



Government Relations Update

January 17, 2017



Pennsylvania Issues

Advocacy

- **State Elections:** Newly elected state legislators were inducted into office on January 3, 2017. The current legislature will govern through November 30, 2018. Republicans gained four seats and now hold a 34 to 16 majority in the Senate. Republicans maintained their majority in the House for a fourth consecutive session by a count of 122 to 81.
- **Committee Chairs:** On January 5, 2017, House Speaker Mike Turzai (R-Allegheny) appointed Republican and Democratic committee chairs for the 2017-2018 legislative session. Representative Steve Samuelson (D-Northampton) was selected to serve a second term 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. Representative Bob Freeman (D-Northampton) was again chosen as the Minority Chair of the Local Government Committee, which assists local governments with land use planning, local governance issues and urban revitalization programs. Representative Freeman has served as the committee's Democratic chair since 2006. He is also the fifth-most senior member of the House Democratic Caucus.

On December 29, 2016, Senate President Pro Tempore Joe Scarnati (R-Jefferson) announced the Republican Senate Committee Chairs for the current legislative session. Senator Pat Browne (R-Lehigh) retained his position as Majority 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 has a critical role in developing the state budget each year. Senator Mario Scavello (R-Monroe) was selected as the Majority Chair of the Community, Economic and Recreational Development Committee. The committee oversees state initiatives designed to support community and economic development and increase jobs and reviews regulations governing the gaming industry. Democratic Leader Jay Costa (D-Allegheny) also announced committee chairs for the Democratic Senate Caucus on December 29, 2016. Senator Lisa Boscola (D-Lehigh, Northampton) will continue serving as the Minority Chair of the Consumer Protection & Professional Licensure Committee. The committee addresses matters impacting the 27 professional and occupational licensing boards supervised by the Department of State.

Legislation

- **H.B. 516 (Act 128 of 2016):** Naturopathic Doctor Registration Act. On November 3, 2016, Governor Tom Wolf (D-PA) signed the Naturopathic Doctor Registration Act into law. The act regulates naturopathic doctors, who are trained specialists in the areas of nutrition, herbal medicine and homeopathy, and it requires them to obtain a graduate degree from an accredited program and pass a licensing exam as a condition to practicing. The bill goes into effect on January 1, 2018. It was supported by the Pennsylvania Medical Society and the Pennsylvania Association of Naturopathic Physicians. Pennsylvania is now the 21st state to regulate naturopathic medicine.

New Jersey Issues

Legislation

- **A. 3338:** Tax Revenues for Anti-Smoking Initiatives. On March 7, 2016, Assemblyman Tim Eustace (D-Bergen, Passaic) introduced legislation which would require that 1% of the total revenue generated by the state's cigarette and other tobacco products taxes be used to fund anti-smoking programs operated by the New Jersey Department of Health. These programs received their highest level of annual funding from 2001 to

2003, but funding was reduced gradually thereafter and ultimately eliminated in 2012. Based on current revenue arising from the taxes, the initiative would provide approximately \$6.7 million annually for anti-smoking programs.

The American Heart Association, the American Cancer Society, the Cancer Action Network, the American Lung Association, the Robert Wood Johnson Foundation and the Americans for Nonsmokers' Rights support the bill. The supporters assert that smoking contributes to about 11,800 deaths and more than \$4 billion in additional medical costs each year in New Jersey. On November 21, 2016, the bill was passed unanimously by the Assembly and has been sent to the Senate Budget and Appropriations Committee for consideration. Governor Chris Christie (R-NJ) has indicated that he supports the measure.

- **A. 3404:** Performance-Based Incentive Payments to Physicians. On December 5, 2016, Assemblymen John Burzichelli (D-Cumberland, Gloucester, Salem) and Craig Coughlin (D-Middlesex) introduced legislation which would permit New Jersey hospitals to provide physicians with performance-based incentive payments designed to increase quality of care and reduce costs. A hospital that seeks to implement such a plan would be required to establish a steering committee to: (a) develop institutional and specialty-specific goals related to patient safety, quality of care and operational performance; (b) implement an incentive payment methodology that ensures fair and consistent payments that correlate with individual and collective physician performance; and (c) adopt a mechanism to protect the financial health of the hospital. The bill would require that at least half of the members of the committee be physicians. Overall payments to individual physicians under a plan would be limited to 50% of the total professional payments for services related to the cases for which that physician receives incentive payments under the plan. The incentive plans would need to be administered by an independent third party. On December 19, 2016, the bill was unanimously approved by the Senate and sent to the Assembly for consideration. The New Jersey Hospital Association strongly supports the measure.

Federal Issues

Legislation

- **S. Con. Res 3:** Concurrent Resolution on the Budget for Fiscal Year 2017. On January 3, 2017, Senator Michael Enzi (R-WY) introduced a budget resolution directing House and Senate committees to develop legislation repealing major portions of the Affordable Care Act (ACA). The resolution instructs two House committees and two Senate committees to develop ACA repeal bills on matters under their jurisdiction and submit legislation to their respective budget committees by January 27, 2017. On January 12, 2017, the Senate voted 51-48 to approve the resolution. On January 13, 2017, the House approved it by a vote of 227-198. The House and Senate committees will now begin debating and approving legislation to repeal and replace the ACA.

Miscellaneous

- **President-Elect Trump Appointments:** President-Elect Donald Trump has selected Congressman Tom Price (R-6-GA) as his nominee for Secretary of the Department of Health and Human Services. Congressman Price currently serves as the Chair of the House Budget Committee, and he has been an outspoken opponent of the ACA. The Congressman spent 20 years as a practicing orthopedic surgeon and state senator in Georgia before being elected to Congress in 2004.

The President-Elect has also nominated Seema Verma, a health care consultant, to serve as the Administrator of the Centers for Medicare and Medicaid Services. Ms. Verma is the CEO and founder of SVC Inc., a national health policy consulting company. She previously worked with Vice President-Elect Mike Pence to implement Indiana's Medicaid expansion plan for low-income individuals. Ms. Verma also designed Medicaid reform and expansion programs in a number of other states. Prior to consulting, she served as the Vice President of Planning for the Health and Hospital Corporation of Marion County, Indiana and as a Director with the Association of State and Territorial Health Officials in Washington, D.C.

Both nominations are subject to Senate confirmation.