

Government Relations Update

March 31, 2015



Pennsylvania Issues

Legislation

• H.B. 476: Nurse Safe Staffing Legislation. As previously reported, on June 27, 2014, the Pennsylvania House of Representatives approved a resolution directing the Joint State Government Commission (JSGC) to study the issue of nurse staffing ratios in Pennsylvania hospitals. The resolution directed the JSGC to report to the House of Representatives within one year its findings and recommendations on: (1) serious adverse events in hospitals and their connection to nurse staffing levels; (2) the age and gender of nurses and their length of stay in the profession; (3) the lengths of shifts and overtime requirements for nurses; (4) the nurse staffing levels that are implemented at varying types of hospitals and for differing shifts and hospital units; and (5) recommended changes to laws, practices, policies and procedures related to nurse staffing that should be implemented. Representative Mauree Gingrich (R-Lebanon) served as the prime sponsor of the resolution. The JSGC's report is expected to be released by July 1, 2015.

On February 17, 2015, Representative Gingrich reintroduced legislation requiring Pennsylvania hospitals to develop, implement and monitor a professional nurse staffing plan for each hospital unit based on patient acuity, patient volumes, experience of the nursing staff and support services available to the nurses. The plan would be developed by a professional nurse staffing committee. The majority of the committee members would be professional nurses providing direct patient care in the hospital selected by their peers to serve on the committee. Hospital and nursing administration and the elected chairperson of the professional nurse staffing committee would determine other staff to be represented on the committee. SEIU Healthcare Pennsylvania, the Pennsylvania State Nurses Association, the American Nurses Association and other regional nursing associations support the bill.

The Hospital & Healthsystem Association of Pennsylvania (HAP) opposes the bill, since it would create new administrative burdens on hospitals while limiting their ability to adjust staffing to meet changing patient needs. At minimum, HAP recommends the following modifications to the bill: (1) the nurse staffing committee would serve only in an advisory capacity; (2) hospitals would determine the method to select members of the committee; and (3) exemptions would be permitted for hospitals that have achieved certain nursing designations, such as the Magnet Program or the Pathway to Excellence Program through the American Nurses Credentialing Center. Representative Julie Harhart (R-Lehigh, Northampton) serves as a co-sponsor of the bill, which has been referred to the House Committee on Health. St. Luke's plans to discuss its concerns regarding the bill with various House members. Representative Gingrich introduced an identical bill during the previous legislative session, but it was not considered before the session concluded.

Advocacy

• Patient Test Results Information Act: On February 20, 2015, Representative Marguerite Quinn (R-Bucks) announced plans to reintroduce legislation requiring that significantly abnormal diagnostic test results be sent directly to patients. As previously drafted, the bill would require that the entity performing the diagnostic imaging service send the results to the patient within 20 days after the results are sent to the ordering physician. The Pennsylvania Medical Society and the Pennsylvania Radiological Society oppose the bill, since they believe that test results are best delivered by the ordering physician who can explain and interpret the results. The groups also object to government interfering with the

relationship between a physician and a patient. Representatives Harhart and Freeman (D-Northampton) previously served as co-sponsors of the bill. During the prior legislative session, the bill was passed unanimously by the House of Representatives, but it was not considered by the Senate before the session concluded.

New Jersey Issues

Legislation

• S. 876: Hepatitis C Screening Test. On January 14, 2014, Senator Joseph Vitale (D-Woodbridge) introduced legislation that would require hospitals to offer Hepatitis C screening tests to all patients born between 1945 and 1965 who present at a hospital. If the results of the screening test are positive, the hospital would be required to provide appropriate follow-up care or refer the patient to a health care professional to provide follow-up care. Senator Vitale believes the bill will lead to earlier diagnoses and more effective treatment of Hepatitis C. According to a 2012 report from the Centers for Disease Control and Prevention, the virus is more prevalent among individuals born between 1945 and 1965, and testing is recommended for this age group. The Medical Society of New Jersey and the New Jersey Hospital Association (NJHA) oppose the measure, since a hospital is not the appropriate setting to perform mandated tests. They recommend that the mandate be limited to primary physician offices, which are better positioned to treat the virus. On February 5, 2015, the State Senate approved the bill by a vote of 21 to 14, and it has been referred to the State Assembly Health and Senior Services Committee for consideration. Senator Michael Doherty (R-Warren, Hunterdon) voted against the bill. Similar legislation was passed by the New York legislature in 2013.

Federal Issues

Legislation

• H.R. 2: The Medicare Access and CHIP Reauthorization Act of 2015. On March 24, 2015, Congressmen John Boehner (R-8-OH) and Michael Burgess (R-26-TX) introduced legislation to repeal the Sustainable Growth Rate (SGR) formula. As previously reported, the SGR formula was devised to control healthcare spending by tying Medicare fees to the growth in the economy. As medical costs increased more quickly than inflation, the SGR formula would have caused physician payment reductions every year since 2002. In response, Congress has passed 17 bills since 2003 at a cost of \$170 billion to delay implementation of the payment reductions. The current Medicare physician fee schedule will expire on March 31, 2015. Unless Congress acts, physician payments through Medicare will be reduced by 24%.

The proposed bill repeals SGR and replaces it with a new fee schedule which would provide physicians treating Medicare patients with a 0.5% annual increase for 5 years through 2019. From 2020 through 2025, the fee schedule would not increase, but physicians would be entitled to additional payments for quality measures achieved through the Merit-Based Incentive Payment System (MIPS) and through other incentive programs. In addition, during 2026 and beyond, physicians would be eligible to receive annual increases of 0.75% through their participation in alternative payment models, while nonparticipants would receive annual updates of only 0.25%.

The bill would also extend the Medicare Dependent Hospital (MDH) program until October 1, 2017. The MDH program provides special reimbursement rates to hospitals that serve high volumes of Medicare patients. St. Luke's Hospital – Miners Campus (SLM) is one of 13 Pennsylvania hospitals and 200 across the country designated as a MDH. The legislation would also fund the Children's Health Insurance Program (CHIP) for two more years. HAP and NJHA support the bill.

On March 26, 2015, the House passed the bill by a vote of 392 to 37, and the bill has been sent to the Senate for consideration. Congressmen Charles Dent (R-15-PA), Mike Fitzpatrick (R-8-PA), Matt Cartwright (D-17-PA) and Leonard Lance (R-7-NJ) voted in favor of the bill.