



Legislative Highlights

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TO: Chief Executive Officers
Chief Financial Officers
Government Relations Officials

NJCTH Opposes Healthcare Cuts in Governor's FY04 State Budget

The New Jersey Council of Teaching Hospitals (NJCTH) is scheduled once again to appear on May 14 at the public hearing of the Senate Appropriations Committee to express our outrage at the healthcare cuts in the Governor's FY04 State Budget. As the commissioners of the various state agencies presented their budgets, so too have legislators from both sides of the aisle voiced their opposition to healthcare-related reductions. Of particular concern are the program reductions in the Department of Health and Senior Services (DOHSS) and the Department of Human Services (DHS) as follows:

- A decrease in eligibility for NJ Family care (-\$75.4 million)
- A Medicaid outpatient rate freeze (-\$24.0 million)
- A required co-payment of \$3 and \$25 for outpatient hospital / non-emergency visits (-\$1.8 million)
- The elimination of non-medical/surgical dental procedures for most Medicaid recipients (-\$15.0 million)

Our efforts will continue to convince the Legislature to restore these cuts. On the plus side, the budget assumes that the Legislature will approve the continued redirection to hospitals of \$325 million in unemployment insurance taxes for "charity care."

Medical Malpractice Legislation Remains a NJCTH Priority in Assembly

At the last meeting of the NJCTH Government Committee on April 10, participants expressed the urgent need to keep pressure on the Assembly leadership to act on the medical malpractice bill (A-50 with Senate Floor Amendments). The bill as passed by the Senate has the full support of the NJCTH. Note the following:

- Medical Malpractice rally in Trenton scheduled for May 15.
- Hospital employees alerted to call the hotline number (1-877-KEEP MDs / 1-877-533-7637) to connect them to their legislators to support the bill.

NJCTH-Supported Bill on Auto Insurance Reform Keeps PIP Default Coverage at \$250,000; Action Needed in the Assembly

NJCTH supports S-63 as passed by the Senate, and we continue to work as part of the PIP Coalition to maintain the no-fault system of auto insurance and the PIP default coverage at \$250,000 as in the current bill. The PIP Coalition met on April 10 at NJCTH Headquarters and will meet again later this month to plan strategy for the Assembly.

- A PIP coalition position paper is being finalized for wide distribution.
- Meetings with key Assemblymen are being scheduled.

NJCTH Supports “Claims Payment Act”; Urges Consideration of A-1890/Cohen

NJCTH, in conjunction with NJHA, supports A-1890, a key measure to ensure that healthcare providers (including, but not limited to physicians, hospitals and other healthcare facilities, dentists and other license health-care professionals) receive timely reimbursement from payers for healthcare services delivered to covered persons under HMO contracts, health, hospital and medical service corporations contracts, health insurance policies and dental plans. **We are urging Assemblyman Cohen to schedule the measure for consideration by the Banking and Insurance Committee because the bill has the potential of providing substantial financial relief to hospitals.**

State Legislation Limiting Medical Resident Work Hours May Surface Again

It has been rumored that A-1852 (Impreveduto) / S-1712 (Vitale) may be considered in the Senate Health Committee on May 8. **NJCTH continues to vigorously oppose the bill that places limits on medical resident hours in New Jersey that are not consistent with the recently approved national standards adopted by the nonprofit Accreditation Council for Graduate Medical Education (ACGME).** The ACGME standards for “doctors in training” are *mandatory* if a hospital wants approval from the accrediting body. The ACGME standards include a limit of 24 hours on-call duty with an optional 6 hours for educational activities while New Jersey’s bill sets a definitive 24-hour limit, potentially adding additional time to a medical resident’s training.

On-going Action Needed to Forestall Action on the Bill: In the past, four of the six members of the Senate Health Committee (Singer, Matheussen, Allen, and Rice) have indicated that they would not support the bill, with Senator Buono’s vote questionable, and Senator Vitale, the sponsor, obviously in favor. Thus far, there have not been the votes to release the measure from committee. However, Senator Matheussen is retiring from the Legislature, and it is not certain who will take his place on the Health Committee.

FEDERAL UPDATE

Congress Approves Budget Resolution WITHOUT Deep Cuts in Medicaid

Good News! Before leaving for a Passover/Easter recess, **both the US Senate and the House of Representatives passed the FY2004 Budget Resolutions with neither resolution containing the \$92 billion (over ten years) in proposed cuts to Medicaid.** NJCTH thanks our New Jersey congressional delegation for opposing the Medicaid funding cuts that would have added millions of individuals to the ranks of the uninsured. Next month congressional committees will begin to actually draft the bill as outlined in the Budget Resolution.

Council Opposes Federally Proposed Rules to Change Medicare Outlier Payments

NJCTH has contacted Thomas Scully, Administrator for the Centers for Medicare & Medicaid Services (CMS), **to express concern over proposed revisions to the method for determining Medicare outlier payments and the potential negative impact they will have on the entire hospital community.** “Outlier” payments provide funding to hospitals for patients with serious illnesses who require specialized, longer and more intense care. The proposed rules determine outlier payments through a *retrospective cost settlement process* for all hospitals instead of a more recent *cost-to-charge ratio*.

REGULATORY UPDATE

Revised “Mandatory Overtime” regulations circulated by the DOHSS have been sent via e-mail to NJCTH’s Government Relations Committee members for comment. **NJCTH staff will be participating in a meeting on April 25 at DOHSS** to discuss the new draft that includes revisions recommended by NJCTH’s member hospitals and other groups. The regulations do not apply to physicians or hospital volunteers.