

## Government Relations Update – April 24, 2018

### Pennsylvania Issues

#### Advocacy

- **State Budget:** As previously reported, the Medical Assistance Modernization Act imposed a statewide hospital assessment designed to secure additional federal matching funds, which are distributed in part to hospitals through increased medical assistance payments and retained in part by the Commonwealth in its General Fund. During the current fiscal year, the Commonwealth will retain approximately \$220 million from the assessment. In his 2018-2019 state budget proposal, Governor Tom Wolf (D) has proposed that the Commonwealth retain an additional \$130 million, which would decrease the portion distributed to Pennsylvania hospitals by the same amount. HAP supports the continued hospital assessment, but it is advocating against the reduction to hospital payments.

#### Legislation

- **HB 1805:** Surgical Technologist Regulation Act. On September 21, 2017, Representative Judy Ward (R – Blair) introduced a bill to establish certification requirements for surgical technologists who work in health care facilities. The bill was referred to the House Committee on Professional Licensure. On April 11, 2018, HAP representatives raised their concerns with the committee.
- **HB 2138:** State Medicaid Requirements. On March 13, 2018, State Representative Matthew Dowling (R - Fayette) introduced an amendment to the Human Services Code requiring all “able-bodied” adults enrolled in Medicaid to work at least 20 hours per week or complete 12 job training program-related activities per month to maintain enrollment. The House of Representatives passed the bill on April 18, 2018 by a vote of 115 to 80. Governor Wolf is expected to veto the bill if it passes in the Senate.

### New Jersey Issues

#### Advocacy

- **Imputed Floor Rural Wage Index:** As previously reported, Congress has been extending an “imputed” floor in the inpatient prospective payment system (PPS) rule each year since 2005 to address a concern that certain hospitals in New Jersey were disadvantaged by the absence of rural hospitals to set a wage index floor for purposes of determining the PPS payments to those hospitals. The imputed floor policy only benefits New Jersey hospitals, which raises the risk that the Centers for Medicare and Medicaid Services will change or eliminate the funding mechanism. The imputed floor is currently scheduled to expire on September 30, 2018. The entire New Jersey delegation, including Senators Robert Menendez (D-NJ) and Cory Booker (D-NJ), are supporting another extension, and NJHA is advocating an extension, too. The annual benefit to St. Luke’s Hospital - Warren Campus is approximately \$3.5 million.

#### Legislation

- **A. 1827:** Earned Sick Leave. On April 12, 2018, the New Jersey legislature passed a bill requiring employers to provide paid sick time at a rate of one hour for every 30 hours worked, up to 40 hours per year. NJHA achieved a carve-out for per diem healthcare workers. St. Luke’s Hospital - Warren Campus is prepared to comply with the new law.
- **A. 2039:** Out-of-Network Consumer Protection, Transparency, Cost Containment and Accountability Act. On April 12, 2018, the New Jersey legislature passed the bill. As previously reported, NJHA supported the bill once certain amendments were made. Scott Wolfe is scheduling a conference call with staff to discuss the impact of this legislation.