Todd Young (R-9-IN) introduced legislation to change the definition of "full-time employment" under PPACA from 30 hours to 40 hours a week. The definition is important, since PPACA mandates that full-time employees be provided health insurance by their employers. Following the implementation of the employer mandate, many employers have reduced their employees' hours to avoid the requirement to provide coverage. Supporters of the bill claim that raising the standard to 40 hours preserves additional hours of employment. Critics state that changing the full-time threshold would make fewer workers eligible for employer-provided health coverage.

On January 8, 2015, the House of Representatives passed the bill by a margin of 252 to 172, which included support from 12 Democrats. Congressmen Charlie Dent (R-15-PA), Mike Fitzpatrick (R-8-PA) and Leonard Lance (R-7-NJ) voted in favor of the bill and Congressman Matt Cartwright (D-17-PA) opposed it. Congressman Lance serves as co-sponsor of the bill, which has been sent to the Senate. The President has promised to veto the bill if presented to him.