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SMC Government Relations Committee
Health Care/ Labor/Regulation Working Group Conference Call
Brief notes embedded in blue.
Tuesday, December 19, 2017
2:00 - 3:00 PM

I. Welcome and Introductions – Today’s Meeting Goal: Eileen Anderson, Director, Government Relations: *Discuss, filter and focus on the issues where SMC can have the most impact. Attending: Christian Antkowiak, Joe Weinkle, Eileen Anderson*

II. Update – State Health Care Issues and Legislation

Reauthorization of the PA Health Care Cost Containment Council (PHC4) – HB 1613

PHC4 was created to be an independent state agency which collects data on health care costs in order to stem the rapidly growing cost of health care procedures. HB 1613 was passed by the House 193-0 and is now in the Senate Health Committee.

Anderson: *SMC has consistently supported PHC4.*

Group: *Agreed to continue support of passage.*

Surprise Billing – SB 678/HB 1553

SMC continues to work on this legislation. Its goal is to protect consumers from surprise balance bills from medical providers. That may occur when a patient gets medical care from providers at facilities they believe are in their health insurance plan’s network, but unknowingly receive services from an out-of-network provider. It can also occur following an emergency, when a consumer has little or no control over where they are taken to receive care, and they are taken to an out-of-network emergency room. HB 1553 was reported out of the House Health Committee. SB 678 is in Senate Banking and Insurance

Group: *Agreed to continue support of passage.*

Direct Primary Care (DPC) – HB 1739

DPC is an innovative alternative payment model for patients, physicians, employers and payers. The primary element is a trusting relationship between the patient and a primary care provider. The fee-for-service model is replaced with a set monthly fee, with both the patient and the provider incentivized to seek the most appropriate treatment in the fewest visits, without dis-incentivizing the patient from seeking primary care throughout the year.

Anderson: *Should SMC support? It goes to health costs for individuals with high deductibles.*

Group: *Liked the concept but did not see it as a top priority.*

Selling Insurance Across State Lines – HB 133

Requires the Insurance Commissioner to undertake review of PA laws to determine how best to allow for residents of the Commonwealth to purchase health insurance products sold in other states by insurance carriers not otherwise subject to Pennsylvania law.

Weinkle: *Not in favor of people buying insurance products in other states that are not subject to PA law. The PA insurance Department would have no control over the contract.*

Group: *Not in favor of supporting HB 133.*

Education of EERs – i.e. “Choosing Wisely: “5 Questions to Ask Your Doctor.”

*Anderson: The **Consumer Report’s** contract for the “Choosing Wisely” program is under review. They publish free wallet cards that have “5 Questions to ask your doctor before you get any test, treatment or procedure.” It is a concrete way that SMC can educate employers who in turn can educate their employees to become more engaged with their own health care.*

Antkowiak: The card is good because it goes to personal responsibility and parallels the personal responsibility aspect of the conservation and energy efficiency focus of the Energy and Environment Committee.

Weinkle: He firmly believes that consumer education is very important. Patients should engage with their doctor, ask questions and get the best care they can. Patients have to understand that they are part of the equation.

Medicaid – Address MA costs at the state level?

Anderson: The cost to the state is huge and almost equal to the entire General Fund. Is there a piece that we can address?

Antkowiak and Weinkle: It’s a federal issue but the states are left “holding the bag. It’s an awfully big issue to attack. It’s important to focus on areas where we can have an impact.

Monitor the individual insurance market

Anderson: Both Cost Sharing and the Individual Mandate penalty have been eliminated which will drive individual insurance premiums up and up.

Weinkle: He noted that we discussed individual insurance market after Trump eliminated Cost Sharing. See brief notes from the November 11 meeting here:

https://smc.org/wp-content/uploads/2017/05/Brief-Notes-SMC-Govt-Relations-Call-11_7_17.pdf

Antkowiak: There is nothing SMC can do directly to remedy the problem.

III. Update – State Labor/Workforce Issues and Legislation

Adoption of a Workers Comp Drug Formulary – SB 936 and HB 18

Requires the PA Department of Labor and Industry to adopt an evidence-based drug formulary for the PA Worker’s Comp (WC) program. The formulary will begin to reduce the over-prescription of opioid painkillers by setting evidence-based standards for medication that can be prescribed for a WC patient. SB 936 passed the PA Senate 34-16 along party lines and is now in the House Labor & Industry Committee. SMC lobbies with a coalition for passage of SB 936.

Weinkle: Physicians owning pharmacies is a conflict of interest and unethical and against the law at least as it pertains to Medicaid and Medicare. Caveat for SMC support: He would like to see a formulary that is comparable to those used by major insurance carriers. He does not support a formulary that eliminates the use of expensive drugs as a cost-cutting measure when those drugs may be required to get the employee back to work.

Group: Agreed to continue support of passage.

Protz Decision by the PA Supreme Court – SB 963 and HB 1840

The Supreme Court does not object to the Impaired Rating Evaluations (IRE) process but disagreed with the method used to update the version of the American Medical Association (AMA) guidelines which determines the level of impairment. The Supreme Court ruled it was an unconstitutional delegation of authority. New legislation will update the IRE process with the 6th edition of the AMA guidelines. SMC lobbies with a coalition for passage. Both bills are in their respective Labor and Industry committees.

Antkowiak: He provided clarification. Previous to the Protz decision the IRE could be used to open a window of opportunity to modify future benefit claims. Without the IRE it is more difficult to cap workers comp claims.

Group: Agreed to continue support of passage.

Establishes a Career-Readiness Council – SB 714

Positions PA to take a statewide approach to career readiness for all students in the form of a “Career Readiness Council. Educators, businesses, and community partners are working at the regional level to ensure that students explore their skills and interests to access the careers of tomorrow.

Anderson: It will create more workforce bureaucracy. SMC is building a way to address workforce. We met with Dr. Bullock, President of CCAC, and he discussed their strategy and would like to partner with SMC. SMC is represented at the Butler Manufacturing Consortium which does a tremendous job with training and linking workers with employers.

Group: Not in favor of supporting SB 714.

In-kind benefits – Articulate Impact on PA workforce

Anderson: A conversation with a member manufacturer revealed it takes 50 interviews to find one employee and he believes that in-kind benefits are part of the workforce problem. They reduce the incentive to work. Interviews will be conducted with a variety of members to uncover their issues and workforce will be one of the topics covered. A **2017 National Small Business Association “Small Business Workforce and Labor Survey”** found that more than half rely on friends and family and online job posting services to recruit workers. SMC is creating an online job board. Only 17% are aware of any state or local tax incentives for specialty training for employees although 82% said they would take advantage of tax incentives to provide employees with additional education or training. Those facts validate SMC’s goal of being a resource to members.

Education – Pre-K for 3 and 4 year olds

Anderson: She recently attended a meeting of Greater Pittsburgh COC where presenters spoke about the importance of early childhood education and teaching parents of at-risk children how to improve their parenting. At SMC’s small business Issues Forum in September members cited workforce as a top concern. One of the problems with workforce is attitude and willingness to work which comes from values instilled at a very early age. There may be a direct long-term link to early childhood education.

Weinkle and Antkowiak: Agreed. Place early child hood education on the agenda.

IV. Update – State Regulations Issues and Legislation

Anderson: Regulations have moved to the Energy & Environment Committee.

V. Update – Federal Health Care Issues and Legislation

- **Waivers** – 1132’s – Are these a possibility for PA?
- **Status** – Murray/Alexander legislation
- **Status** – President Trump’s Executive Order

Anderson: Nothing to report at this time.

IV. Action Steps

Anderson: Will speak directly with SMC manufacturers RE: their issues; take part in workforce discussions with CCAC; pursue the contract with **Consumer Reports** for “Choosing Wisely.”

VI. Next step – 2018 agenda development

A Health Care/ Labor/Regulation Working Group conference call will be scheduled for January.