



## PRESIDENT'S LETTER



*Dr. Alan Krieger  
President & Chairman*

Dear NJPCAC Member:

Happy birthday to us!

OK, I am a little early, but this Spring the New Jersey Patient Care and Access Coalition will mark the 10th year of its existence. That is a cause to celebrate. Or at the very least to take note.

A decade ago, our circumstances were far different and our reasons for banding together were unlike those that confront us today. In 2008, large independent urology practices were being directly threatened by legislation that would have placed a moratorium on our expansion.

Today, in large part because of the work of NJPCAC, that threat thankfully seems to have been relegated to a Trenton back burner.

But it would be hard to argue that the interests of independent specialty practices are not still being threatened in Trenton and Washington on a regular basis. Whether that is navigating the complexities of MIPS reporting, the challenges of participating in Alternative Payment Models, or addressing unworkable arbitration mechanisms to solve out of network billing disputes, physician practices face serious challenges to their ability to deliver high quality, cost-efficient and accessible care to their patients.

Fortunately, our Coalition has been able to promote a positive, proactive agenda that not only protects our interests, but expands them. A prime example of that was the effort we led to protect practices that seek to develop and participate in Alternative Payment Models or other value-based models from our state self-referral law known as The Codey Act. That was a real victory for us when Governor Christie signed our bill into law last July.

But we cannot rest on our laurels.

As legendary Notre Dame Football Coach Lou Holtz once said, "In this world, you're either growing or you're dying." The last several years have seen incredible growth for the Coalition. We have had two of the largest gastroenterology groups in the state join our ranks.

All of us know other practices in New Jersey that can benefit from participating in our Coalition. Now is the time to reach out to them and tell them about our story. Our team is happy to do the follow-up work and arrange an introductory meeting, but we need you to make the first contact.

Let's have our 10th Anniversary be a year of significant growth for NJPCAC!

Sincerely,

Alan P. Krieger, MD  
President & Chairman

### **NJPCAC Annual Meeting**

6:30pm February 28th

Due Mari Restaurant, New Brunswick

#### ***Special Guest: The Honorable Shereef Elnahal***

The Annual Meeting is open to ALL NJPCAC members. Please email Mary Beth Guilbert at [marybethguilbert@thestonecenter.org](mailto:marybethguilbert@thestonecenter.org) if you would like to attend.

## There’s A New Team In Trenton!

After 8 years of Governor Chris Christie and Lt. Governor Kim Guadagno, there is a new team in Trenton. Governor Phil Murphy and Lt. Governor Sheila Oliver won the election in November handily and took office in January. We have a new Speaker of the General Assembly, Craig Coughlin, and a new Commissioner of Health has been nominated: Dr. Shereef Elnahal. Yes, a physician is again at the helm of the Department of Health.

Here is a little background on our new leaders.

### Governor Phil Murphy

Phil Murphy, as he says, “grew up in a family that was middle class on a good day.” That has shaped Phil’s values, his priorities, and the kind of governor he will be.



Religion, basic values, work ethic, education, and civic awareness were pillars of family life. His father never graduated from high school, his mother worked as a secretary; they inspired Phil and his three siblings to pursue their educations and be active participants in civic life.

Phil put himself through Harvard on loans and part-time jobs. After earning a graduate degree at the Wharton School at the University of Pennsylvania, he started his career at the bottom, working his way up to help lead a major international business by learning how economies grow and create jobs.

Murphy served as Finance Chair of the Democratic National Committee. In 2009, Phil answered President Obama’s call to service and

became the U.S. Ambassador to Germany. After returning home in 2013, Phil and his wife, Tammy, founded New Start New Jersey as a “think and do” organization to rebuild the state’s economy from the middle class out — New Start New Jersey partnered with the Heldrich Center for Workforce Development at Rutgers University to create the New Start Career Network, which is helping older, long-term unemployed residents once again actively compete for good jobs.

Phil and Tammy live in Monmouth County and are the parents of Josh, Emma, Charlie, and Sam.

### Lt. Governor Sheila Oliver

Lt. Governor Sheila Oliver will be a familiar name to some NJPCAC members. She was Speaker of the New Jersey General Assembly from 2010 to 2014 and took the time to visit The Stone Center in Newark in 2013 to learn more about our issues.



*L to R: Dr. Pat Ciccone, Asw. Sheila Oliver, Mary Beth Guilbert, Dr. David Taylor, Kelly Snyder*

A native of Newark, Lt. Governor Oliver attended the Newark Public School System, graduating from Weequahic High School. She entered Lincoln University in Pennsylvania, and earned a Bachelor’s Degree, cum laude in Sociology, then obtained a Master of Science Degree from Columbia University in New York in Community Organization, Planning and Administration.

She began her career working in municipal government, serving as the Director of the Office of Youth Services and Special Projects for the

City of Newark, within the Mayor's Office of Employment and Training.

In 1996, Oliver became an Essex County Freeholder, and served on the Board of Chosen Freeholders until 1999.

Oliver was elected to the NJ General Assembly in 2003 and began to serve her first term in 2004, representing District 34, which currently includes East Orange, Orange, Montclair and Clifton. During her tenure in the General Assembly, she chaired the Human Services Committee, and served on the Labor, Higher Education, Women and Children; Commerce and Economic Development; and Transportation and Independent Authorities committees.

In 2010, the Assemblywoman became the Speaker of the General Assembly, and served as Speaker until 2014. She became only the second woman in New Jersey's 300 year history to serve as Speaker, and the second African-American woman in the United States to lead a legislative house.

Assemblywoman Oliver has resided in the City of East Orange for over 40 years

### **Assembly Speaker Craig Coughlin**

Born and raised in South Amboy, Assembly Speaker Craig Coughlin is a product of New Jersey's public schools. He continued his education at St. John's University—obtaining a BS in Communications and a Juris Doctorate three years later.



Assemblyman Coughlin began his public service on the South Amboy Board of Education. Soon thereafter, he was elected to the South Amboy

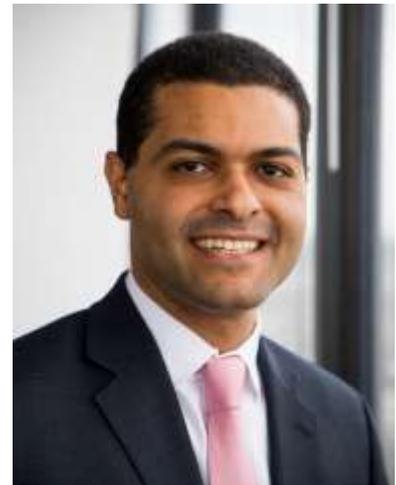
City Council where he served until 1993. He was elected to the General Assembly in 2009 and began serving in 2010.

Assemblyman Coughlin has worked as a private practice attorney, municipal court judge, municipal prosecutor, and attorney to several municipal boards and agencies.

Assemblyman Coughlin and his wife, Letitia reside in Fords, New Jersey with their three sons, Craig, Jr., Vincent, and Nicholas.

### **Health Commissioner Shereef Elnahal**

Governor Phil Murphy has nominated Dr. Shereef Elnahal, Assistant Deputy Under Secretary for Health for Quality, Safety and Value at the Veterans Health Administration to be the next New Jersey Commissioner of Health.



Dr. Elnahal was initially appointed to VA as a White House Fellow in 2015, and in this capacity he founded the Diffusion of Excellence Initiative, the major initiative meeting the Under Secretary's priority of establishing consistency in clinical and administrative best practices. He has authored many publications on health care quality, operations management, and patient safety.

Dr. Elnahal co-developed a published methodology that doubled clinic efficiency in the Johns Hopkins Pancreatic Multidisciplinary Clinic, cutting patient wait times by half. As an operations consultant for Wright-Patterson Air Force Base and Pittsburgh VA hospitals, he expanded on this work to improve care access for veterans and active duty service members.

He was a Fellow in the Armstrong Institute for Patient Safety and Quality, and served as Chair of the House Staff Patient Safety and Quality Council at Hopkins. Dr. Elnahal served on advisory boards for two firms focused on patient education and clinical operations. He also co-founded the Baltimore chapter of The Triple Helix, a 501(c)(3) non-profit that publishes an internationally-circulated journal on science in society. His civic contributions earned him the 2015 National Quality Scholar Award from the American College of Medical Quality. He received a dual-degree M.D. and M.B.A. with Distinction from Harvard University. He also graduated summa cum laude with a B.A. in biophysics from Johns Hopkins University.

## What They Are Saying

While the new Murphy Administration and Legislature is still getting settled, there have been some pronouncements regarding health care of interest to NJPCAC members. Here are some snippets.

*From the Governor's Transition Report on Healthcare:*

### *Out of Network*

“Currently, New Jersey law offers protection from “out-of-network” and “surprise medical” bills to consumers in state-regulated (“i.e., fully insured”) plans and the State Health Benefit Program. Some out of network providers take advantage of this protection by charging very high out-of-network fees for emergency and surprise situations, when individuals may be physically or emotionally unable to provide consent. Health plans are required to pay these escalated charges, adding millions to costs paid by employers (including the State) through higher premiums and consumers through higher coinsurance and deductibles. The Governor should work with the legislature to enact legislation to end surprise billing within his first 100 days in office. Legislation should ensure

consumers are protected from surprise medical bills and employers are protected from inflated out-of-network billing.”

### *Telemedicine*

“Establish options for meaningful use of telehealth in New Jersey

The use of technology to deliver health care, health information or health education at a distance – known as “telehealth” – has great potential to address provider shortage especially for specialty care, including behavioral health, while at the same time helping to control the cost of care. Around the country, there are intriguing examples of how telehealth can transform health care and access.

The Governor should direct relevant State agencies, including Medicaid, Health, Education, SHBP, and Corrections, to improve accessibility to telehealth, including examining licensing and reimbursement barriers, and establishing options for the State to use telehealth to provide health benefits to diverse populations.”

*Governor Murphy's Inaugural Address:*

“We can once again be the state that leads the nation in progressive policies and puts common sense and our residents first in line. We can, and will, stand for the right things.”

*Speaker Craig Coughlin's Reorganization Day Remarks:*

“Every session of the Legislature is important. Every session of the Legislature offers the opportunity to do right by our neighbors. But we are here at a unique time, when our fellow citizens need to see that government can help, that it can be a force for positive good in their lives. Now I am not wise enough, nor foolish enough to think that I have all the answers. But I am humble enough to know that it takes all of us to make the Assembly work. I want your priorities and your opinions on the issues in front of us, because I recognize that each you are a fierce advocates for your district.”

*Health Commissioner Shereef Elnahal on his Nomination by Governor Murphy:*

"The health challenges that many of New Jersey's residents face could not be more urgent. Too many in New Jersey are afflicted with opioid addiction and other serious health conditions, with recovery so hard for themselves and their loved ones. Too many of our state's residents who depend on mental health care find it difficult to get the support they need from qualified health professionals, not to mention other resources that our state could be offering them. And too many New Jerseyans struggle to pay medical bills—whether it's high monthly insurance premiums or surprise, out-of-pocket costs. I look forward to working with Governor-elect Murphy as we begin the difficult and necessary work of strengthening New Jersey's health systems, and ensuring no New Jerseyan slips through the cracks. New Jersey means so much to my family. When my parents immigrated to the United States from Egypt, they chose to settle in South Jersey, and that is where they spent their entire professional lives treating fellow residents of Atlantic County. It is there that they raised our family, and where I learned the true meaning of family, community, state, and patriotism."

## Advocacy Update



*By Donald Sico, Donald Sico & Co. LLC*

### Codey Modernization Act Update - Implementation

The Administration of Chris Christie did not act to promulgate regulations implementing the

legislative changes to the Codey Act that were signed into law last year to protect physicians who seek to make referrals in the context of Alternative Payment Models. That task will now be left to the incoming Administration's Department of Health and Commissioner-designee Shereef Elnahal. Once the new commissioner is confirmed by the State Senate, NJPCAC will seek to meet with the Department to provide guidance on this issue given the role we played in helping craft the Codey Act modernization bill.

### Restrictions on Pharmaceutical Payments to Prescribers

The New Jersey Division of Consumer Affairs (NJDCA) in the Department of Law and Public Safety enacted a dramatically more restrictive rule covering the relationships between pharmaceutical manufacturers and prescribers that took effect on January 16, 2018 (N.J.A.C. 13:45J et seq.).

NJDCA noted that the new rule "closely mirror[s]" the prohibitions set forth in the Pharmaceutical Research and Manufacturers of America ("PhRMA") Code of Ethics. The finalized rule, which took effect January 16, 2018, divides payments from pharmaceutical manufacturers to prescribers into three categories: i) prohibited gifts and payments; ii) permitted gifts and payments; and iii) bona fide services payments subject to a \$10,000 cap. The new rule will not apply to contracts between manufacturers and prescribers entered into on or before January 15, 2018. For more information: [www.njconsumeraffairs.gov/Adoptions/cosado\\_011618.pdf](http://www.njconsumeraffairs.gov/Adoptions/cosado_011618.pdf)

New Jersey entities are taking steps to express their opposition to the final rule notwithstanding the fact that it has now taken effect. First, pharmaceutical companies are lobbying New Jersey's Attorney General to provide "Frequently Asked Question" guidance to clarify and narrow the new rule as much as possible. Additionally, a Moveon.org petition was created to ask Governor Murphy to overturn the rule. The

petition can be accessed at: <https://petitions.moveon.org/sign/governor-murphy-overturn>. The Medical Society of New Jersey is considering potential legal options for challenging the final regulation.

**Christie Signs Bill Easing Ambulatory Surgical Center Expansions, Fees**

Governor Christie in January signed A-4995/S-287 (commonly referred to as the “One Room Bill”) into law.

Registered surgical practices (also known as unlicensed centers or “One Rooms”) are now required to become licensed by the New Jersey Department of Health. In order to soften the burden of licensure, most newly licensed One Rooms are exempt from NJDOH’s current physical plant standards, and all will be exempt from licensing fees and the ambulatory care assessments.

The bill was sponsored by Senate Health Committee Chairman Joseph Vitale and Assembly Health Committee Chairman Dr. Herb Conaway. The bill was strongly supported by the New Jersey Association of Ambulatory Surgery Centers.

For existing one room surgical centers, while they must get licensed by NJDOH and will be subject to NJDOH oversight (instead of the Board of Medical Examiners) they will be exempt from licensing fees and the ambulatory facility gross receipts assessment. The key benefits of licensure include the fact that any physician (not just owners) can use the facility. Further, the facility is now salable to health systems and ASC management companies. These can also be combined with other one room centers or licensed facilities to form a larger facility.

For existing licensed ASCs, there is now an expansion option. The law permits existing

centers to combine with one room centers and expand.

Health Systems/ASC Development Companies can now invest directly in one room surgical centers.

An article in NJBIZ quoted Jeff Shanton, President of the New Jersey Association of Ambulatory Surgery Centers as saying that “[t]his new law also brings some much needed financial relief to our industry. Specifically, the new law now permits combinations among registered surgical practices and licensed facilities, which would create some liquidity in the market, something desperately needed in light of the Codey Law moratorium on the development of new surgery centers. In addition, hospitals can also now affiliate with these registered surgical practices.”

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*L to R: Dr. Abe Horn, former Lt. Gov. Kim Guadagno, Congressman Tom MacArthur*



*Assembly Health Committee Chairman Dr. Herb Conaway Jr. visiting The Endo Center at Voorhees*

**From the Physicians Impact Report ([www.physicianseconomicimpact.org](http://www.physicianseconomicimpact.org)):**

<b>NEW JERSEY</b>
<b>TOTAL NUMBER OF PHYSICIANS PROVIDING PATIENT CARE = 22,697</b>
<b>Jobs</b>
<p><b>TOTAL JOBS SUPPORTED BY PHYSICIANS = 281,923</b></p> <p><b>DIRECT JOBS SUPPORTED BY PHYSICIANS = 108,980</b></p> <p><b>INDIRECT JOBS SUPPORTED BY PHYSICIANS = 172,943</b></p> <p><b>AVERAGE JOBS SUPPORTED BY EACH PHYSICIAN = 12.4</b></p>
<b>Economic Activity</b>
<p><b>TOTAL ECONOMIC ACTIVITY GENERATED BY PHYSICIANS = \$55.4 BILLION</b></p> <p><b>AVERAGE ECONOMIC TOTAL GENERATED BY EACH PHYSICIAN = \$2.4 MILLION</b></p> <p><b>DIRECT ECONOMIC ACTIVITY GENERATED BY PHYSICIANS = \$27.4 BILLION</b></p> <p><b>INDIRECT ECONOMIC ACTIVITY GENERATED BY PHYSICIANS = \$28 BILLION</b></p> <p><b>GROSS STATE PRODUCT = 9.8%</b></p>
<b>Wages &amp; Benefits</b>
<p><b>TOTAL WAGES &amp; BENEFITS SUPPORTED BY PHYSICIANS = \$30.9 BILLION</b></p> <p><b>DIRECT WAGES &amp; BENEFITS SUPPORTED BY PHYSICIANS = \$20.5 BILLION</b></p> <p><b>INDIRECT WAGES &amp; BENEFITS SUPPORTED BY PHYSICIANS = \$10.4 BILLION</b></p> <p><b>AVERAGE WAGES &amp; BENEFITS SUPPORTED BY EACH PHYSICIAN = \$1.4 MILLION</b></p>
<b>State &amp; Local Tax Revenue</b>
<p><b>TOTAL STATE &amp; LOCAL TAX REVENUE GENERATED BY PHYSICIAN = \$2.7 BILLION</b></p> <p><b>AVERAGE TOTAL TAXES PER PHYSICIAN = 116,922</b></p>

*The New Jersey Patient Care and Access Coalition (NJPCAC) exists to promote and protect the high quality, cost-effective and integrated care furnished by physicians in independent medical practices and other non-hospital settings throughout the State of New Jersey. NJPCAC's membership includes more than 200 practicing physicians and scores of additional healthcare professionals, including urologists, gastroenterologists, radiation oncologists, pathologists, nurses and administrative staff, who have come together to educate policy makers, regulators, insurers and other key stakeholders, including patients and peers about legislative and regulatory changes that could adversely affect the quality and accessibility to care provided to patients in New Jersey and those that could advance care in New Jersey.*

