HEALTH CARE REFORM IN VIRGINIA: LESSONS LEARNED BEFORE, DURING, AND AFTER THE 2011 VIRGINIA GENERAL ASSEMBLY

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I. BACKGROUND

In August of 2010, Virginia Governor Robert F. McDonnell appointed twenty-four political, health system, civic and business leaders to the Virginia Health Reform Initiative (VHRI) Advisory Council, saying:

Every Virginian needs access to affordable health care. The challenge is how to provide that access in an economically responsible manner. The recommendations of the Council will help create an improved health system that is an economic driver for Virginia while allowing for more effective and efficient delivery of high quality health care at lower cost.¹

¹ 2010 REP. OF THE VA. HEALTH REFORM INITIATIVE ADVISORY COUNCIL, available at
Thus began Virginia’s dual-track approach to health care reform. Simultaneously, Virginia is championing an overhaul of the health care delivery system and associated insurance coverage issues, while also pursuing adjudication of its constitutional challenge to the federal Patient Protection and Affordable Care Act (“PPACA”).

This political balancing act appears contradictory at first glance; however, upon closer look, Virginia’s commitment to meaningful health care reform is clear. Virginia does seek health care reform. As is true in many other areas, however, the Commonwealth seeks to implement change on its own terms.

This article surveys Virginia’s initial foray into health care reform. This process began with the Virginia Health Reform Initiative, which had a significant presence in the Virginia 2011 General Assembly session. While the nascent health care reform efforts this session reflect only incremental steps, they are indicative of Virginia’s direction and commitment to change. Such change, however,

will carry great political and professional strife. This article highlights some examples of the challenges faced on the road to health care reform and discusses possible directions of future legislation in the Virginia General Assembly.

II. POLITICAL CONFRONTATIONS

A. House Bill 2434

House Bill 2434 was a legislative surprise in the Virginia General Assembly Session. Sponsored by Del. Terry G. Kilgore (R - Gate City), H.B. 2434 announced the Commonwealth’s intent to develop a health benefits exchange in compliance with the PPACA.4 The filing of and administration support shown for H.B. 2434 surprised many General Assembly observers as Virginia has filed suit against the PPACA, claiming that it is unconstitutional.5

A nuanced view of the health care landscape, however, reveals that while Virginia opposes the imposition of federal health care reform, there are many aspects of health care reform in which

Virginia will move forward. H.B. 2434 serves as a prime example of Virginia pushing forward with health care reform, but doing so in its own way. However, this unique approach leaves the door open to substantial political debate as borne out in H.B. 2434.

The bill text as originally enrolled by the House of Delegates and Senate read:

Be it enacted by the General Assembly of Virginia:

1. § 1. That it is the intent of the General Assembly that the Commonwealth create and operate its own health benefits exchange or exchanges, hereafter referred to collectively as the "Virginia Exchange," to preserve and enhance competition in the health insurance market. The purpose of the Virginia Exchange shall be to facilitate the purchase and sale of qualified health plans in the individual market and to assist qualified small employers in facilitating the enrollment of their employees in qualified health plans offered in the small group market. To accomplish this purpose, the Virginia Exchange shall, at a minimum, meet the relevant requirements of the Patient Protection and Affordable Care Act (P.L. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) (collectively referred to as the Affordable Care Act), regarding the establishment of an American Health Benefit Exchange or Small Business Health Options Program by the prescribed deadline imposed by the Affordable Care Act in order to avoid development and implementation of a federal exchange in the Commonwealth.

§ 2. The General Assembly requests the Governor, through the Secretary of Health and Human Resources and with the State Corporation Commission's Bureau of Insurance, to work with the General Assembly, relevant experts, and stakeholders generally to provide recommendations for consideration by the 2012 Session of the General Assembly regarding the structure and governance of the Virginia Exchange. The Governor's recommendations shall address, at a minimum, the following: (i) whether to create the Virginia Exchange within an existing governmental agency, as a new governmental agency, or as a not-for-profit private entity; (ii) the make-up of a governing board for the Virginia Exchange; (iii) an analysis of resource needs and sustainability of such resources for the Virginia Exchange; (iv) a delineation of specific functions to be conducted by the Virginia Exchange; and (v) an analysis of the potential effects of

7 Id.
the interactions between the Virginia Exchange and relevant insurance markets or health programs, including Medicaid. These recommendations shall be presented to the General Assembly by October 1, 2011, in order that any necessary amendments to the Code of Virginia and any appropriation necessary for establishment of the Virginia Exchange may be considered during the 2012 Session of the General Assembly.

2. That the provisions of this act shall expire on July 1, 2014.8

By February 17, 2010, both chambers of the Virginia General Assembly had overwhelmingly endorsed H.B. 2434 as filed.9 Upon transmittal to the Governor for endorsement, however, political maneuvering ensued. The Governor handed down recommendations for consideration by the General Assembly in the final bill.10 Governor McDonnell’s recommendations were:

1. Line 12, enrolled, after minimum strike
   , [the comma]
   insert
   ; (i)

2. Line 17, enrolled, after Commonwealth insert
   ; (ii) ensure that no qualified health insurance plan that is sold or offered for sale through an exchange established or operating in the Commonwealth shall provide coverage for abortions, regardless of whether such coverage is provided through the plan or is offered as a separate optional rider thereto; and (iii) the limitation set forth in (ii) shall not apply to an abortion performed (a) when the life of the mother is endangered by a physical disorder, physical illness, or physical injury, including a life-endangering physical condition caused by or arising from the pregnancy itself; or (b) when the pregnancy is the result of an alleged act of rape or incest

3. After line 32, enrolled

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3. That nothing in this act shall be construed or implied to recognize the constitutionality of the Patient Protection and Affordable Care Act (P.L. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152).

4. That the provisions of this act constitute the election of the Commonwealth to prohibit abortion coverage in qualified health plans offered through an exchange in the Commonwealth as amended by § 1303(a)(1) of the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152).

Through his recommendations, the Governor sought to cement the Commonwealth’s choice to prohibit coverage for abortion services in qualified health plans offered through the envisioned health benefit exchange. Significantly, the Governor’s recommendations also prohibited insurance companies from selling abortion riders to citizens in the Commonwealth. What had previously been a nearly unanimously supported bill turned to an acrimonious legislative effort overnight.

On April 6, 2011, when the Virginia General Assembly returned for consideration of the Governor’s recommendations, both chambers took up the recommendations handed down for H.B. 2434. A simple majority vote is required in order to adopt the Governor’s rec-

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11 Id.
12 Id.
14 Id.
ommendations. The Republican dominated House of Delegates overwhelmingly approved the Governor’s recommendations on a 59-36 vote.

In the Senate of Virginia, however, where the Democrats hold a narrow 22-18 majority, the vote was much closer. The President of the Senate of Virginia, Lieutenant Governor William T. Bolling, ruled affirmatively on a procedural question as to whether the Governor’s recommendations were germane to the original bill. Thereafter, the Senate voted 21-19 in favor of sustaining that ruling.

On the question of the Governor’s recommendations, the Senate deadlocked 20-20. Lieutenant Governor Bolling cast the tie-breaking vote in

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15 Id.
19 Id.
favor of adopting the Governor’s recommendations, thus ensuring adoption.\textsuperscript{21} A similar scenario played out earlier in the 2011 General Assembly session where two Democratic senators voted in favor of abortion restrictions.\textsuperscript{22}

III. PROFESSIONAL CONFRONTATIONS

A. Virginia Health Reform Initiative

The Virginia Health Reform Initiative (VHRI) focused primarily on the effect of implementation of the PPACA scheduled for 2014.\textsuperscript{23} In its review, the VHRI determined that Virginia should be concerned about access to care issues and lack of capacity in the health care delivery system due to an anticipated influx of new Medicaid/health insured enrollees.\textsuperscript{24} To that end, the VHRI directed a Capacity Taskforce to study the issue and make recommendations for legislative and regulatory changes.\textsuperscript{25} Two of the main recommendations were:

“(1) re-organizing care delivery practices into “teams” that could leverage scarce physician capacity by more extensive use of non-physicians in ways that are more consistent with their education and training than many current practices permit; (2) changing scope of practice laws to permit more health profes-

\textsuperscript{21} Id.


\textsuperscript{23} Advisory Council Report, \textit{supra} note 1.

\textsuperscript{24} Id. at iv.

\textsuperscript{25} Id. at i.
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The VHRI paid significant homage to the emerging concept of “team model” care:

“Team” delivery of health services was of great interest to the Task Force, though again no single model appeared ideal for all patients. Care teams, especially primary care teams and prospects of more efficient coordination and utilization also raised the contentious but necessary issue of scope of practice limits on the ability of all clinicians to practice to the limit of their own professional capacities. Considerable clinical evidence and a recent Institute of Medicine (IOM) report supports relaxing some of Virginia’s more restrictive scope laws. However, there is not unanimity on this point neither among Task Force and Advisory Council members nor among the Commonwealth’s professional societies.

However, development of a team model has proven elusive to date. The most significant step forward thus far came on January 17, 2011 when the Virginia Council of Nurse Practitioners and the Medical Society of Virginia issued a joint press release calling for the development of such a model. Since that time, the path to formal development of a collaborative model appears to be stalled.

Mike Jurgensen, the director of health policy for the Medical Society of Virginia, the professional association for physicians in the Commonwealth, recently noted, “We feel that the team approach that we’ve had in place for years has worked well. We have very good

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26 Id. at iv–v.
27 Id. at iv.
working relationships with nurse practitioners and feel that kind of arrangement as set up in current statute really doesn’t need to be changed.”

Nurse practitioners, for their part, point to a recent Institute of Medicine study noting, “Now is the time to eliminate the outdated regulations and organizational and cultural barriers that limit the ability of nurses to practice to the full extent of their education, training, and competence.”

Resolution of disputes between professional groups may take time and significant debate. The Virginia Secretary of Health and Human Resources, William A. Hazel, Jr., appears hopeful in the long term:

At different points in history MSV and VCNP have tried to work together to resolve scope of practice issues. At times this left them as adversaries in the legislative process. It is fulfilling to know that now both are working as allies toward a common goal that will benefit citizens of the Commonwealth.

Legislative proposals to address such scope of practice issues are likely on the horizon in the upcoming 2012 Virginia General Assembly.

30 Id.
B. Legislative Confrontations

1. Senate Bill 1117

One significant scope of practice expansion by the 2011 Virginia General Assembly was the enactment of Senate Bill 1117. Senator Ralph S. Northam (D – Norfolk), a medical doctor, served as patron of S.B. 1117. In an attempt to address one specific practical problem generated by physician unavailability, S.B. 1117 permits nurse practitioners and physician assistants to endorse death certificates in limited circumstances:

In the absence of the such physician or with his approval, the certificate may be completed and signed by an associate another physician employed or engaged by the same professional practice, a nurse practitioner or physician assistant supervised by such physician, the chief medical officer of the institution in which death occurred, a physician specializing in the delivery of health care to hospitalized or emergency department patients who is employed by or engaged by the facility where the death occurred, or the physician who performed an autopsy upon the decedent, if such individual has access to the medical history of the case and death is due to natural causes.

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35 Id.
36 Id.
While the scope of practice expansion ultimately received unanimous support, passage of S.B. 1117 was not *pro forma*. House Minority Leader, Ward Armstrong (D – Henry), raised significant challenge to the provisions of S.B. 1117, which provided civil immunity to those medical professionals handling death certification. In a successful bid to assuage opposition concerns, Delegate T. Scott Garrett (R – Lynchburg) offered and won an amendment clarifying that the civil immunity afforded by S.B. 1117 extended only to the proper act of endorsing the death certificate itself and would have no impact on a meritorious medical malpractice claim.

2. House Bill 1968

House Bill 1968 marked another small but successful advance in extending the scope of practice for medical professionals. Delegate Roxann L. Robinson (R – Chesterfield) served as the bill’s patron.

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37 *See id.*
39 *Id.*
H.B. 1968 establishes that a physician assistant’s signature is valid in lieu of a physician’s signature in any circumstance where law or regulation would otherwise mandate a physician signature: 42

1. That the Code of Virginia is amended by adding a section numbered 54.1-2952.2 as follows:

§ 54.1-2952.2. When physician assistant signature accepted.
Whenever any law or regulation requires a signature, certification, stamp, verification, affidavit, or endorsement by a physician, it shall be deemed to include a signature, certification, stamp, verification, affidavit, or endorsement by a physician assistant. 43

Physician assistants traditionally have found legislative gains difficult in the face of Medical Society opposition, but H.B. 1968 received broad bi-partisan support. 44 In fact, H.B. 1968 received unanimous affirmative votes in both the full House of Delegates chamber and the full Senate. 45 While a small gain in terms of scope of practice reform,

42 H.B. 1968 Physician assistants; signature to be included when law requires signature, etc., of a physician, LEGISLATIVE INFORMATION SYSTEM (2011) available at http://leg1.state.va.us/cgi-bin/legp504.exe?111+ful+CHAP0468.
43 Id.
45 Id.
H.B. 1968 may provide some practical relief in medically underserved areas.\textsuperscript{46}

3. House Joint Resolution 574

One example of the General Assembly’s focus on the effects of health care reform is House Joint Resolution 574.\textsuperscript{47} Delegate Harry R. Purkey (R – Virginia Beach) introduced H.J. 574 on January 10, 2011.\textsuperscript{48} H.J. 574 highlighted growing concerns of a physician shortage in areas of Virginia that are already underserved. The resolution laid out the following basis for conducting a study of the issue:

WHEREAS, medical and health care experts have warned of a critical shortage of up to 200,000 medical doctors in the United States by 2020; and

WHEREAS, it takes nearly a decade (four years of medical school and four to five years of residency training) to produce a medical doctor qualified for licensure; and

WHEREAS, the demand for medical care has increased in proportion to a growing population, but the supply of doctors has been limited; and

WHEREAS, health manpower projections indicate that Virginia should experience a shortage on par with the worst national predictions; now, therefore, be it


\textsuperscript{48} H.J. 574 Medical Doctors; Joint Subcommittee to Study Current & Impending Severe Shortage Thereof in State, LEGISLATIVE INFORMATION SYSTEM (2011) \textit{available at} http://leg1.state.va.us/cgi-bin/legp504.exe?111+sum+HJ574 (last visited May 9, 2011).
RESOLVED by the House of Delegates, the Senate concurring, that a joint subcommittee be established to study the current and impending severe shortage of medical doctors in Virginia. The joint subcommittee shall consider the impact of the current and impending shortage of medical doctors on the health care system in the Commonwealth and identify options to prepare for and remedy the shortage.\textsuperscript{49}

H.J. 574 also set forth the scope of the proposed legislative study:

In conducting its study, the joint subcommittee shall (i) determine whether a shortage of medical doctors exists in the Commonwealth per specialty and geographical region; (ii) project the future need for medical doctors in Virginia over the next 10 years by specialty; (iii) identify and assess factors that contribute to the shortage of medical doctors, including medical school admissions, the costs of medical education, and the effect of excessive malpractice insurance premiums, malpractice laws and caps, the shortage of nurses, and ancillary regulations such as the Certificate of Public Need; and (iv) consider other related matters as the joint subcommittee may deem necessary. The joint subcommittee also shall identify the medical specialties primarily affected by the shortage of doctors and recommend ways to alleviate such problems.\textsuperscript{50}

Upon introduction, H.J. 574 was referred to the House Committee on Rules.\textsuperscript{51} On January 18, 2011, H.J. 574 was delegated to the House Rules Committee’s Sub-committee on Studies.\textsuperscript{52} Despite the intense interest in capacity challenges, H.J. 574 was struck from the docket by a voice vote.\textsuperscript{53} While H.J. 574 was not reported to the full House Rules Committee, that is not necessarily an indication of defi-
ciency in the bill.\textsuperscript{54}

During the first meeting of the Studies Subcommittee, chairman Delegate R. Steven Landes (R-Augusta) explained that no resolutions that established new joint legislative committees would move forward in 2011.\textsuperscript{55} The subcommittee’s reasons included the high volume of existing joint legislative committees, the existing legislative workload, and a limited appropriations pool.\textsuperscript{56}

\textbf{IV. CONCLUSION}

The 2011 Virginia General Assembly marked the first stage of a multi-year legislative effort to effect meaningful health care reform in Virginia.\textsuperscript{57} While gains in 2011 were modest, the shape and direction of future reforms grew clearer. Health care reform in Virginia will focus on capacity concerns arising from the substantial increase

\textsuperscript{54} See infra notes 55–56, and accompanying text.
\textsuperscript{56} Id.
\textsuperscript{57} See supra notes 1–3, and accompanying text.
in new health care system participants because of the PPACA. In order to address these capacity concerns, significant scope of practice changes will prove necessary. Allowing all health care providers to practice to the greatest extent of their education and training may be the only solution to a physician shortage and to ensuring quality health care services for underserved areas.

Such changes will not come easily. Traditional notions of professional boundaries will cause conflicts that must be carefully negotiated. Meanwhile, future political firestorms are likely as Virginia seeks to establish limits on which services are publically available. The political balancing act of seeking reform while seeking to derail the PPACA will continue. However, despite any apparent contradiction, Virginia is genuinely committed to meaningful health care reform—on Virginia’s terms. Look for significant reform measures to develop in advance of the 2012 Virginia General Assembly session.

58 See supra notes 1–3, and accompanying text.