



STAT News

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FEDERAL UPDATE: 114th Congress Begins Work

The Republic-controlled Congress took the reins January 6, 2015 and once again issues such as the Keystone XL pipeline portend disagreement along party lines. However, before the previous Congress concluded its session, a \$1.1 trillion spending package was approved December 13, 2014, just before the Continuing Resolution to keep the government operating was due to run out. The package mostly funds the government through September 30, 2015, including \$5.4 billion in funding for Ebola efforts domestically and internationally. Funding for the Department of Homeland Security would only extend through February 2015. Homeland's shortened extension is in response to legislators who are unhappy with President Obama's executive order about immigration and who want to keep pressure on the president, as we head into the next Congress.

With no immediate shutdown threat in sight, Congress is focusing on passing a spending measure for the Homeland Security Department and disbursing the approved Ebola funds to hospitals throughout the country. New York's hospital industry estimates that hospitals in the state spent between \$50 million and \$75 million on response and readiness activities.

Several other healthcare related deadlines loom. These include the March 31, 2015 expiration of the "doc fix" – the temporary patch that is holding in abeyance a massive Medicare pay cut to the nation's physicians – and the April 1, 2015 onset of automatic Medicare sequester cuts to hospitals. Hospitals endured automatic two percent sequestration cuts in Medicare reimbursements in 2013 and 2014. The sequester cuts were legislated as part of the 2011 Budget Control Act and are meant to force fiscal restraint upon Congress and the White House.

STATE UPDATE: Telehealth Legislation among Final Bills Approved in 2014; Budget for 2015 Expected Late January

Medicaid insurance coverage of telehealth and telemedicine services became a reality when Governor Cuomo signed hospital industry-backed legislation into law. This law builds on the telemedicine law passed in 2012 that streamlines the credentialing verification and peer review process for physicians who provide telemedicine services. Repeal of the provision of the Wage Theft Prevention act of 2010 that requires employers to annually provide employees with written notice regarding wage information also triumphed. The provision is burdensome to large employers, such as hospitals.

Moving on to the 2015 legislative session, the hospital industry expects nurse staffing ratios and medical malpractice reforms, advanced by trial attorneys, to be among the issues opposed by hospitals. Concurrently, hospitals will push for more Certificate of Need reforms, BSN in Ten – the pathway to ensure all registered nurses are eventually baccalaureate prepared – and for further managed care reforms.

Governor Cuomo will deliver his State-of-the-State address on January 21 and is expected to release his proposed fiscal year 2015 budget on January 27.

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