

Government Relations Update – May 8, 2018

Pennsylvania Issues

Advocacy

- **Governor Wolf Visit:** On April 27, 2018, St. Luke’s Hospital - Allentown Campus hosted a press conference by Governor Wolf (D) regarding the success of Medicaid expansion. The Governor specifically cited the jobs created and retained through St. Luke’s acquisition of the Sacred Heart and Blue Mountain systems. Richard Anderson, Dr. Bonnie Coyle, Representative Pete Schweyer (D-Lehigh) and Representative Michael Schlossberg (D-Lehigh) also spoke at the event. Lehigh County Executive Phillips Armstrong (D) and several of the Lehigh County Commissioners, and Allentown Mayor Ray O’Connell (D) and several City Councilmembers, attended the event.

Legislation

- **SB 895/896:** Physician Assistant Practice Act Updates. On September 25, 2017, Senator John Rafferty (R-Berks) introduced a bill intended to enhance the practice of physician assistants by: (1) removing the requirement of a physician countersignature on patient files; (2) allowing a written agreement to be “filed” instead of “approved” by the Medical and Osteopathic Boards, which would permit physician assistants to immediately begin working instead of waiting 120 days or longer for approval; and (3) reducing in person supervision requirements by physicians. HAP is currently soliciting feedback to the bill. St. Luke’s plans to support the legislation.
- **HB 2138:** State Medicaid Requirements. As previously reported, 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 passed the bill on April 18, 2018, and the Senate will likely pass the bill, too. Governor Wolf is expected to veto the bill once it passes in the Senate.
- **SB780:** Telemedicine Act. As previously reported, on June 22, 2017, Senator Elder Vogel (R-Beaver) introduced legislation to define key components of telemedicine, set telemedicine licensing requirements and require that insurers pay for telemedicine services if they cover the same service provided in person. The bill was referred to the Banking and Insurance Committee for consideration. Senators Bob Mench (R-Bucks), Lisa Baker (R-Pike), David Argall (R-Schuylkill) and Pat Browne (R-Lehigh) serve as co-sponsors of the bill, which is supported by HAP. 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. HAP has advocated for payment parity for telemedicine services, but it appears unlikely to be included in a final bill.
- **SB180:** The Donate Life PA Act. On June 7, 2017, Senator Stewart Greenleaf (R – Bucks) introduced a bill intended to ensure that more life-saving organs are donated by increasing public education, strengthening oversight of organ donation, clarifying decision-making authority over donations, and reducing unnecessary denials of organ recoveries. 46 states have passed similar legislation. The Senate passed the bill on April 30, 2018, and it has been sent to the House for consideration. According to HAP, organ procurement groups are not satisfied with some of the language in the bill, and amendments are expected in the House. HAP is soliciting comments from members by May 10, 2018.

- **HB 1805**: Surgical Technologist Regulation Act. As previously reported, 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. After discussions with Dr. Bill Burfeind and Anita Buono, St. Luke’s provided its feedback to HAP in support of the legislation.
- **HB 1553**: Surprise Balance Billing Act. On June 16, 2017, Representative Matt Baker (R-Tioga) introduced a bill intended to protect consumers of health care coverage against surprise balance bills for emergency and other healthcare services. Although Representative Baker has since retired from the House, staff from the House Health Committee and the Department of Insurance Department held a joint meeting on April 25, 2018 to discuss the bill. HAP representatives attended and shared their concerns.
- **HB 0478**: Outpatient Psychiatric Oversight Act. On January 11, 2017, Representative Tina Pickett (R-Bradford) introduced a bill that would: (1) require an outpatient psychiatric clinic to have a psychiatrist on site for only two hours of psychiatric time per week for each full-time equivalent treatment staff member employed by the clinic; (2) permit tele-psychiatry; and (3) allow 50% of the required on-site time to be provided by advanced practice professionals specializing in behavioral health. The Senate passed the bill on April 25, 2018, and the House adopted it on May 1, 2018. The Governor is expected to sign the bill into law. HAP believes the bill would allow psychiatrists to see more clients in a timely fashion and ultimately increase access to psychiatric services.

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. On April 24, 2018, CMS issued a ruling that it will not extend the imputed floor. 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.

Miscellaneous

- **Opportunity Zone**: Phillipsburg Borough has been selected as a federal Opportunity Zone. Opportunity Zones are part of a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones. In addition, when a taxpayer sells a property in an Opportunity Zone held by the taxpayer for at least 10 years, the taxpayer can exclude from gross income the capital gain on the investment. The Borough recently unveiled its Riverfront Redevelopment plans, and the Opportunity Zone designation is expected to draw investors to grow both residential and commercial development in the space.