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**American Association of Healthcare
Administrative Management
(AAHAM – Philadelphia Chapter)
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Agenda

➤ **State Update**

- Wrap-up 2018–2019 State Budget
- Fall Session Challenges
- Telemedicine
- Other State Legislative Priorities

➤ **Federal Update**

- Fall Priorities
- Issues to Watch

➤ **Political Update**

- Mid-term Elections Insights



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State Update

2018–2019 State Budget Wrap-up

- ▶ Fully funds existing supplemental payments
- ▶ Provides an increase to critical access hospitals
- ▶ Legislative language prevents the state from diverting unspent Quality Care Assessment (QCA) funds for other purposes
- ▶ Limits state share of QCA to:
 - ▶ Years 1-3 – an additional \$75 million
 - ▶ Years 4-5 – an additional \$80 million
- ▶ Includes \$30 million in new funds to support hospitals in addressing opioid use disorders



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Fall Session Challenges

- ▶ Statute of Limitations legislation
- ▶ Anti-hazing legislation on college campuses
- ▶ Anti-abortion legislation
- ▶ Mid-term elections



Telemedicine Legislation (SB 780)

- Legislative Goal
 - Define telemedicine
 - Protect patients by outlining who can provide health care services through telemedicine
 - Require health insurers to provide reimbursement for telemedicine services if they pay for the same service in person
 - Bring consistency to the reimbursement process, while avoiding government interference in rate setting for health care services

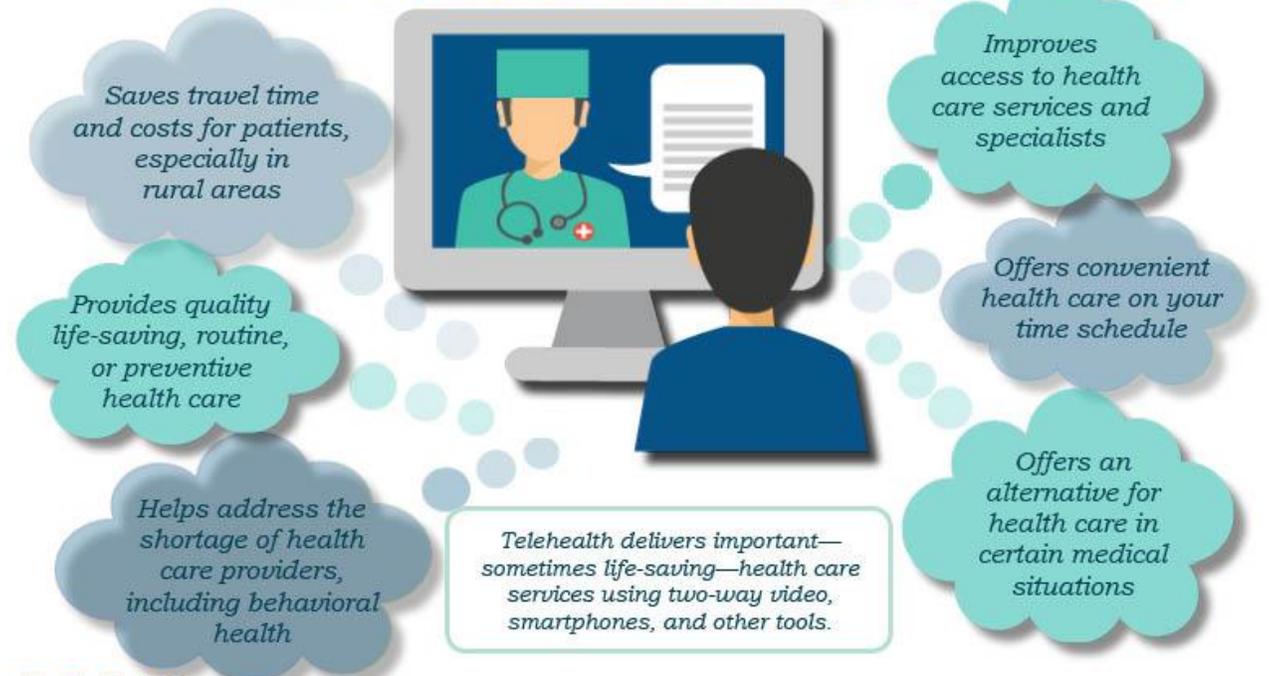


Telemedicine helps with:

- Eliminating long waits for in-person appointments
- Accommodating those who would normally travel far to see a specialist
- Saving lives when seconds matter
- Helping address school safety through in-school behavioral health consultations

The right care, at the right place, at the right time...

What **Telehealth** Can Do For **You**



HAP
The Hospital + Healthsystem
Association of Pennsylvania

Telehealth expands your access to high-quality health care, saving you time and money.



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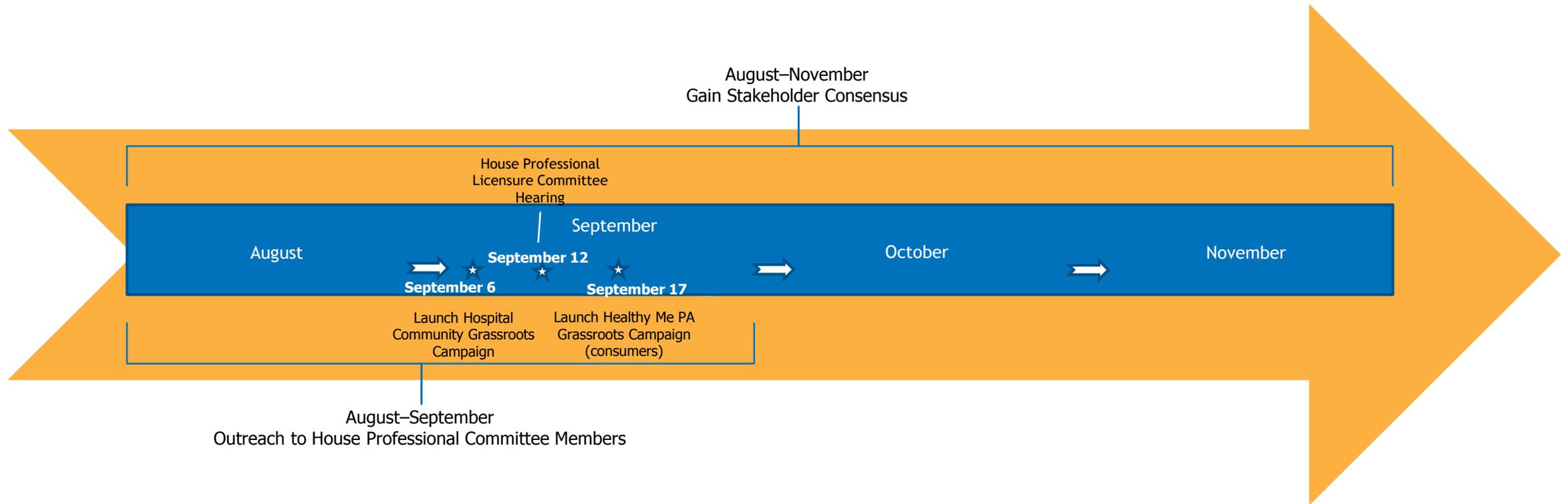
Survey Results—Telemedicine

- Pennsylvanians weigh in about telemedicine
- Who: Subscribers to the Healthy Me PA digital community
- 1,300 people signed a petition supporting increased access to telemedicine
- 1,015 people responded to a Healthy Me PA survey about telemedicine:
 - 92 percent believe telemedicine should be covered by insurance
 - 88 percent believe using telemedicine services can improve access to health care
 - 64 percent believe appropriate health care services would be similar to or higher than the quality of an in-person visit
 - 63 percent agree or strongly agree that, given the chance, they would use telemedicine services more often
 - 60 percent would support a legislator if he or she endorsed increased access to telemedicine services for all Pennsylvanians



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Key Fall Dates for Telemedicine Legislation



How can you help?

- ▶ Contact your state House member and ask for a “yes” vote on SB 780
- ▶ Engage your greater hospital family to ask their House member for a “yes” vote on SB 780
- ▶ Engage community stakeholders to ask their House members for a “yes” vote on SB 780

[Take Action](#)

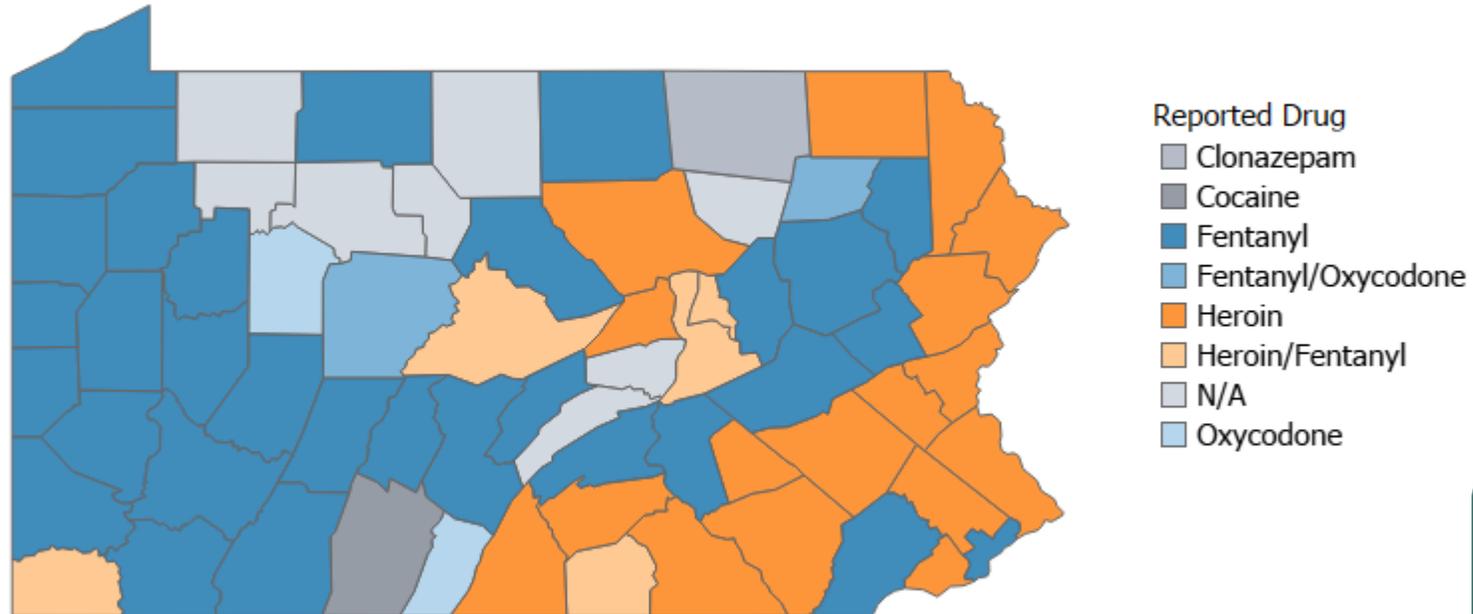


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Pennsylvania Opioid Overdose Deaths

Most Frequently Reported Drug or Opioid in Related Overdose Death, 2016

Select county to view details



Pennsylvania's overdose death rate is **36.5** per 100,000 individuals. This is above the national rate

Interactive map available on [HAP's website](#)

Source: Pennsylvania Coroner's Association, U.S. Drug Enforcement Agency, Philadelphia Division, and University of Pittsburgh School of Pharmacy, HAP analysis of PHC4 data.

Opioid Crisis

HAP - Working with policymakers as a resource to help guide decisions and provide clinical and logistical realities to the proposals designed to address the opioid crisis:

- State of emergency declarations (SB 1001)
- Involuntary commitment (HB 713 and SB 391)
- Electronic prescribing of opioids (HB 353)
- Integrating PDMP with electronic health information systems (HB 1679)
- Limit prescriptions to seven days and consent (SB 472)
- Regulation of pain clinics (HB 1043)
- Detoxification bed registry (HB 825)
- Limitations on Medication Assisted Treatment (MAT) (SB 1054 and SB 428)



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Surprise Balance Billing SB 678 and HB 1553

- Patients and their families should be protected from the financial burdens of unexpected bills
- SB 678 and HB 1553 seek to protect patients from surprise out-of-network bills
- HAP established a task force to recommend to the General Assembly and administration key principles for legislation to resolve surprise bills



Informed Consent

- On June 20, 2017, the Pennsylvania Supreme Court held in *Shinal v. Toms* that a physician may not delegate to others his or her obligation to provide sufficient information in order to obtain a patient's informed consent for a procedure
- This decision has created confusion and runs counter to the team-based approach to patient care used by health care practitioners and hospitals
- HAP is working with members and other health care stakeholders on legislation (an amendment to the Mcare Act) to address the issues created by the *Shinal* decision



Key Workforce Issues

- **Advanced practice nurses (HB100/SB 25)**
 - SB 25 (Bartolotta, R-Washington) passed the Senate during April 2017
- **Nurse staffing**
 - SB 214 (Leach, R-Montgomery) in Senate Health and Human Services Committee
 - Legislation requiring specific nurse-to-patient ratios—no movement
 - SEIU messaging—expect organized push through election
 - Proposed Staffing Committee legislation
- **Protecting nurses (HB 646/SB 445)**
 - HB 646 (Ward, R-Blair) passed the House during June 2017





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Federal Update

Federal Overview

➤ **Fall Priorities**

- Fall deadlines for Congressional action—fiscal year 2019 appropriations bills and reauthorizations
- Opioid package
- 340B Drug Pricing Program
- Expansion of site-neutral payment policy

➤ **Major Issues to Watch**

- Next steps on Affordable Care Act
- Drug pricing
- Regulatory relief
- Farm Bill



Fall Deadlines

➤ Fiscal Year 2019 Appropriations Bills

- Government funding expires September 30, 2018
- Eleven legislative days in September to reconcile differences between House and Senate funding priorities for the federal government
- House and Senate seeking new investments in medical research through the National Institutes of Health and resources to fight the opioid epidemic



Fall Deadlines

➤ Hospital Preparedness—Pandemic and All-Hazards Preparedness Act (PAHPA)

- Senator Casey (D-PA) has been a lead sponsor of reauthorization legislation—S. 2852, the Pandemic and All-Hazards Preparedness and Advancing Innovation Act of 2018 (PAHPAI)
- Pennsylvania hospital priorities:
 - Increase the Hospital Preparedness Program authorization over the current level of \$374.7 million, and fully appropriate the resources needed to respond to emerging threats and heightened risks
 - Ensure adequate and reliable funding beyond the current amounts available for federal preparedness programs to develop a fully functional and sustainable regional public health emergency preparedness and response system
 - Improve the ability of health professional volunteers to respond to public health emergencies regardless of state licensure requirements, and clarify liability protections



Fall Deadlines

➤ Health Professions Workforce Programs

- Title VII health professions and Title VIII nursing workforce development programs increase the supply, distribution, and diversity of the health care workforce and improve access to and quality of care for vulnerable populations
- House passed the Educating Medical Professionals and Optimizing Workforce Efficiency Readiness (EMPOWER) Act of 2017 (H.R. 3728)—reauthorizes the Title VII and VIII programs at fiscal year 2018 levels through 2023



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Opioid Activity

- U.S. House passed legislation in July
 - Strengthen prevention and public health efforts
 - Address coverage and payment issues in Medicare and Medicaid
 - Bolster enforcement efforts
- Three U.S. Senate committees—Finance; Health, Education, Labor, and Pensions; and Judiciary—have produced legislative packages within their jurisdiction
- The Senate is going to pass its final bill this week
- House and Senate will then work to reconcile a final package



340B Drug Pricing Program

- Legislative Activity—U.S. House Energy & Commerce Committee and U.S. Senate Health, Education, Labor & Pensions (HELP) Committee have been:
 - Exploring the purpose and administration of the 340B Drug Pricing Program
 - Reviewing federal oversight and compliance
 - Garnering feedback on policy proposals
 - Urging Health Resources and Services Administration to exercise existing rulemaking authority
- Regulatory Activity
 - On May 16, HHS released a [request for information](#) on ways to lower drug prices and presented specific questions pertaining to the 340B program
 - **Proposed outpatient payment rule extends 340B payment cuts**
- Legal Activity—Hospital stakeholders are in litigation to reverse 340B payment cuts implemented in January



Site-neutral Payment Policy

- Outpatient payment rule expands and extends site-neutral policy that provides reduced payment for Medicare services provided in off-campus hospital outpatient departments (HOPD)
- Site-neutral payment policies reimburse hospitals at payment levels regardless of the costs related to supporting the particular level of care and the critical role played by hospitals in our health care system
- The proposed payment rules fail to provide the needed flexibility to support hospitals in the mission of providing the right care, in the right place, at the right time
- **New policy proposals:**
 - All clinic visits at off-campus provider-based outpatient departments will be paid at 40 percent of the outpatient payment rate
 - “Grandfathered” HOPDs will no longer receive the full, appropriate outpatient payment if they expanded the service lines offered



Advocacy Messages

- Urge federal lawmakers to ensure:
 - Newly proposed payment policies reflect an appreciation for the cost of supporting hospital-level care in community settings
 - Hospitals are able to leverage resources, such as the 340B Drug Pricing Program, to better serve vulnerable patients and communities across the commonwealth
 - Opioid policies address multi-faceted elements of the opioid crisis by expanding access to treatment and recovery, supporting the opioid workforce, and promoting prevention strategies



Major Issues to Watch

Next steps on the Affordable Care Act (ACA)

- Market stabilization
 - Providing cost-sharing reduction payments
 - Continuing risk adjustment payments to insurance companies
 - Offering federal reinsurance funding
- Administrative actions by U.S. Health and Human Services to undermine the ACA
 - Proposed rules that promote coverage options that do not adhere to ACA protections—association health plans and short-term, limited duration insurance plans
 - Justice Department sided with Texas-led state coalition in a lawsuit challenging the constitutionality of the ACA; arguing the consumer insurance protections are invalid
- Implementation of the individual mandate repeal
- **Congress will continue to pursue repeal, or take credit for repeal of the individual mandate**



Major Issues to Watch

Drug Pricing

- Continues to be a major concern for Congress but no clear policy consensus
- Administrative action by U.S. Health and Human Services Secretary (HHS) Alex Azar
- 340B Drug Pricing Program changes have been discussed in the context of drug prices

Blueprint to Lower Drug Prices and Reduce Out-of-Pocket Costs

HHS officials identified four major problems with the drug market to target:

- Addressing the increase in list prices of drugs
- Maximizing the potential of government programs and private payors to leverage negotiating power
- Tackling high out-of-pocket costs
- Ensuring the practices of foreign markets are not disadvantaging American innovation



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Major Issues to Watch

Regulatory relief

- U.S. House Ways & Means Committee released a [report](#) detailing the committee's work over the last year—the [Medicare Red Tape Relief Project](#)—to consider avenues to cut excessive red tape and regulatory burdens in the Medicare program
 - Feedback highlighted three significant areas:
 - The need for improved flexibility to provide telehealth services
 - Challenges associated with the Stark Law
 - Documentation and reporting burdens
- Centers for Medicare and Medicaid Services recently sought input on [Stark Law modernization](#)
 - Hospital priorities:
 - Protection for value-based payment methodologies
 - Clear, authoritative, and timely guidance
 - Refocused regulations that eliminate provisions that do not address overutilization; add an alternative method for demonstrating compliance with documentation requirements; modify the payment-by-physician exception; and decouple compliance with Stark from compliance with the Anti-Kickback Statute



Major Issues to Watch

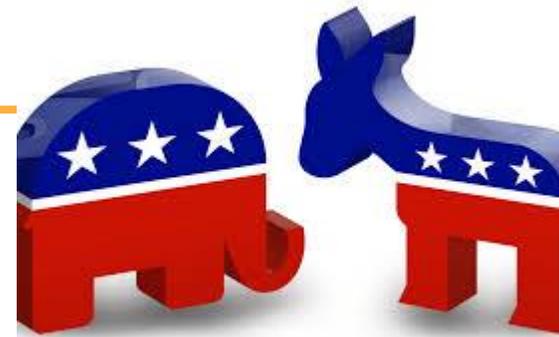
Farm Bill

- Reauthorization due September 30, 2018
- Includes the Supplemental Nutrition Assistance Program (formerly the food stamps program)
- HAP hosted a listening session in Washington, DC with U.S. Representatives G.T. Thompson (R, PA-05) and Dwight Evans (D, PA-02) to highlight the health consequences of food insecurity



2018 Mid-term Elections Insights

- PA is a battleground state during the 2018 mid-term elections
- Races to watch:
 - Governor
 - U.S Senate
 - U.S. House races—all 18 house seats up for reelection
 - Twenty-five state Senate seats
 - All 203 state House seats



U.S. Congress



➤ U.S. Senate

- Bob Casey, D-PA (incumbent)
 - Seeking third term
 - Committee Assignments: Finance; Health, Education, Labor, and Pensions; Aging; Agriculture, Nutrition, and Forestry
- Lou Barletta, R-PA (PA-11)
 - Early prominent support of President Trump
 - Former Mayor of Hazleton—advocated for tougher laws for undocumented aliens

➤ U.S. House

- Seven open seats, two members have resigned (Dent and Meehan), three members are retiring (Brady, Costello, Shuster), and Barletta running for U.S. Senate
- PA-17 will feature an incumbent against incumbent race



Pennsylvania Governor's Race

- Tom Wolf, D-York, incumbent
 - Seeking reelection to a second and final term
 - Former York County businessman
 - Job approval ratings are solid, but not outstanding
 - Budget battles in recent years have eroded some public support
- Scott Wagner, R-York, former state Senator
 - York County businessman
 - Fiscal conservative
 - Outspoken
 - Populist tendencies—Trump model



PA General Assembly

- State Senate
 - Twenty-five of the fifty seats up for reelection
 - Five open seats
 - Republicans control the Chamber 34-16
- State House
 - All 203 seats up for reelection
 - Twenty-six open seats
 - Republicans control the chamber 120-83





Questions?



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