

## Government Relations Update – October 10, 2023

### Pennsylvania Issues

#### Legislation:

- **SR 149: No-Fault Neurological Injured Infant Fund.** On August 16, 2023, Senator Rosemary Brown (R-Monroe) introduced a resolution directing the Legislative Budget and Finance Committee (LBFC) to study the feasibility of a no-fault catastrophic loss fund to compensate persons suffering birth-related neurological injuries within Pennsylvania. St. Luke's University Health Network has been advocating for a fund as a method to protect and expand access to maternity care in the Commonwealth by reducing the high cost of medical malpractice insurance and lowering the risk of catastrophic verdicts. The LBFC would be instructed to review similar programs implemented in Virginia and Florida for decades and prepare a study on the cost savings and other benefits.

The Hospital of the University of Pennsylvania joined St. Luke's in advocating for the study following the entry of a \$183 million verdict against Penn earlier this year arising from a 2018 birth injury. The award is Pennsylvania's largest-ever medical malpractice verdict. The Hospital & Healthsystem Association of Pennsylvania (HAP) and UPMC have begun advocating for the study, too. The resolution is being considered by the Senate Banking & Insurance Committee. St. Luke's has held several meetings with the Majority Committee Chair Senator John DiSanto (R-Dauphin) and is also working with the Insurance Federation of Pennsylvania and the Pennsylvania Coalition for Civil Justice Reform on this issue.

#### Miscellaneous

- **Quality Care Assessment (QCA) Reauthorization.** As previously reported, the QCA is a state program designed to leverage federal Medicaid funding to help increase payments to hospitals. Pennsylvania hospitals pay an annual assessment totalling more than a billion dollars, based on inpatient and outpatient revenues. Pennsylvania retains an amount set by law (currently \$300 million) and the remainder (currently about \$700 million) is used, along with federal matching funds, to help pay hospitals for care delivered to Medicaid patients. The QCA ended on June 30, 2023. HAP advocated for a new five-year renewal of the QCA. On August 30, 2023, the Senate passed a bill to renew the QCA for five years. However, on October 4, 2023, the House included the QCA renewal in its version of the fiscal code and sent the package to the Senate for consideration. The Senate returns to session on October 16, 2023.
- **Adult Behavioral Health Funding:** As previously reported, on July 11, 2022, Governor Tom Wolf (D) signed Act 54 of 2022 into law, which established the Behavioral Health Commission for Adult Mental Health. The Commission was charged with allocating \$100 million in American Rescue Plan Act (ARPA) funding for adult behavioral health needs. On April 10, 2023, Representative Mike Schlossberg (D-Lehigh) introduced legislation to appropriate the funding in accordance with the recommendations of the Commission. On May 23, 2023, the bill was approved by the House Human Services Committee. On June 7, 2023, the legislation was passed by the House and sent to the Senate Health and Human Services Committee for consideration. HAP and St. Luke's support this bill.

On July 27, 2023, Dr. James A. James III, Chairman of the St. Luke's Department of Psychiatry, participated in a press conference in Harrisburg hosted by Representative Schlossberg urging the Senate to pass the bill or appropriate the funds. On September 22, 2023, St. Luke's hosted a behavioral health summit for state legislators and county officials at St. Luke's Hospital – Sacred Heart Campus. On October 4, 2023, the House included the \$100 million in ARPA funding in its version of the fiscal code, allocating \$34 million for workforce related programs, \$31.5 million for expanding criminal justice and public safety programs, and \$34.5 million for programs designed to strengthen and expand mental health services. The fiscal code has been sent to the Senate for consideration.