



Legislative Highlights

May 19, 2003 (Issue #4-03)

J. Richard Goldstein, M.D., President

Whenever one expects a “lull” in the legislative action, it never happens. During the past two weeks, NJCTH has continued to be actively involved in the “big three”...saving the **PIP** \$250,000 default level in auto insurance; participating in the Medical Society coalition rally urging passage of **medical malpractice** legislation in the Assembly; and fighting back against the unions as we continue to oppose the bill limiting **medical resident duty hours** that was scheduled once again for Senate Health Committee consideration on Monday, May 19.

In addition, we continue to **oppose healthcare cuts in the State FY 04 budget**, particularly in the Family Care Program, the freezing of Medicaid outpatient payment rates, and the new co-payment requirements for outpatient visits and “inappropriate” Emergency Room visits. NJCTH presented testimony to this effect at the recent Senate Budget and Appropriations Committee public hearing.

Major Action Moves the Auto Insurance Bill Closer to Enactment / PIP Default Remains at \$250,000

NJCTH has been actively involved in activities to move the auto insurance bill closer to passage. NJCTH president, Dr. Richard Goldstein, participated in a press conference held by Governor McGreevey in which the Governor announced his support for S-63/3R. The bill, on which we have worked extensively, makes important reforms in automobile insurance. **However, the major success for our teaching hospitals (trauma centers) was the securing of an amendment in the Senate version to maintain the Personal Injury Protection (PIP) default level at \$250,000.** (The original version of the bill reduced the default limit to \$15,000.)

As part of the PIP Coalition, NJCTH and our members lobbied for passage of the bill during every step in the legislative process. After successful approval in the Senate, we then worked with the Assembly Insurance Committee and Chairman Neil Cohen, where the bill was posted and approved last week. The next step was getting the bill scheduled for Assembly floor consideration. Assembly Speaker Albio Sires posted the bill for a vote by the Assembly on May 15 where the bill received final passage. Governor McGreevey is expected to sign the measure into law in the near future.

Medical Malpractice Rally a Success / Assembly Urged to Move the Bill

Dr. Goldstein addressed thousands of doctors who rallied to urge the Legislature to pass the medical malpractice bill in the form approved by the Senate (A-50/3R). Many Senators were on hand to reaffirm their support for the bill, urging their colleagues in the Assembly to do the same. The Senate bill limits non-economic damages to \$1 million with the first \$300,000 coming from insurance companies and the rest from a fund to be established by the state, through revenues from an assessment of \$50 annually on certain professions, including doctors, lawyers, accountants and others. Thus far, no action has been scheduled in the Assembly where democratic leaders have their own version of the bill.

Another Success for Teaching Hospitals / Resident Duty Hour Bill HELD Again

At Dr. Goldstein's invitation, Dr. David Leach, President and CEO of the ACGME, attended the latest Senate Health Committee hearing to testify against the proposed legislation. The bill sponsors, after counting noses, decided to hold the bill, and did not take any testimony. However, his presence, was known to the senators in attendance. Because NJCTH and our members along with the NJ Medical Society and NJHA, vigorously opposed the bill, we were again successful in HOLDING the bill in committee as in the past hearings. The NJCTH has argued that the bill is unnecessary; national standards are better; and the bill mandates additional costs (\$95M, based on 24+3 resident staffing hours). In proposed amendments, the sponsors slipped in new language which would have made interns and residents employees rather than students, which would also have created significant problems for us. We will continue to oppose the bill and keep you apprised of any other attempt to move the legislation.

Two Newly-Introduced Bills of Interest to NJCTH

Legislation to create a **mandated health benefits commission (S-2275)** sponsored by Senators Codey and Bennett, was amended and released from the Senate Health Committee. The newly-introduced bill would require an appointed commission to review bills that mandate health benefits to assess the impact. There were pros and cons discussed, with a key concern expressed by some policymakers that the legislative process could be delayed or stalled based on the commission recommendations. The NJCTH will review the bill with amendments at the next meeting of our Government Relations Committee on June 5

Legislation to **eliminate no-fault insurance (A-3539)** was recently introduced by Assemblyman Van Drew (D-#1). This sweeping measure, supported by the American Trial Lawyers Association (ATLA), is bad public policy. Under the current no-fault system, Personal Injury Protection (PIP) provides coverage for injuries from automobile accidents, regardless of who is at fault. PIP funding for NJ's trauma centers is essential to provide immediate and emergent trauma care for seriously injured victims. Absent a new funding source for the billions of dollars of PIP payments, there would be a dramatic increase in health insurance premiums, a situation that NJ citizens cannot afford. The result would be catastrophic, as more and more individuals became uninsured. NJCTH has contacted Assemblyman Van Drew and leadership to express our opposition to this proposal and will be following the issue closely to keep you informed.

Regulatory Update

Mandatory Overtime Regulations - The proposed regulations to implement Chapter 300 (that we have been working on informally in meetings with the DOHSS) will be printed in the New Jersey Register at the end of July. In the final discussions with DOHSS, the language is more favorable to hospitals. It is important to note that the Department agreed to review the regulations in one year to assess the impact. It is the NJCTH's intent to survey members regarding nurse ratios and overtime indicators to establish a baseline enabling us to measure the impact in a year.

New Proposed Regulation: Prevocational Rehabilitation Services in Partial Hospitalization. The DOHSS Division of Medical Assistance and Health Services has submitted a proposal which will appear in the May 19, 2003 issue of the NJ Register. This proposal provides reimbursement and program requirements for off-site and prevocational rehabilitation services within the partial care and partial hospitalization setting. Comments are requested by July 18, 2002 to Jean Cary, Administrative Practice Officer, DOHSS, P.O. Box 712, Mail Code #26, Trenton, NJ 08625-0712