

Chiropractic Fellowship of PA
Summary of Legislation
June 2019

Wolf Signs Cutler Bill to Establish State-Based Exchange and Reinsurance Program

Pennsylvanians who buy their health insurance on the federal exchange will now be able to choose plans on a state-based exchange, due to a new law passed this month. [House Bill 3](#), sponsored by **House Majority Leader Bryan Cutler (R-Lancaster)**, would establish a state-based health insurance exchange and reinsurance program.

“I want to thank my colleagues on both sides of the aisle who recognized that saving Pennsylvanians’ money is not a political issue,” Cutler said. “A dozen states are already running their own exchanges rather than participating in the federal healthcare.gov, and residents in those states are paying less than we are. It’s time we joined in those savings.”

The Trump administration opened additional opportunities for states to create exchanges unique to the challenges and needs facing individual states through an executive order on President Donald Trump’s first day in office. The cost-saving plan was also endorsed by Gov. Tom Wolf, who signed the bill on July 2.

The state exchange makes no changes to the requirements, pre-existing conditions or any other enrollment requirements that exist at the federal level, and if the Affordable Care Act law changes or is eliminated, the Pennsylvania exchange would reflect those changes.

Cutler believes the state reinsurance program would drive down costs for all Pennsylvanians as insurers will have a better idea of which customers carry the highest costs. The return in other states has proven to be lower premiums for all customers, according to the bill sponsor.

Currently, more than 400,000 Pennsylvanians buy their health insurance through healthcare.gov, at a cost of \$85 million to \$90 million to the state in fees to run the site. Under this new plan, those fees would be kept in Pennsylvania and the state Insurance Department would run the exchange.

Budget Passed on Time, Rates Increased Without Increase to Minimum Wage in Budget Agreement

Two days before the June 30th deadline, the Pennsylvania Legislature finalized a \$33.997 billion budget for the 2019-2020 fiscal year. Governor Tom Wolf signed the budget the same day even though the spend number is less than his original \$34.1 billion budget proposal, but an increase from last years’ budget (1.8% over what was spent and 4.4% more than what was passed). The plan does not include the Governor’s proposal to increase the minimum wage, but does include a 2% increase effective January 2020 for homecare workers who care for seniors and those with physical disabilities. The proposed increase is across long-term living appropriations including: home and community-based services, services to persons with disabilities, attendant care, and Community HealthChoices.

The budget also includes:

- \$26.3 million/2% increase to Centers for Independent Living
- \$84.8million for the Intellectual Disabilities-Community Waiver Program to provide home and community-based care for 865 individuals currently on the emergency waiting list.
- \$26.3 million increase for Mental Health Services which includes funds to provide home and community-based services for 45 individuals currently residing in state hospitals.
- \$16 million for the MDOI payment to nursing homes

The budget saw a decrease in funding to the Department of Human Services due in part to the calculations for the use of caseloads and rates around Medicaid programs. However, last year’s budget led to a supplemental spending adjustment of \$650.5 million, which included \$200 million to backfill the funding gap created in Medical

Assistance-capitation when the court blocked the transfer from the Pennsylvania Professional Liability Joint Underwriting Association (JUA). Due to this the much-discussed surplus ends up being just under \$300million which will be deposited into the state's Rainy Day Fund.

Along with the spending bill, two **Human Services Code bills** were enacted that includes certain provisions, including changes to contracts Medicaid recipients that use medical transportation for non-emergencies. The changes require a report within 90 days by Departments of Aging and Transportation on costs of a statewide broker of these services. While there were four education-related code bills, there were two human services-related code bills, and both will get the Governor's signature, even though he was heavily lobbied by legislative Democrats, welfare advocates and cash assistance recipients to veto one of those bills. [HB 33](#) was heavily lobbied by legislative Democrats, welfare advocates and cash assistance recipients, and plenty of debate in the state House of Representatives last week, but it's inclusion of a source of more than \$100 million in funding for Philadelphia and its hospitals, as well as \$60 million for the state's Medicaid program, appears to have been enough of an incentive for Wolf to decide against vetoing the legislation and instead allowing it to become law without his signature. The other human services code bill, [SB 695](#), reauthorizes several different assessments that ultimately provide needed Human Services program funding, particularly Medicaid: the Nursing Facility Assessment, which is projected to generate \$540 million in revenue for the Commonwealth during the next three fiscal years; the Nursing Facility Budget Adjustment Factor, without which the state would be obligated to expend \$360 million more for nursing facility payments; and the Intermediate Care Facilities/Intellectual Disabilities Assessment, which is projected to generate a total of \$57 million in revenue during the next three fiscal years. As already noted, the Philadelphia Hospital Assessment, which is projected to generate a total of \$181.5 million in revenue during the next three fiscal years, is included in House Bill 33. SB695, which won near-unanimous approval from the House and Senate, also includes language that would require the state Department of Human Services (DHS) to conduct an analysis to determine the projected cost to the state's Medicaid managed care organizations and the projected supplemental rebates that could be obtained by DHS prior to implementation of a uniform statewide preferred drug list, as well as an analysis of entering into a full-risk brokerage contract for non-emergency medical transportation services for Medicaid recipients before doing so.

Fifty-five Democrats in the House and eight in the Senate voted against the spending plan, in no small part due to the budget not including a raise to the minimum wage. Indeed, this along with cash assistance became part of the debate on the floor and in press. The Republican majorities of both the House and Senate have indicated this will be taken up when they return in the fall.

Medical Assistance Advisory Committee June 27 Meeting Notes

The Medical Assistance Advisory Committee (MAAC) held its regular monthly meeting on June 27. **Deborah Ann Shoemaker, Pennsylvania Psychiatric Society**, Vice Chair, presided due to the absence of Chair Russ McDaid.

OFFICE OF MEDICAL ASSISTANCE PROGRAMS (OMAP) UPDATE

Sally Kozak, Deputy Secretary, OMAP, began discussing the **Medical Assistance Transportation Program (MATP)**. She said OMAP is working out a timeline and has multiple bidders, so she expects a decision on who the selected bidders are by mid-August.

Dr. Terri Cathers, director of pharmacy at the Department of Human Services (DHS), discussed the most recent Pharmacy and Therapeutics (P&T) committee meeting. She stated that P&T reviewed 51 drug classes and recommended preferred drug list (PDL) statuses for a provision on the statewide PDL that has an anticipated implementation of January 1, 2020. She added that P&T heard from 34 testifiers during the meeting regarding specific drugs. Additionally, she said the next steps would be forwarding P&T's recommendations to the secretary, and if approved, a file containing the statewide PDL statuses of all reviewed drugs would be provided to managed care organizations (MCOs) so they can begin coding their systems for next year's implementation. She added that P&T will continue to meet with MCOs biweekly until the PDL plan is finalized. **Joseph Glinka, Gateway Health**, asked when MCOs should expect the final PDL list. Dr. Cathers stated that the full list should be sent out by the end of July, but she anticipates changes to be made to the first list that will likely come out in early October.

Moving onto enrollment of service location, **Jamie Buchenauer, director, Fee-for-Service Programs**, said a bulletin was posted telling providers that they needed to enroll **all** their service locations for billing, and that Fee-for-Service Programs would begin editing claims July 1. She added that some providers have been contacted regarding claims with locations that did not match their service locations. Buchenauer added that two **quick tips** were released (**Nos. 219 and 231**), including one that communicated common errors on claims, such as having claims share the location of home service rather than the enrolled service location. She said individual letters and emails were sent out to providers and advised that providers determine whether there is a billing issue or if the location needs to be enrolled as a satellite site.

Deborah Ann Shoemaker, Pennsylvania Psychiatric Society, asked if all providers know that July 1 is not the hard deadline. Buchenauer responded, stating that until providers get all their sites enrolled, they should continue to file from their main site. She said the expectation is that the deadline for satellite service sites is October 1, 2019. Kozak added that Children's Health Insurance Program (CHIP) providers had to be enrolled with the state but not necessarily in the Medical Assistance program. An audience member asked if CHIP providers would be affected by the July 1 deadline and Kozak responded "yes," stating that the extension is only limited to some OMHSAS providers.

Jennifer Swinnich, Pennsylvania Medical Society, asked about the department's communication to CHIP providers about the deadline. **Patricia Allan, director of the office of CHIP**, added that CHIP has been communicating with its MCOs, providers, and families since August 2017. "We have been getting the word out for the past two years," she said. Buchenauer went on to state the fee-for-service provider directory is available on the DHS website and she is open to suggestions regarding additional locations for the link to be available. She added that the provider list is a searchable database so it can be filtered by county, specialization, and more, and is "very user friendly."

Laval Miller-Wilson, Pennsylvania Health Law Project, followed up on the report with a discussion regarding the **closure of Hahnemann University Hospital**. He questioned if information regarding the closure is being communicated with consumers and if there is a transition plan in place for Medicaid users in care at the hospital. Kozak said the Department of Health (DOH) and DHS have had ongoing conversations in order to help ensure a proper transition. She added that DOH had made several offers to the hospital for alternate payment plans, but the hospital has not responded to the most recent offer. Kozak said, "I don't think anybody knew the closure was as imminent as when it happened," but noted DOH is working to ensure there is a safe and effective transition. Miller-Wilson said he is sure MCOs are thinking about the health and safety of their members in the hospital, so he is interested in having that conversation.

Jeffrey Bechtel, Hospital and Healthsystem Association of Pennsylvania, asked about the status of contracts that the Hospital and Healthsystem Association of Pennsylvania has with Hahnemann University Hospital through DOH. "The situation is fluid, but we remain on top of it," Kozak stated.

SUBCOMMITTEE REPORTS

Consumer Subcommittee:

Miller-Wilson thanked all the presenters at the subcommittee meeting on June 26 and highlighted the subcommittee's PDL discussion. "One aspect that Terri and Sally are well aware of is the conversation we had about making sure consumers had notice about the changes Terri described earlier," he stated. "We plan to give the department feedback about those actual notices and changes that will likely need to be made or we hope the department will consider our recommendations about giving consumers, especially those on multiple medications that may be affected, enough advanced notice to potentially submit prior reauthorization requests. That was our basis for 60 days, the department heard our reasons for that and we had a good conversation."

Miller-Wilson said the subcommittee also discussed denial notices related to decisions where the consumer has an opportunity to appeal a denial of a medically-necessary service. "That's typically been dealing with managed care plans. We have' been giving the department feedback about redesigning the template for which managed care plans use to reduce or deny amount, scope and duration of services," he stated. "We're pleased that the department heard that and they are considering changing that across all the managed care platforms."

Miller-Wilson noted that the **Consumer Subcommittee will meet next on July 24, 2019.**

Fee-For-Service Delivery System Subcommittee: The Fee-For-Service Delivery System Subcommittee will meet next on August 14, 2019, at 10 a.m. at the Commonwealth Tower, Harrisburg.

Managed Care Delivery System Subcommittee:

With regard to Medicaid expansion, Glinka said there are 684,814 residents in the program, which is down by 5,500 over the course of the month, but there were 71,054 applications for services submitted in May. Glinka noted that the Dental Stakeholder Workgroup is still waiting for aggregated information from the MCOs and the subcommittee hopes to issue a report next month, but it may be delayed.

The next subcommittee meeting will be held on Thursday, July 11, 2019.

Pharmacy Documents:

Shoemaker said Medical Assistance Bulletins and Pharmacy Documents were posted on the listserv on June 25.

The full MAAC meets again on Thursday, July 25.

This Month in the *PA Bulletin*:

Governor's Office Renews Amendment to Proclamation of Disaster Emergency

Governor Tom Wolf renewed the Proclamation of Disaster Emergency of January 10, 2018, on June 28, 2018, by amendments to Proclamation of Disaster Emergency dated April 4, 2018; June 28, 2018; September 24, 2018; December 21, 2018; and March 20, 2019, for an additional period of 90 days, which shall continue to apply to the commonwealth of Pennsylvania. Additional information can be found on the *Pennsylvania Bulletin*:

<https://www.pabulletin.com/secure/data/vol49/49-26/954.html>

Legislative Activity

The following bills and co-sponsorship memos for bills to be introduced of interest to CFoP were acted on by the General Assembly this past month.

Scope of Practice/Licensure Bills

[HB 64](#) RE: CE Credit Carryover (by Rep. Harry Readshaw, et al)

Amends an act empowering the General Counsel to issue subpoenas for certain licensing board activities, permitting individuals under the purview of the Bureau of Professional and Occupations Affairs Act to accrue continuing education credits in credit carryover.

Reported as committed from Senate Consumer Protection & Prof. Licensure Committee, and read first time, 6/12/2019

Read second time, and rereferred to Senate Appropriations Committee, 6/19/2019

[HB 1172](#) RE: [License Portability for Professional Licensees Entering Pennsylvania](#) (by Rep. Dave Hickernell, et al)

Amends an act entitled "An act empowering the General Counsel or his designee to issue subpoenas for certain licensing board activities; providing for hearing examiners in the Bureau of Professional and Occupational Affairs; providing additional powers to the Commissioner of Professional and Occupational Affairs; and further providing for civil penalties and license suspension," providing for licensure by endorsement. The bill establishes that a licensing board or commission shall issue a license, certificate, registration or permit to an applicant to allow practice in this Commonwealth if, upon application to the licensing board, the applicant satisfies all of the following conditions: holds a current license, certificate, registration or permit from another state, territory or country and the licensing board or commission determines that state's, territory's or country's requirements are substantially equivalent to or exceed the requirements established in this Commonwealth; demonstrates competency in the profession through methods determined by the licensing board; has not committed any act that would have constituted grounds for refusal, suspension or revocation of a license; is in good standing; and pays any fees.

Read second time, and rereferred to Senate Appropriations Committee, 6/10/2019

Reported as committed from Senate Appropriations Committee, 6/12/2019

Read third time, and passed Senate, 6/24/2019 (49-0)
Received as amended in House and rereferred House Rules Committee, 6/25/2019
Re-reported on concurrence as committed from House Rules Committee, and House concurred in Senate amendments, 6/25/2019 (201-0)
Approved by the Governor, 7/2/2019. Act No. [41](#) of 2019

Budget-Related Bills

[HB 790](#) RE: General Appropriation Act of 2019 (by Rep. Stan Saylor, et al)
Provides appropriations from the General Fund for the expenses of the Executive, Legislative and Judicial Departments of the commonwealth, the public debt and the public schools for the fiscal year July 1, 2019, to June 30, 2020, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2019; provides appropriations from special funds and accounts to the Executive and Judicial Departments for the fiscal year July 1, 2019, to June 30, 2020, and for the payment of bills remaining unpaid at the close of the fiscal year ending June 30, 2019; and providing for the appropriation of federal funds to the Executive and Judicial Departments for the fiscal year July 1, 2019, to June 30, 2020, and for the payment of bills remaining unpaid at the close of the fiscal year ending June 30, 2019. Effective July 1, 2019, or immediately, whichever is later.
Reported as amended from House Appropriations Committee, 6/24/2019
Read third time and passed House, 6/25/2019 ([140-62](#))
Received in the Senate and referred to Senate Appropriations Committee, reported as committed from Senate Appropriations Committee, and read first time, 6/25/2019
Read second time, 6/26/2019
Read third time and passed Senate, 6/27/2019 ([42-8](#))
Signed in the House and in the Senate, 6/27/2019
Approved by the Governor, 6/28/2019 (Act No. [1A](#) of 2019)

Child Abuse Reporting

NONE

Health Care Bills

NONE

Health Care Work Force Bills

[HB 1680](#) RE: Physician Retention Loan Forgiveness Act (by Rep. Bill Kortz, et al)
Establishes the Physician Retention Loan Forgiveness Program in the Pennsylvania Higher Education Assistance Agency, and provides for powers and duties of the Pennsylvania Higher Education Assistance Agency. The program is proposed to assist with recruitment and retention of physicians by allowing a physician accepted into the program practicing full-time to be reimbursed by an amount up to 100 percent of the total loan for physician training at a rate of 10 percent per year for each year of practice. For part-time practicing physicians, reimbursement will be directly proportional to the number of hours worked of the total loan for physician training based upon a repayment assistance schedule. Also establishes contract obligations for physicians receiving loan forgiveness, including requirements to practice not fewer than 10 full consecutive years in a licensed health care facility in this commonwealth immediately following completion of training, accept Medicare and Medicaid patients, not discriminate against patients based on the ability to pay, permit the agency to monitor compliance with the work requirement, and others. Also provides for disqualification for fraudulent loan forgiveness.
Introduced and referred to House Education Committee, 6/27/2019

Health Insurance Bills

[HB 3](#) RE: Health Insurance Exchange (by Rep. Bryan Cutler, et al)
Amends Title 40 (Insurance), providing for health insurance markets oversight; and establishing the Pennsylvania Health Insurance Exchange Fund. The legislation establishes a reinsurance program as authorized under the Affordable Care Act.

Reported as committed from House Rules Committee amended on House floor, read second time, and Rereferred to House Appropriations Committee, 6/10/2019
Reported as committed from House Appropriations Committee, read third time, and passed House, 6/11/2019 (198-1)
Received in the Senate and referred to Senate Banking and Insurance Committee, 6/14/2019
Reported as amended from Senate Banking and Insurance Committee, and read first time, 6/24/2019
Read second time, rereferred to Senate Appropriations Committee, and Reported as committed from Senate Appropriations Committee, 6/25/2019
Read third time, and passed Senate, 6/27/2019 (50-0)
Received as amended in House and rereferred House Rules Committee, and re-reported on concurrence as committed from House Rules Committee, 6/27/2019
House concurred in Senate amendments, 6/28/2019 (197- 0)
Signed in the House and in the Senate, 6/28/2019
Approved by the Governor, 7/2/2019 (Act No. [42](#) of 2019)

[SB 310](#) RE: Health Care Competition Oversight Board (by Sen. Jay Costa, et al)

Amends the Health Care Facilities Act, in preliminary provisions, further providing for definitions; providing for organization and powers and duties of the Health Care Competition Oversight Board; in licensing of health care facilities, further providing for definitions, for licensure and for issuance of license; in general provisions, repeals and effective date, providing for confidentiality; and making editorial changes. The bill creates the Health Care Competition Oversight Board to do the following: monitor the form of the health care delivery and payment system in this Commonwealth; examine the changes occurring to institutional and structural arrangements through which health care is financed and delivered and its impact on consumers; examine the health care marketplace and the proper role of competition, antitrust and consumer protection laws and regulations and how they relate to the provision of high-quality, cost-effective health care; determine the current status and role of competition in health care; survey all Federal and State laws pertinent to health care competition; make recommendations for modifications to existing laws or regulations or for the creation of new laws or regulations to achieve effective competition policy; and consult with the Federal Trade Commission and the Antitrust Division of the Department of Justice, as appropriate.

Resolution to discharge committee from further consideration of this bill presented, 6/19/2019
Senate Discharge Resolution laid on table, 6/24/2019

[SB 311](#) RE: Patient Access and Consumer Choice Act (by Sen. Jay Costa, et al)

Requires physician practices operating as part of an integrated delivery network to meet certain requirements to ensure patient access and consumer choice; imposes powers and duties on the Insurance Department; and imposes penalties.

Resolution to discharge committee from further consideration of this bill presented, 6/19/2019
Senate Discharge Resolution laid on table, 6/24/2019

Cosponsor memos filed

SCO1016 (Phillips-Hill) - [Prior Authorization of Medical Services in Pennsylvania](#) Streamlines and standardizes the process for prior authorization of medical services in Pennsylvania.

Filed, 6/21/2019

Liability

[SR 20](#) RE: Venue Rule (by Sen. Lisa Baker, et al)

A Resolution directing the Legislative Budget and Finance Committee to conduct a study of the impact of venue for medical professional liability actions on access to medical care and maintenance of health care systems in this Commonwealth and requesting that the Pennsylvania Supreme Court delay action on the proposed amendment to Pa.R.C.P. No. 1006.

Public hearing held in Joint Legislative Budget & Finance Committee, 6/25 and 6/26/2019

Medical Assistance/DHS
NONE

Opioid Reduction
NONE

Sales Tax Expansion
NONE

Worker's Comp
NONE

Copies of bills described above can be obtained on-line at:
<http://www.legis.state.pa.us/cfdocs/legis/home/session.cfm>

Upcoming meetings of Interest

Some House Committee meetings and session can be viewed online at: <http://www.pahousegop.com/>
Senate Committee meetings and session can be streamed at: <http://www.pasenategop.com/>

UPDATED 2019 SENATE SESSION SCHEDULE

September 23, 24, 25
October 21, 22, 23, 28, 29, 30
November 18, 19, 20
December 16, 17, 18

UPDATED 2019 HOUSE SESSION SCHEDULE

September 17, 18, 19, 23, 24, 25
October 21, 22, 23, 28, 29, 30
November 12, 13, 14, 18, 19, 20
December 9, 10, 11, 16, 17, 18

2020 HOUSE SESSION SCHEDULE

January 7 (non-voting), 13, 14, 15, 21, 22
February 3, 4, 5
March 16, 17, 18, 23, 24, 25
April 6, 7, 8, 14, 15, 16, ELECTION BREAK
May 4, 5, 6, 11, 12, 13, 18, 19, 20
June 1, 2, 3, 8, 9, 10, 15, 16, 17, 22, 23, 24, 25, 26, 29, 30

State Board of Chiropractic Board Meeting Schedule

Remaining 2019 dates: July 18, September 19, November 21
2020 dates: March 19, May 14, July 18, September 17, November 19, 2020
All Board meetings are held at Penn Center, 2601 N. 3rd Street, Harrisburg, PA, at 9 AM

DHS Medical Assistance Advisory Committee (MAAC)

ALL MEETINGS ARE SCHEDULED FROM 10:00 A.M. TO 12 NOON

Lecture Hall 246/248, Temple University Harrisburg
234 Strawberry Square, Harrisburg, PA

Remaining 2019 meeting dates: June 27, July 25, No August meeting, September 26, October 24, No
November meeting, December 12

For more information check the DHS MAAC website:

<http://www.dhs.pa.gov/communitypartners/informationforadvocatesandstakeholders/medicalassistanceadvisorycommitteemaac/>