

Government Relations Update – June 3, 2025

Pennsylvania Issues

Legislation

- **SR27:** On February 26, 2025, Senator Rosemary Brown (R-Monroe) introduced a resolution directing the Legislative Budget and Finance Committee (LBFC) to study the feasibility of establishing a no-fault catastrophic loss fund to pay claims resulting from birth-related neurological injuries in Pennsylvania. Several states have implemented no-fault birth injury programs. These programs collect a portion of malpractice insurance premiums for initial startup costs and then require hospitals and physicians to contribute annually to the fund, and the proceeds are made available to those affected by birth injuries. The fund would reduce medical malpractice insurance premiums charged to obstetricians and their employers, thereby helping to attract more obstetricians to the Commonwealth while improving access to care for expectant mothers.

On May 13, 2025, the resolution was unanimously approved by the Senate Banking & Insurance Committee, and it was sent to the Senate for full consideration. Senate resolutions do not require House or Gubernatorial approval. St. Luke's University Health Network collaborated with Senator Brown to introduce the resolution with the support of the Hospital & Healthsystem Association of Pennsylvania (HAP). If the resolution passes, St. Luke's and HAP will work closely with the LBFC on the study.

- **HB 926:** On March 17, 2025, Representative Leanne Krueger (D-Delaware) introduced the Health Care Workplace Violence Prevention Act. The bill establishes violence prevention committees in health facilities, outlines duties assigned to the committees, and sets workplace violence reporting requirements. The bill also grants enforcement powers to the Department of Labor and Industry and imposes fines and administrative penalties for violations. On May 6, 2025, the House passed the bill by a 124 to 79 vote. It now resides with the Senate Labor & Industry Committee for consideration.

St. Luke's and HAP oppose the legislation as it creates redundant regulations and does not include provisions to proactively prevent workplace violence in health care settings. The proposed language would also give the Department of Labor and Industry new regulatory authority over health care facilities, which are already heavily regulated. In addition, the bill is flawed, because facilities would be legally required to implement committee recommendations, even if they are impractical or financially unfeasible.

- **HB 1460:** On May 13, 2025, Representative Lisa Borowski (D-Delaware) introduced the Protecting Pennsylvania Health Services and Facilities Act. The bill requires the Office of Attorney General to approve transactions between health care entities and for-profit entities prior to the completion of the transaction. The bill provides broad authority to the Office of Attorney General to review the transaction and determine whether it is against the public interest. The bill was introduced in response to the closure of the Crozer Health System, which left thousands of employees without jobs and communities without access to local hospital care. The bill is currently awaiting consideration in the House Health Committee. St. Luke's is working with HAP and House Health Committee leadership to clarify portions of the bill. Specifically, St. Luke's and HAP seek to protect the ability of not-for-profit hospitals to pursue joint ventures with for-profit entities without the need to obtain approval from the Office of Attorney General.

- **Nursing Education Capacity Legislation Co-Sponsorship Memo:** On May 20, 2025, Senator Brown circulated a Co-Sponsorship Memo seeking support for a bill intended to enhance nursing education opportunities to address the shortage of nurses in Pennsylvania. The bill would require the Department of Education to provide grants to nursing schools to expand their programs and increase the number of nursing graduates. St. Luke's and HAP support the legislation.

Miscellaneous

- **Senate Communications and Technology Committee Hearing:** On May 8, 2025, Charlie Sunday, St. Luke's Associate Chief Medical Information Officer, testified at a hearing of the Senate Communications and Technology Committee regarding the potential impact of artificial intelligence on the economy. He cited specific examples of the utilization of AI at St. Luke's, including ways St. Luke's utilizes AI to improve patient care.

Federal Issues

Legislation

- **One Big Beautiful Bill Act:** On May 22, 2025, the House of Representatives passed the budget reconciliation package along party lines by a vote of 215 to 214. The bill sets budgetary spending levels for federal fiscal years 2026 through 2034. It includes provisions for extending and expanding expiring tax cuts, increasing spending on border security and defense, reforming domestic energy policies, and cutting federal spending for healthcare programs.

The bill includes work and/or community service eligibility requirements for Medicaid beneficiaries, twice per year eligibility verification requirements for Medicaid coverage (an increase from once per year), a shorter open enrollment period for Medicaid beneficiaries, and the removal of year-round signup allowances for low-income Americans. The plan would also incorporate a new cost-sharing requirement for some beneficiaries in the program, not to exceed five percent of a patient's income. The Congressional Budget Office estimates that these programmatic changes would leave 8.6 million Americans uninsured.

The legislation also expands work requirements for the SNAP/Food Stamp program and requires states to pay at least 5% of the benefit costs (states currently do not share in these costs) and up to 75% of the administrative costs, rather than 50%.

The legislation would freeze state provider taxes at their current rates. St. Luke's receives approximately \$40 million annually from this program, which is used to supplement services provided to Medicaid patients. The legislation does not include changes to site-neutral payment policies, Disproportionate Share Funding (DSH) for safety net hospitals and trauma centers, or the 340B Drug Pricing Program.

The Senate will now consider the bill. The American Hospital Association, HAP, and St. Luke's have raised concerns about the potential impact to Medicaid beneficiaries. On May 28, 2025, representatives from St. Luke's and Grand View Health met with Congressman Brian Fitzpatrick (R-PA-1) to discuss the bill. Congressman Fitzpatrick stated his commitment to protect Medicaid funding for hospitals and coverage for vulnerable populations.