

## Government Relations Update – April 4, 2023

### Pennsylvania Issues

#### Legislation:

- **HB 22:** Medicaid Care Transition Program Act. On March 7, 2023, Representative James Struzzi II (R – Indiana County) introduced legislation to establish the Medicaid Care Transition Program within the Pennsylvania Department of Human Services (PA DHS). The Medicaid Care Transition Program would establish policies and procedures to ensure hospitals identify appropriate post-acute care placements for Medicaid patients awaiting transfer. The bill would also require that PA DHS report to the legislature its compliance with the requirements, the number of instances where hospitals are unable to place patients, and a summary of efforts by PA DHS to assist. The bill is currently in the House Human Services Committee. St. Luke’s University Health Network and the Hospital and Healthsystem Association of Pennsylvania (HAP) support this legislation, because it is intended to assist hospitals in their efforts to transition patients to appropriate care settings in a timely manner.
- **HB 24:** Collaborative Care Model Legislation. On March 7, 2023, Representative Struzzi also introduced legislation to better integrate behavioral health treatment across the continuum of health care. The bill would require the PA DHS to make grants available to support the Collaborative Care Model (CoCM), which links mental health clinicians with providers in other specialties, such as primary care and oncology. The bill is currently in the House Human Services Committee. St. Luke’s and HAP support this legislation.

#### Miscellaneous:

- **State Budget Proposal:** On March 7, 2023, Governor Josh Shapiro (D) presented his draft budget for the 2023-2024 state fiscal year. Governor Shapiro proposed a spending plan of \$44.4 billion, which would constitute a 3.6% increase over the current fiscal year. The proposed budget contains mostly similar funding for Medicaid supplemental payments to hospitals, including payments for obstetric and neonatal services (\$3.68 million), critical access hospitals (\$13.06 million), burn units (\$4.44 million), and trauma centers (\$8.66 million). The budget also preserves the hospital uncompensated care program funded by the Tobacco Settlement and allots \$2.3 million for a new program to reduce maternal mortality and morbidity.

The Governor’s proposal calls for increasing the minimum wage to \$15 per hour on January 1, 2024. The budget includes \$24.7 million for a personal income tax credit of \$2,500 per year for up to three years to qualifying nurses and would fund updates to the Pennsylvania Department of State’s licensing system, with the goal of improving the professional licensing process. The budget also includes a \$20 million increase for county mental health funding and \$100 million for a new school-based mental health support block grant.

- **Legislator Luncheon:** On March 9, 2023, St. Luke’s hosted a lunch and learn at St. Luke’s Hospital – Sacred Heart Campus for our state legislators and their staff. Carol Kuplen, Ed Nawrocki, Dr. James James III, Jody McCloud-Missmer, Dr. Elizabeth Dierking, and Robby Wax provided an overview of the issues impacting hospitals and St. Luke’s position on proposed healthcare policy initiatives.

### Federal Issues

- **Federal Budget Proposal:** On March 3, 2023, President Joe Biden (D) released his proposed budget for the 2024 federal fiscal year, which would include permanently extending enhanced subsidies for health insurance exchange users, \$150 million for the expansion of home and community-based services for Medicaid beneficiaries over the next 10 years, additional funding for federally qualified health centers, and an additional \$416 million in funding to support rural healthcare, including \$165 million for opioid epidemic response efforts.