

Government Relations Update – July 28, 2026

Pennsylvania Issues

Legislative

- **SB 604: National Counseling Compact.** On April 9, 2025, Senator Lisa Boscola (D-Northampton) introduced legislation to have Pennsylvania join the National Counseling Compact so that Pennsylvania's Licensed Professional Counselors may practice in person or via telehealth in 39 other states without applying for a separate state license. The legislation passed the Senate and the House, and it was signed into law by Governor Josh Shapiro (D-PA) on July 12, 2026. The Hospital & Healthcare System of Pennsylvania (HAP) and St. Luke's University Health Network supported this legislation.
- **SB 1334: Medical Imaging and Radiation Therapy Health and Safety Act.** On May 20, 2026, Senator Lynda Schlegel Culver (R-Columbia) introduced legislation to create a state licensure process for medical imaging professionals in Pennsylvania, including radiation therapists and radiologist assistants. On June 30, 2026, the bill passed the Senate and was referred to the House Professional Licensure Committee. St. Luke's supports the bill but has proposed some revisions for consideration in the House.
- **HB 926: Health Care Workplace Violence Prevention Act.** On March 17, 2025, Representative Leanne Krueger (D-Delaware) introduced legislation requiring health facilities to establish workplace violence prevention committees. The bill passed the House on May 6, 2025 and was referred to the Senate Labor & Industry Committee. St. Luke's and HAP oppose the legislation because it will not prevent violence against health care teams. Rather, it would add burdensome regulations that would conflict with existing requirements imposed by the federal government and accrediting organizations.

St. Luke's has shared its concerns with Senator Rosemary Brown (R-Monroe), who is a member of the Senate Labor & Industry Committee. St. Luke's and HAP instead support legislative initiatives to create a flexible grant program funding safety and security solutions, as well as a federal bill which would make it a federal crime to assault a hospital employee.

- **HB 1697: Creating a State False Claims Act.** On July 2, 2025, Representative Frank Burns (D-Cambria) introduced legislation to create a state False Claims Act (FCA). On July 9, 2025, the bill passed the House and was referred to the Senate Health & Human Services Committee. St. Luke's and HAP oppose the bill, because Pennsylvania's Medicaid error rate of 2.5% is among the lowest in the nation and the federal FCA is already effective in preventing fraud, making the bill unnecessary. Moreover, the proposed bill includes a private right of action encouraging plaintiffs' attorneys to sue for inadvertent billing errors, so the attorneys can claim 30% of any amount recovered against hospitals.
- **SB 998: Nurse Education Capacity Expansion Grant Program.** On October 7, 2025, Senator Brown introduced legislation to provide targeted funding for accredited nursing programs, enabling them to expand nursing faculty and increase the number of nurse preceptors. On April 20, 2026, the bill passed the Senate and now awaits consideration in the House Education Committee. St. Luke's and HAP support this legislation.

Miscellaneous

- **Pennsylvania 2026-27 Budget:** On July 12, 2026, Governor Shapiro approved a \$50.85 billion spending plan, representing a \$1.87 billion increase over the prior budget. The spending plan maintains funding for hospital priorities, including Medicaid supplemental payments and support to rural hospitals and behavioral health services. The final budget also restores \$10 million in distressed hospital funding, which includes a \$36 million federal match. This funding had been removed in the governor's initial budget proposal.

The budget includes \$42.5 million for Grow PA scholarships, an increase of \$10 million, supporting education of new nurses and other in-demand occupations, and \$30 million to fund the Child Care Staff Recruitment and Retention Program, an increase of \$5 million. For the second consecutive year, Temple/St. Luke's School of Medicine will receive a \$2 million Academic Medical Center allocation, which will be matched by an additional \$1.2 million from the federal government.

Federal Issues

Legislation

- **H.R. 9504: Tax Exempt Hospital Transparency Act.** On June 29, 2026, Representative Greg Murphy, M.D. (R-NC) introduced legislation to require large, tax-exempt hospitals, defined as those with more than 100 inpatient beds and/or more than \$100 million in net patient revenue, to disclose additional information on annual Form 990 filings, including amounts spent on charity care and information concerning participation in the 340B Drug Pricing Program. Additional reporting requirements would include the number of financial assistance applications received, granted, and denied; spending to address the three highest priority health needs identified in the hospital's most recent Community Health Needs Assessment and a description of actions taken; and the amount spent on advertising, quality improvement, and nonclinical programming.

On July 1, 2026, the bill was approved by the House Ways and Means Committee on a party line vote, with the Republicans, including Congressman Brian Fitzpatrick (R-Bucks), voting in the affirmative. All Democrats voted against the bill, raising concerns that the legislation would increase administrative burdens on hospitals. St. Luke's, HAP, and the American Hospital Association (AHA) oppose the bill.

- **H.R. 3514: Improving Seniors' Timely Access to Care Act.** On May 20, 2025, Representatives Mike Kelly (R-PA) and John Joyce, M.D. (R-PA) introduced legislation to establish an electronic prior authorization process for Medicare Advantage plans. In recent years, the Department of Health and Human Services (HHS) Office of the Inspector General (OIG) raised concerns that Medicare Advantage (MA) plans ultimately approved 75% of requests that were originally denied. More recently, HHS OIG released a report finding that many MA plans incorrectly denied coverage on a routine basis. On July 15, 2026, the bill was approved unanimously by the House Ways and Means Committee. St. Luke's, HAP, and the AHA support this legislation.

Miscellaneous

- **AHRQ Begins Canceling Ongoing Research Grants.** On July 17, 2026, more than 70 projects with \$185 million in funding commitments from the Agency for Healthcare Research and Quality (AHRQ) received cancellation notices, representing nearly half of all active grants previously approved by AHRQ. The cancelled projects spanned research, training, career development, and infrastructure awards, including projects focused on patient safety, antibiotic resistance, digital health, Medicare and Medicaid policy, behavioral health integration, and medical debt.