

Government Relations Update – January 30, 2024

Pennsylvania Issues

Legislation:

- **HB 1351: Increase in Ambulance Payments and Medical Assistance Long-Term Living Reimbursement.** As previously reported, 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 also eliminated current Medicaid payment caps for transports beyond twenty miles and increased Medical Assistance reimbursement to long-term living facilities. The bill was signed by Governor Shapiro (D) on October 23, 2023, and the payment changes will be effective as of January 1, 2024. St. Luke's Emergency Transport Services estimates the changes will increase our ambulance revenue by \$750,000 annually. St. Luke's supported the bill.
- **HB 1417: Restoring Dental Coverage for Medical Assistance Recipients.** As previously reported, 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 necessary oral health care. On December 12, 2023, the House passed the bill, and it was sent to the Senate Health and Human Services Committee. St. Luke's and Star Community Health provide dental services to Medicaid patients. St. Luke's and the Hospital & Healthsystem Association of Pennsylvania (HAP) support the legislation.
- **HB 1564: Licensed Associate Marriage and Family Therapist Credentialing.** Under Pennsylvania law, a clinical marriage and family therapist must work at least 3000 clinical hours to become fully licensed after earning a masters and/or doctorate degree. On July 11, 2023, Representative Melissa Cerrato (D-Montgomery) introduced legislation to create a Licensed Associate Marriage and Family Therapist (LAMFT) category, which would allow new marriage and family therapists to work under the direct supervision of a licensed clinical marriage and family therapist while progressing towards the clinical requirement for full licensure. Presently, 26 states have established this associate license to enhance access to services. On December 13, 2023, the House passed the bill, and it was sent to the Senate Consumer Protection & Professional Licensure Committee. St. Luke's and HAP support the legislation.

Miscellaneous

- **Governor Shapiro Visit:** On December 4, 2023, Governor Shapiro visited St. Luke's Hospital - Sacred Heart Campus to discuss the importance of behavioral health services, workforce development, and small business opportunities as part of the Lehigh Valley Chamber of Commerce's *Business Matters* television show.
- **State Senator Jarrett Coleman Visit:** On January 18, 2024, Senator Jarrett Coleman (R-Lehigh/Bucks) visited St. Luke's Hospital – Allentown Campus to meet with Bill Moyer, Dr. Shaden Eldakar-Hein, and Temple/St. Luke's medical school students. Senator Coleman learned about St. Luke's community and school-based programs, including free services provided by the medical school students. Senator Coleman previously visited St. Luke's University Hospital – Bethlehem Campus and St. Luke's Hospital – Upper Bucks Campus.

- **Increased Risk of Venue in Philadelphia County:** On November 22, 2023, the Pennsylvania Supreme Court issued an important decision regarding the appropriateness of venue in Philadelphia County in Hangey v. Husqvarna Professional Products. The plaintiff sued in Philadelphia County, and the defendant moved to have the case transferred, since the defendant received only 0.005% of its revenue in the county by limiting sales of its products through two authorized dealers. The trial court transferred venue based on this *de minimis* percentage, but the Pennsylvania Superior Court reversed the decision. The Pennsylvania Supreme Court found the trial court erred in focusing solely on percentage of revenue in its venue analysis and affirmed the decision of the Superior Court.

The Pennsylvania Supreme Court explained that percentage of revenue is just one “data point” in a broader assessment of how “regular” a defendant’s business activities are in a forum. It noted the defendant’s sales to its two authorized dealers in the county had been “consistent” and were “not interrupted” during the relevant time period, and that, even if the defendant was not succeeding, it was “at least trying to make sales in Philadelphia, regularly and continuously.” The Pennsylvania Supreme Court held that so long as “a company maintains a constant physical presence in the forum county” to perform acts in furtherance of its business objectives, venue will be appropriate in that county. The decision is broad in scope and was hailed as a major victory by personal injury attorneys seeking to pursue cases in Philadelphia County.

New Jersey Issues

- **A5757: Extending Telehealth Payment Parity Coverage.** On November 30, 2023, Assemblyman Herb Conaway, Jr. (D-Burlington) and Senator Vin Gopal (D-Monmouth) introduced legislation to extend coverage and payment parity for healthcare services delivered via telemedicine through December 31, 2024. The bill was approved by both chambers and signed into law by Governor Phil Murphy (D) on December 21, 2023.
- **S304: Nurse Staffing Ratios.** On January 11, 2022, Health Committee Chairman Senator Joseph Vitale (D-Middlesex) introduced legislation to establish minimum nurse staffing standards for hospitals and ambulatory surgery facilities. On January 4, 2024, the Senate Health, Human Services and Senior Citizens Committee held a hearing on the bill. St. Luke’s Pediatric Intensive Care Unit (PICU) Nurse Manager Stephanie Pollock testified at the hearing in opposition to the bill. St. Luke’s is monitoring the bill closely.

Federal Issues

Miscellaneous

- **Prior Authorization Rule:** On January 17, 2024, CMS announced a final rule to streamline the prior authorization process and improve the electronic exchange of health information. The agency reports these new policies will modernize prior authorization and result in \$15 billion in savings over 10 years. The rule includes new requirements for Medicare Advantage organizations, Medicaid, the Children’s Health Insurance Program (CHIP) fee-for-service programs, Medicaid managed care plans, CHIP managed care entities, and issuers of Qualified Health Plans on the federally facilitated exchanges.

The rule requires payors to send prior authorization decisions within 72 hours for urgent requests and seven calendar days for standard requests. Payors also will need to include a specific reason for denying a prior authorization request and report publicly prior authorization data metrics. In addition, payors must implement a “Health Level 7 Fast Healthcare Interoperability Resources Prior Authorization” application programming interface to support electronic prior authorization. The American Hospital Association advocated for these changes.