

Government Relations Update – November 21, 2023

Pennsylvania Issues

Legislation:

- **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 totaling more than a billion dollars, based on inpatient and outpatient revenues. Pennsylvania retains a portion of the assessment (currently \$300 million). The remainder (currently about \$700 million), along with federal matching funds, helps pay hospitals for care delivered to Medicaid patients.

The QCA ended on June 30, 2023. The Hospital & Healthsystem Association of Pennsylvania (HAP) advocated for a new five-year renewal of the QCA. 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 House and Senate approved the fiscal code on October 18, 2023, and Governor Josh Shapiro (D) signed the fiscal code with the QCA renewal into law on October 23, 2023.

- **HB 1351: Increase in Ambulance Payments and Medical Assistance Long-Term Living Reimbursement.** On June 7, 2023, Representative Dan Frankel (D-Allegheny) introduced legislation to provide administrative updates to the Rural Health Redesign Center. On July 6, 2023, the House approved the bill. On October 16, 2023, the bill was amended in the Senate to require reimbursement from the Commonwealth for every loaded mile driven for ground ambulances and to adopt increased payments for Medicaid patients transported by ambulance to an amount equal to rates paid by Medicare. The amendment would also eliminate current Medicaid payment caps for transports beyond twenty miles. St. Luke's Emergency Transport Services estimates that this would increase our ambulance revenue by \$250,000 annually. The bill would also increase Medical Assistance reimbursement to long-term living facilities. St. Luke's supports the amendment.
- **HB 1417: Restoring Dental Coverage for Medical Assistance Recipients.** On June 14, 2023, Representative Gina Curry (D-Delaware) introduced legislation to restore enhanced dental coverage for Medicaid recipients. The current plan provides coverage for routine cleanings and fillings, but root canals, periodontal disease work, and emergency exams have not been covered since 2011 given the cost of coverage, preventing many low-income Pennsylvanians from receiving the oral health care they need. St. Luke's and Star Community Health provide dental services to Medicaid patients. On October 18, 2023, the bill was reported from the House Health Committee. On November 15, 2023, the bill was sent to the House Appropriations Committee. St. Luke's and HAP support the legislation.
- **HB 507: Informed Consent in Pelvic, Rectal, and Prostate Examinations.** On March 17, 2023, Representative Elizabeth Fiedler (D-Philadelphia) introduced legislation requiring specific patient consents for all procedures or exams performed under anesthesia by medical students or others for training purposes. On April 26, 2023, the House approved the legislation and sent it to the Senate. On November 14, 2023, the Senate approved the legislation. On November 16, 2023, the bill was presented to the Governor for signature. St. Luke's has reviewed the bill and will be compliant if it becomes law.

- **HB 1650: Establishing the Lifetime Recovery from Substance Use Grant Program.** On August 15, 2023, Representative Jim Gregory (R-Blair) introduced legislation establishing a statewide grant program to assist in the development, expansion, or improvement of recovery support service delivery. The legislation does not specify the amount of funding to be provided, but instead states that the General Assembly may appropriate money to the Department of Drug and Alcohol Programs and identifies the Opioid Settlement Restricted Account as an optional revenue source. The bill was reported from the House Human Services Committee on November 13, 2023 and currently awaits consideration from the full House. St. Luke's and HAP support the legislation, since the program should complement the addiction recovery services provided by St. Luke's.

Federal Issues

Miscellaneous

- **Artificial Intelligence Executive Order.** On October 25, 2023, the United States Cybersecurity & Infrastructure Security Agency announced a new cybersecurity toolkit with resources to help hospitals and other health care organizations scan for vulnerabilities and avert digital threats. The toolkit consolidates key resources for healthcare organizations at every level. Starting with recommended fundamental cyber hygiene steps, the toolkit is intended to assist organizations in their efforts to build a cybersecurity foundation and progress to implement more advanced, complex tools to strengthen defenses.

On October 30, 2023, President Biden (D) issued an Executive Order (EO) to establish new standards for artificial intelligence (AI) safety and security, while protecting privacy, promoting innovation and competition, and advancing American leadership on the issue. The EO calls for the Department of Health and Human Services to establish: (1) a safety program to receive reports of harms or unsafe healthcare practices involving AI, while still advancing the responsible use of AI in healthcare and the development of affordable and life-saving drugs; (2) a pilot program of the National AI Research Resource to provide AI researchers access to key resources and data in areas such as healthcare; and (3) clear guidance to Federal healthcare benefits programs to keep AI algorithms from being used to exacerbate discriminatory behavior. St. Luke's has been reviewing these initiatives and engaging in ongoing discussions with legislators about cyber security concerns across the healthcare space.

- **Hospital Community Benefit.** On October 10, 2023, Chairman of the Senate Health, Education, Labor, and Pensions (HELP) Committee Senator Bernie Sanders (I-VT) released a report examining 16 of the largest not-for-profit hospital systems in the country. The report concludes that many of these hospitals fell short of their charity care obligations. The American Hospital Association (AHA) responded that the report did not fully account for the wide range of community benefits hospitals provide.

The AHA issued a report the same day noting tax-exempt hospitals across the country provided more than \$129 billion in total community benefit in 2020 alone, representing 15.5% of their total expenses. The AHA also referenced a 2022 report from EY demonstrating that for every dollar invested in not-for-profit hospitals and health systems through federal tax exemption, \$9 in community benefit is delivered, proving that not-for-profit hospitals and health systems continue to be both direct and indirect economic drivers across the country.