



Government Relations Update

May 9, 2017



Pennsylvania Issues

Legislation

- **H.B. 1234:** Length of Stay in Ambulatory Surgery Centers. Pennsylvania regulations limit procedures performed within ambulatory surgery centers to those that do not exceed a total of four hours of operating time and a total of four hours of directly supervised recovery. On April 17, 2017, Representative Florindo Fabrizio (D-Erie) reintroduced legislation to permit the expected duration of services performed within ambulatory surgery centers not to exceed 24 hours following an admission, which would mirror current guidelines promulgated by the Centers for Medicare and Medicaid Services (CMS). Delaware, Maryland, New York, Ohio, New Jersey and West Virginia have all adopted similar legislation. Representatives Michael Schlossberg (D-Lehigh) and Daniel McNeill (D-Lehigh, Northampton) serve as cosponsors of the bill, which has been assigned to the House Health Committee. The Hospital & Healthsystem Association of Pennsylvania (HAP) supports the bill. The House passed an identical bill during the previous legislative session, but it was not considered by the Senate before the session ended.
- **S.B. 25:** Modernization of the Professional Nursing Law. As reported previously, the Pennsylvania Professional Nursing Law permits certified registered nurse practitioners to treat patients and prescribe medications only through written collaborations with physicians. On February 15, 2017, Senator Camera Bartolotta (R-Beaver, Greene, Washington) introduced legislation to establish an Advanced Practice Registered Nurse-Certified Nurse Practitioner (APRN-CNP) license, which would allow APRN-CNPs to practice and prescribe medications without a formal collaborative agreement. The bill would require that APRN-CNPs successfully complete course work and practice hours with a physician as a condition to practicing without a collaboration agreement. Twenty other states and the District of Columbia have passed similar legislation. On April 26, 2017, the Senate approved the bill, and it has been sent to the House Professional Licensure Committee for consideration. Senators David Argall (R-Berks, Schuylkill), Pat Browne (R-Lehigh), Lisa Boscola (D-Lehigh, Northampton), Bob Mensch (R-Bucks) and Mario Scavello (R-Monroe) all voted in favor of the bill. HAP supports the bill.

Advocacy

- **Agency Consolidation Proposal:** The Commonwealth's year-to-date tax revenue is running 4.5% below budget, creating a \$1.2 billion deficit with two months left in the fiscal year. In his 2017-2018 state budget plan, Governor Tom Wolf (D-PA) has proposed the consolidation of the Department of Human Services, the Department of Health, the Department of Drug and Alcohol Programs and the Department of Aging into a new, unified Department of Human Services. The Governor asserts that the consolidation would provide better outcomes and customer service, reduce administrative costs and create more effective collaboration and service delivery. In addition, he states that the proposal would save the Commonwealth \$95 million during fiscal year 2017-2018. Opponents argue that the consolidation would increase bureaucracy and result in additional inefficiencies. HAP is still reviewing the proposal.

New Jersey Issues

Miscellaneous

- **Gubernatorial Election:** The New Jersey Constitution prohibits Governor Chris Christie (R) from seeking a third consecutive term in office. The New Jersey primary election will be held on June 6, 2017, and voters will select party candidates for Governor from a field of six Democrats and five

Republicans. Public polls indicate that former Goldman Sachs executive Phil Murphy is leading among Democrats and Lt. Governor Kim Guadagno has the most support among Republicans.

Federal Issues

Legislation

- **S. 544**: Amending the Veterans Access, Choice and Accountability Act of 2014. The Veterans Choice Program began in 2014 after nearly 40 veterans died while waiting to schedule appointments at the Phoenix VA Medical Center. The program allows veterans to receive care from local doctors and hospitals closer to their homes if they would otherwise need to wait more than 30 days for an appointment or drive more than 40 miles to a VA facility. The law also eases processes for providers seeking reimbursement and creates a system for sharing medical records. Since the adoption of the Veterans Choice Program, more than 1 million veterans have made 7 million appointments with health care providers in their communities. The program was scheduled to expire on August 7, 2017, with nearly \$1 billion remaining in the fund. However, on April 7, 2017, Senator Jon Tester (D-MT) introduced legislation to continue the program until the funding is exhausted, which is expected early next year. The bill was passed by voice vote in both the House and the Senate and signed into law by President Donald Trump (R) on April 19, 2017. Veterans Affairs Secretary David Shulkin plans to use the extension to develop broader and more permanent reforms. On April 14, 2017, Congressman Charlie Dent (R-15-PA) hosted a roundtable discussion with Secretary Shulkin and local healthcare institutions, and Richard Anderson and Dr. Jeffrey Jahre attended.
- **H.R. 1628**: American Health Care Act of 2017. On March 20, 2017, Congresswoman Diane Black (R-6-TN) introduced legislation to repeal major portions of the Affordable Care Act (ACA). Over the past few weeks, the bill has been significantly modified by House Republican leadership to gain support. On May 4, 2017, the House passed the bill by a vote of 217 to 213. Among other items, the bill would remove the penalty payable by individuals who fail to carry insurance, but it would institute a 30% premium increase for those who remain uninsured for more than two months before reinstating coverage. In addition, insurers would be permitted to increase premiums for older subscribers from three times to five times the amount payable by younger customers. The bill also would let states apply for waivers that could allow insurers to charge higher premiums to people with pre-existing conditions. Many of the ACA taxes and regulations would be eliminated, including the requirement that large employers offer health insurance to employees. Finally, the bill would significantly reduce Medicaid spending by the federal government by shifting the burden to individual states. Congressmen Matt Cartwright (D-17-PA), Charlie Dent (R-15-PA), Brian Fitzpatrick (R-8-PA) and Leonard Lance (R-7-NJ) all opposed the bill. The bill now advances to the Senate, where it is likely to be rewritten. The American Medical Association, the American Hospital Association (AHA), Premier, HAP and the New Jersey Hospital Association continue to lobby against the bill.

Advocacy

- **Physician Owned Hospitals**: The ACA established certain amendments to the Stark Law, including a provision that prohibited new physician-owned hospitals and prevented existing physician-owned hospitals from expanding the aggregate number of operating rooms, procedure rooms or licensed beds beyond the number for which the hospital was licensed on March 23, 2010. On April 14, 2017, CMS sought comments on the appropriate role of physician-owned hospitals within the delivery system and which regulations, if any, should be rescinded. The AHA asserts that the restrictions should remain in place, since: “(1) they reduced the federal deficit by \$500 million over 10 years, according to the Congressional Budget Office (CBO); (2) physician-owned hospitals provide limited or no emergency services, relying instead on publicly funded 911 services when their patients need emergency care; (3) physician self-referral leads to greater utilization of services and higher costs; and (4) physician-owned hospitals tend to cherry-pick the most profitable patients, jeopardizing communities’ access to full-service care.” Representatives from physician-owned hospital groups state that the ban limits the ability of Medicare patients to make appropriate selections. CMS has said it will consider responses for “future regulatory proposals.”