

## Government Relations Update – February 21, 2023

### Pennsylvania Issues

- **Quality Care Assessment:** The Statewide Quality Care Assessment Program (QCA) was created in 2010 as a funding mechanism for the benefit of Pennsylvania hospitals. The QCA imposes an assessment on the net revenues of Pennsylvania hospitals. In return, the Federal government increases payments to the Commonwealth, which returns a portion of these payments to Pennsylvania hospitals. The program, which generates an average net benefit of \$640 million to Pennsylvania hospitals annually, is set to expire on June 30, 2023. St. Luke’s University Health Network is working with the Hospital and Healthsystem Association of Pennsylvania (HAP) to continue the program and increase payments to hospitals.
- **Outpatient Emergency Department (OED) Guideline Update:** In March 2022, the Pennsylvania Department of Health (PA DOH) established criteria for hospitals to offer emergency services at an outpatient location with no inpatient or surgical services onsite. On January 20, 2023, the PA DOH issued guidance providing additional flexibility for hospitals, including removal of the prohibition on outpatient emergency departments within 35 miles of critical access hospitals or small rural hospitals. The PA DOH asserts that “allowing small rural hospitals to transition to an OED . . . will give those hospitals . . . unable to maintain inpatient beds an alternative to closure and will help preserve access to emergency care in Pennsylvania’s rural communities.”
- **Termination of Medicaid Continuous Enrollment:** On December 29, 2022, President Joe Biden (D) signed into law the Consolidated Appropriations Act of 2023, which terminates the continuous enrollment of Medicaid beneficiaries after March 31, 2023. The Pennsylvania Department of Human Services reports that 593,000 Pennsylvania residents currently enrolled in Medicaid are no longer eligible, and another 577,000 Pennsylvania residents may be ineligible. Impacted individuals have an opportunity to complete a renewal, while those who no longer qualify for Medicaid will be directed to other insurance options, such as CHIP and Pennie.

### New Jersey Issues

- **A4613:** On September 22, 2022, Assembly Majority Leader Louis Greenwald (D – Berlin Township, Cherry Hill) introduced legislation to extend eligibility for the Primary Care Practitioner Loan Redemption Program. The bill would appropriate an additional \$10 million to the program. On February 13, 2023, the bill was reported out of the Assembly Health Committee and was referred to the Assembly Appropriations Committee. St. Luke’s supports the legislation.

### Federal Issues

- **Public Health Emergency (PHE) Status:** On February 9, 2023, Department of Health and Human Services (HHS) Secretary Xavier Becerra announced the PHE would be extended only through May 11, 2023. Shortly after the announcement, the Biden Administration released a PHE Transition Roadmap outlining programs that may be impacted. Most significantly, HHS reports that vaccines recommended by the Advisory Committee on Immunization Practices, including COVID-19 vaccinations, will continue to be fully covered without a copay. In addition, Medicaid programs will continue to cover COVID-19 treatments without any cost sharing requirements through September 30, 2024. While many telehealth flexibilities have been extended permanently, including those relating to behavioral health services, certain methods of telehealth services that are not compliant with HIPAA, such as FaceTime, Facebook Messenger video, and Google Hangouts, will no longer be permitted. St. Luke’s has been reviewing the guidance from HHS and is prepared for the transition.

- **Presidential State of the Union Address:** On February 7, 2023, President Biden delivered his second State of the Union address and outlined some of his Administration’s priorities for health care, including plans for expanding access to mental health treatment, increasing health insurance coverage, and reducing cancer deaths. According to the President: (1) the Department of Education (DOE) will announce more than \$280 million in grants to increase the number of mental health professionals for schools in high need districts; (2) HHS and the DOE will issue guidance and propose a rule to make it easier for schools to provide mental health services to students and bill Medicaid for these services; (3) the Administration will propose new rules to require that insurance plans reimburse providers adequately for behavioral health services; (4) HHS will triple resources dedicated to promoting interstate license reciprocity for delivery of mental health services across state lines; and (5) HHS will improve the capacity of the 988 Suicide and Crisis Lifeline by investing in the expansion of the crisis care workforce.

Another top priority, according to the President, is making permanent the enhanced financial assistance for those purchasing plans on the Health Insurance Marketplace. President Biden also highlighted initiatives and newly enacted laws aimed at reducing cancer deaths, and he urged Congress to reauthorize the National Cancer Act, originally signed into law by President Richard Nixon in 1971, which would improve funding for cancer research and encourage data sharing.