



Pennsylvania Issues

Advocacy

- **Telemedicine Parity Legislation:** On March 10, 2016, Senator Elder Vogel (R-Beaver, Butler, Lawrence) announced plans to introduce legislation intended to encourage the broader use of telemedicine services within the Commonwealth. The proposed legislation would: (1) define telemedicine; (2) offer guidelines outlining who could provide telemedicine services; and (3) provide clarity regarding insurance carrier reimbursement for these services. According to Senator Vogel, the use of telemedicine services improves access to care for patients while reducing costs and increasing efficiencies through better management of chronic diseases, shared staffing, reduced travel and fewer or shorter hospital stays. In response to the announcement, the Hospital & Healthsystem Association of Pennsylvania (HAP) issued a statement supporting expanded use of telemedicine to assist with physician shortages in rural communities. Pennsylvania has the third largest rural population in the country, with approximately 27% of the population living in rural areas and 70% of all counties considered rural. 30 states, including New York, Maryland and Virginia, have enacted similar telemedicine legislation. HAP and the Pennsylvania Medical Society (PAMED) strongly support the proposed bill, which is expected to be introduced in May.

Legislation

- **H.B. 1329:** The Caregiver Advise, Record and Enable Act. As previously reported, State Representative Harold English (R-Allegheny) introduced legislation on June 12, 2015 requiring Pennsylvania hospitals to: (1) provide each hospitalized patient or the patient's legal guardian an opportunity to designate at least one lay caregiver, who would be identified in the patient's medical record; (2) request the written consent of the patient or the patient's legal guardian to release medical information to the patient's designated lay caregiver; (3) notify a patient's designated lay caregiver of any discharge order for the patient, the patient's actual discharge or the patient's transfer to another facility; (4) consult with the designated lay caregiver and issue a discharge plan that describes the patient's after-care assistance needs, if any, which would include contact information for any health care service, community resources, long-term care services and support services necessary to successfully carry out the patient's discharge plan, as well as contact information for a hospital employee who can respond to questions about the discharge plan; and (5) provide lay caregivers with non-technical instructions in all after-care tasks described in the discharge plan, including training and instructions conducted in person or through video technology at the discretion of the lay caregiver. The bill, which was co-sponsored by Representatives Steve Samuelson (D-Northampton), Robert Freeman (D-Northampton), Mike Schlossberg (D-Lehigh) and Julie Harhart (R-Lehigh, Northampton), was drafted and introduced at the request of AARP with the support of HAP. On April 13, 2016, the bill was passed unanimously by both the House and Senate, and it has been sent to the Governor, who is expected to sign it into law. It will take effect 12 months after being signed. There are currently five states with caregiver laws, including New Jersey, and eight more state legislatures have introduced similar bills for consideration.
- **S.B. 180:** The Donate Life Pennsylvania Act. As previously reported, Senator Stewart Greenleaf (R-Montgomery) reintroduced legislation on January 15, 2015 intended to increase organ and tissue donations in Pennsylvania. The bill would create public education programs designed to encourage more organ donations and increase voluntary monetary contributions to the Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund. The bill would also update Pennsylvania's current law to reflect the best clinical practices supporting anatomical donations for transplants. HAP supports the bill, since it would assist Pennsylvania patients awaiting organ and tissue transplants. The Pennsylvania State Coroners Association opposes the legislation and argues that the bill would negatively impact the ability of coroners to investigate deaths appropriately. The bill was passed by the Senate during the previous legislative session, but it did not receive consideration by the House before the session concluded. Senators Lisa Boscola (D-Lehigh, Northampton), Pat Browne (R-Lehigh) and David Argall (R-Berks, Schuylkill) serve as co-sponsors of the

bill, which was assigned to both the Senate Judiciary Committee and the Senate Appropriations Committee. The bill was approved by the Judiciary Committee on April 11, 2016 and by the Appropriations Committee on April 13, 2016. It has been sent to the full Senate for consideration.

New Jersey Issues

Advocacy

- **Property Tax Exemption Study Commission:** On March 18, 2016, Governor Chris Christie (R-NJ) announced the creation of the Property Tax Exemption Study Commission. According to the Governor, the new nine member commission will provide a comprehensive review of New Jersey's property tax exemption statute, which has remained unchanged for more than 70 years, and develop proposals for consideration by the executive branch and the legislature to resolve tax-exemption matters in a manner that is equitable to the competing interests of hospitals, municipalities and local taxpayers. The New Jersey Hospital Association (NJHA) issued a statement supporting the creation of the commission and praising the Governor and the Senate President for their leadership.

Federal Issues

Advocacy

- **Hospital Compare Star Rating System:** As previously reported, the American Hospital Association, the Association of American Medical Colleges, America's Essential Hospitals (formerly known as the National Association of Public Hospitals and Health Systems) and the Federation of American Hospitals sent a joint letter to the Centers for Medicare and Medicaid Services (CMS) on March 18, 2016 calling for a delay to the release of new star ratings through the Hospital Compare Star Rating System. The Hospital Compare Star Rating System was first introduced in 2015. It was intended to assist consumers choosing a hospital by highlighting the quality of care achieved by hospitals. However, many hospitals and their associations were concerned that the new star rating measures are inappropriately risk adjusted and that institutions that care for patients with low socioeconomic statuses or multiple complex chronic conditions would receive unfair ratings. On April 20, 2016, CMS announced that it would postpone the release of the new rating system until July. In the interim, HAP and the NJHA plan to continue advocacy efforts for improvements to the rating system. The delay came one day before the new rating system was scheduled to be released to the public.
- **New Medicare Payment for Primary Care Physicians:** On April 11, 2016, CMS announced plans to test a new payment model, named the Comprehensive Primary Care Plus Initiative, for primary care physicians who treat Medicare patients. Under the new payment model, participating medical practices will receive monthly "care management fees" that CMS claims will give physicians more flexibility to deliver appropriate patient care, instead of relying exclusively on fees for each service provided to an individual patient. As currently proposed, the voluntary initiative will be implemented in up to 20 regions and include up to 5,000 practices encompassing more than 20,000 physicians and 25 million beneficiaries. The program will collaborate with commercial, state and other federal insurance plans. CMS has not yet identified the participating regions. The new payment model will be in effect for five years and is expected to create almost \$2 billion in savings for CMS.

Legislation

- **S.483:** Ensuring Patient Access and Effective Drug Enforcement Act. On April 19, 2016, President Obama signed the Ensuring Patient Access and Effective Drug Enforcement Act into law. The Act modifies the Controlled Substances Act (CSA), which had previously failed to clarify which factors the Drug Enforcement Agency (DEA) should consider when deciding whether to register a company applying to manufacture or distribute prescription drugs. On February 12, 2015, Senator Orrin Hatch (R-UT) introduced the Act in order to clarify these standards by directing the DEA to use principles Congress compiled while drafting the CSA. The Act also describes the circumstances under which the Attorney General can suspend a company's registration. Finally, the Act attempts to avoid dangerous disruptions in the production and delivery of prescription drugs by allowing companies that violate the CSA an opportunity to work with the DEA to correct the violation before their registration is revoked. Senator Hatch believes the Act takes a balanced approach to the problem of prescription drug abuse by clarifying penalties for manufacturing or dispensing outside approved procedures while ensuring that supply chains to legitimate users remain intact.