

Government Relations Update – February 11, 2020

Pennsylvania Issues

Miscellaneous

- **Proposed State Budget:** On February 4, 2020, Governor Tom Wolf (D) presented his proposed fiscal year 2020–2021 state budget of \$36 billion, representing a planned spending increase of \$1.46 billion, or 4.22%, compared to the current state fiscal year. The proposed budget would maintain funding levels for Medical Assistance supplemental payments for critical access hospitals, obstetrics/neonatal units, burn care centers and trauma centers. The budget proposal would preserve hospital payments through the Tobacco Settlement Fund. The budget proposal would allocate an additional \$5 million to the Department of Human Services for additional staff to support increased workloads. The budget plan does not include any broad-based tax increases. During the budget address, the Governor briefly mentioned a “health care reform plan” to “address the high cost of prescription drugs, protect consumers and empower more families to make decisions about their futures without being held captive by their health insurance.” The Hospital Association of Pennsylvania (HAP) is attempting to determine the details of this plan.
- **Proposal to Change Venue Rules for Medical Malpractice Cases:** As previously reported, on December 22, 2018, the Civil Procedural Rules Committee of the Pennsylvania Supreme Court announced that it was considering whether to eliminate Pennsylvania Rule of Civil Procedure 1006(a.1), which requires that medical malpractice actions against healthcare providers be filed only in the county where the cause of action occurred. If the rule is eliminated, legal actions against providers could be brought in any county where a defendant could be served, which allows plaintiffs’ attorneys significant flexibility to choose a favorable venue for suit.

Pennsylvania Rule of Civil Procedure 1006(a.1) was adopted in 2002 in reaction to Pennsylvania’s medical liability insurance crisis. It was the result of a lengthy review and final recommendation by the Pennsylvania Legislature Interbranch Commission on Venue, and it was supported by the Governor, the General Assembly and the Supreme Court. The rule helped stabilize the medical malpractice insurance market in Pennsylvania. St. Luke’s has been working with HAP and local legislators to voice its concern regarding the potential repeal of the venue rule. St. Luke’s also joined the Pennsylvania Coalition for Civil Justice Reform, which is leading a coalition of healthcare providers, insurers and other businesses to oppose the change.

On February 1, 2019, Senate Judiciary Chair Lisa Baker (R-Luzerne) introduced Senate Resolution 20, directing the Legislative Budget and Finance Committee (LBFC) to conduct an analysis of the proposed rule change. Resolution 20 was passed by the Senate on February 7, 2019. Senator Lisa Boscola (D-Lehigh, Northampton) was one of only three Democrats to vote with the Republicans in favor of the Resolution. The Supreme Court agreed to await the report from the LBFC before taking any action.

On February 3, 2020, the LBFC released its report, which was inconclusive. On one hand, the report found that there was little data to suggest that a change in venue rules would lead to an exodus of physicians or a spike in healthcare costs. On the other hand, the report recognized that rolling back the venue rules could create uncertainty for malpractice insurers and that “rates may destabilize” as a result. Senator Baker announced she would hold a public hearing in the Senate Judiciary Committee in an effort to engage stakeholders and probe the matter further. At the same time, the Civil Procedural Rules Committee of the Pennsylvania Supreme Court announced that it is reviewing the report. St. Luke’s will continue to monitor this issue closely.

- **Legislative Visits:** On January 9, 2020, St. Luke’s Hospital – Monroe Campus President Don Seiple hosted a Legislative Roundtable at the campus with Senator Mario Scavello (R-Monroe), Representative Rosemary Brown (R-Monroe) and Representative Jack Rader (R-Monroe). St. Luke’s staff and the legislators discussed access to healthcare in Monroe County, proposed healthcare legislation and specific healthcare interests of the legislators. On January 21, 2020, Congresswoman Susan Wild (D-PA-7) visited the campus for a tour. Following the tour, St. Luke’s staff and Congresswoman Wild discussed proposed federal legislation and certain healthcare initiatives.

Legislation

- **SB 595:** Breast Density Screening Insurance Coverage. On September 23, 2019, Senator Bob Mensch (R-Bucks) introduced legislation to require insurance coverage of supplemental MRI or ultrasound if recommended by a treating physician for patients with increased risk of breast cancer due to dense breast tissue, personal or family history or other specified reasons. St. Luke’s has been advocating for passage of this bill for several sessions, since advanced imaging is the best method to identify and diagnose breast cancer in patients with dense breast tissue. On January 29, 2020, the legislation passed the Senate, and it is now being reviewed by the House Insurance Committee. New Jersey passed a similar law in 2014.
- **HB 427:** Fair Access to Cancer Treatment. As previously reported, on February 11, 2019, Representative Kerry A. Benninghoff (R-Centre) introduced legislation to mandate that health insurance plans offered within Pennsylvania cover all FDA approved treatments for Stage IV metastatic cancers, without any requirement that a patient first fail another treatment option. Leadership within the St. Luke’s Cancer Center supports the legislation. The legislation was approved by the House and Senate and presented to the Governor for his signature on February 6, 2020.

New Jersey Issues

Legislation

- **A858:** Patient Protection Act. On January 14, 2020, Assemblyman Nicholas Chiaravalloti (D-Hudson) and Assemblywomen Valerie Vainieri Huttle (D-Bergen) and Nancy Pinkin (D-Middlesex) reintroduced legislation to impose new requirements on hospitals, physicians and other health care providers who transfer patients outside the State of New Jersey for healthcare services. Prior to transferring a patient outside the state, providers would be required to inform patients of the availability of appropriate facilities within the state, disclose the nature of any relationship between the New Jersey facility and the proposed out-of-state transfer site, inform the patient of his/her out-of-pocket costs at the out-of-state facility, notify the patient’s insurance company of the pending transfer, and report the transfer and the clinical necessity for such transfer to the New Jersey Department of Health. St. Luke’s plans to work with the New Jersey Hospital Association and others to oppose the bill.
- **S515/A1176:** Angioplasty Bill. On January 14, 2020, Senator Joseph Vitale (D-Middlesex) reintroduced a bill requiring the New Jersey Department of Health to license certain qualifying hospitals to provide full service diagnostic cardiac catheterization, primary angioplasty and elective angioplasty services. One condition to licensure would be a hospital’s demonstrated ability to ability to perform a minimum of 200 elective angioplasty procedures per year, with each interventionist performing at least 75 elective angioplasty procedures per year. A companion bill was introduced in the Assembly by Assemblyman Andrew Zwicker (D-Hunterdon). The Assembly passed a similar bill last session, but it stalled in the Senate. St. Luke’s is working with a coalition of New Jersey hospitals in support of the legislation.