



Government Relations Update

February 14, 2017



Pennsylvania Issues

Advocacy

- **State Budget:** On February 7, 2017, Governor Tom Wolf (D-PA) delivered his 2017-2018 state budget address to the Pennsylvania General Assembly. The \$32.3 billion plan would represent a 2.5% spending increase compared to the current budget and would make significant investments in public schools and drug addiction prevention programs. The proposal would also include a new tax on natural gas drilling, an increase in the hourly minimum wage to \$12, the consolidation of certain State departments and a \$25 per person fee in towns that rely on the state police for local police coverage. In addition, the plan would eliminate a \$30 million grant to the University of Pennsylvania's School of Veterinary Medicine and reduce school transportation aid by \$50 million. Following the budget address, the Hospital & Healthsystem Association of Pennsylvania (HAP) issued a statement largely supporting the proposal. Andy Carter, HAP's President & CEO, praised the Governor for maintaining state funding for critical care hospitals, obstetrical and neonatal care and burn centers. Mr. Carter added that predictable healthcare funding is important to the hospital community given the uncertainty of the Affordable Care Act (ACA). In the coming months, the legislature will conduct budget hearings, and the proposal will be debated and modified. The Governor and legislative leaders have pledged to meet the June 30th constitutional deadline for budget passage.
- **Telemedicine Parity Legislation:** On February 2, 2017, State Senator Elder Vogel (R-Beaver) announced a plan to reintroduce 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. HAP supports the expanded use of telemedicine, since it will 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.

Legislation

- **H.B. 23:** Stroke Center of Care Act. On May 29, 2012, Governor Tom Corbett (R-PA) signed the Primary Stroke Designation Act into law. The Act designates Primary Stroke Centers (PSC) for the care and treatment of stroke patients and requires that emergency medical service providers transport stroke patients to the closest PSC. On January 24, 2017, State Representative Ryan Mackenzie (R-Berks, Lehigh) re-introduced an amendment to the Act to recognize the three advanced levels of certification for stroke programs designated by the Joint Commission: PSCs, Acute Stroke-Ready Hospitals and Comprehensive Stroke Centers (CSC). The three-tiered system, which was developed by the American Heart Association and the American Stroke Association (AHA/ASA), would allow emergency responders to take stroke patients to the closest facility that offers the required level of care. According to Representative Mackenzie, transport time would be reduced and aggressive medical intervention would begin sooner by using the AHA/ASA classification system.

Every St. Luke's University Health Network hospital is a certified PSC, with the exception of St. Luke's Hospital – Warren Campus and St. Luke's Hospital – Monroe Campus. St. Luke's University Hospital – Bethlehem Campus is in the process of obtaining certification as a CSC. The AHA/ASA, the National Stroke Association and HAP support the bill, which is co-sponsored by Representatives Jerry Knowles (R-Schuylkill, Berks, Carbon) and Justin Simmons (R-Montgomery, Northampton). On February 7, 2017, the bill was passed by the House and sent to the Senate for consideration. During the previous legislative session, the bill was approved by the House, but it was not considered by the Senate before the session concluded.

Miscellaneous

- **Legislative Visit:** On January 20, 2017, State Representatives Michael Schlossberg (D-Lehigh), Peter Schweyer (D-Lehigh) and Maureen Madden (D-Monroe) toured St. Luke's Hospital – Monroe Campus and met with Don Seiple, Jill D'Alessandro and Jane George. Representative Madden was elected to her first term in office in November. She previously served as an Adjunct Professor of Communications at East Stroudsburg University and Northampton Community College. She succeeds Representative David Parker, who served just one term. Representative Madden serves as a member of the House Committees on Agriculture and Rural Affairs, Children and Youth, Education, Game and Fisheries and Human Services.

New Jersey Issues

Legislation

- **S.3:** Safe Opioid Prescribing. On January 10, 2017, Governor Chris Christie (R-NJ) challenged the legislature, during his State of the State address, to pass a bill to prevent medical professionals from writing initial prescriptions for opioids lasting longer than five days. On January 30, 2017, Senator Joseph Vitale (D-Middlesex) introduced legislation that would: (1) limit a physician's ability to issue initial opioid prescriptions for more than five days; (2) mandate that a physician create a pain management treatment plan for any opioid treatments; (3) require a physician to review opioid prescriptions every three months; (4) require a physician to document his/her discussion with a patient concerning the risks of opioids prior to prescribing them; and (5) provide addicted patients access to up to six months of treatment regardless of their ability to pay. The legislation would not apply to hospice, cancer or nursing homes patients. On February 6, 2017, the bill passed the Senate by a vote of 33 to 0, and it has been sent to the Assembly for consideration. The New Jersey Hospital Association (NJHA) supports the measure.

Federal Issues

Advocacy

- **Presidential Executive Order:** On January 30, 2017, President Donald Trump (R) signed an Executive Order entitled "Reducing Regulations and Controlling Regulatory Costs." The four page document requires that any new regulation adopted by a Federal agency be accompanied by two regulations to be eliminated contemporaneously. It also mandates that the total incremental cost of all new regulations, including repealed regulations, shall be zero, unless otherwise required by law or consistent with advice provided in writing by the Director of the Office of Management and Budget. The American Hospital Association (AHA) announced its support for the Executive Order, citing 23,000 pages of new regulations applicable to hospitals that were adopted over the past year.
- **Affordable Care Act Repeal Efforts:** As reported previously, on January 13, 2017, the House and Senate approved a resolution directing applicable Congressional committees to develop legislation to repeal major portions of the ACA. Hospital associations, including the AHA, HAP and the NJHA, are advocating against changes that would increase the number of uninsured patients, since nearly 22 million patients throughout the country, including 800,000 New Jersey residents and 1.1 million Pennsylvanians, would lose health care coverage if the ACA is repealed without replacement coverage. In addition, if the ACA is repealed without a simultaneous replacement plan, hospital associations are requesting that Congress immediately restore the \$155 billion in provider payment reductions implemented as part of the ACA.

Miscellaneous

- **Confirmation Hearing:** As previously reported, President Trump selected Congressman Tom Price (R-6-GA) as his nominee for Secretary of the Department of Health and Human Services. On February 10, 2017, Mr. Price received Senate confirmation by a vote of 52 to 47. Senator Patrick Toomey (R-PA) voted in favor of the confirmation, and Senators Robert Casey (D-PA), Robert Menendez (D-NJ) and Corey Booker (D-NJ) opposed it.