

Board of Licensure Timeline Updates

Senate Bill 458, as amended in House Bill 496, makes several changes to Tennessee's health-related licensure processes:

1. **Streamlined Application Process:** Health-related boards and the Emergency Medical Services Board must establish rules to expedite the application and renewal process for licenses, certifications, or permits. Applications from Tennessee residents must be decided within 60 days of submission. If additional information is needed, the board must request it within the same 60-day period.
2. **Special Considerations for Military Personnel:** The expedited process also applies to:
 - Individuals licensed in another state whose spouse is a U.S. service member being transferred to Tennessee.
 - Service members applying for a license within 180 days of retiring, receiving a discharge (other than dishonorable), or being released from active duty.
3. These individuals should either receive a full license if their out-of-state credentials are substantially equivalent or a temporary permit to practice until their credentials are fully reviewed.
4. **Administrative Staff Changes:** Health-related boards and the Emergency Medical Services Board can request the replacement or transfer of their administrative staff or assigned attorney by the Department, subject to a majority vote.
5. **Effective Date:** The act took effect July 1, 2023.

Senate Bill 296, as amended in House Bill 779, updates the licensure process for health professions in Tennessee with the following changes:

1. **Processing Time:** Health boards must decide on completed licensure applications from out-of-state or District of Columbia applicants within 45 days of receipt. This includes issuing the license or providing reasons for denial.
2. **Effective Date:** Currently in effect.



CAPITOL & 5TH
PUBLIC STRATEGIES

Legislative Update

May 7, 2024

On April 25th, the 113th TN General Assembly officially adjourned sine die for the 2023-2024 legislative session. We would like to take this opportunity to thank all of our amazing clients and friends on Capitol Hill. The work we do would not be possible without all of your support. Here, we have summarized some of the key legislative highlights from this year. The C5 team wishes everyone a happy summer! The 114th General Assembly will convene on January 14, 2025 at 12:00pm.



JA, Cindy, Melanie, Courtney, Kathleen, Dustin
not pictured: Nick and Leigh Ann

Budget Highlights:

The 2024-25 budget is \$52.8 billion with \$27.2 billion in federal dollars and \$25.6 billion in state dollars. It is a decrease of \$10 billion from 2023-24 due to fewer federal dollars.

- 9.6 million dollars to fund the TennCare for Working Individuals with Disabilities Act
- 10 million dollars allocated to TN Department of Economic and Community Development for the SBIR Grant Program
- 250,000 dollars for the Special Olympics Tennessee
- 4.45 million dollars dedicated to Youth Villages, Memphis Allies, and other various pilot programs for gun violence intervention
- 302.7 million dollars allocated to programs addressing rural and behavioral healthcare issues
- 172 million dollars allocated to TN Department of Environment and Conservation for improving TN recreational waterways and state parks

Franchise and Excise Tax Changes

After several months of negotiations, Governor Lee's announced plans to overhaul Tennessee's franchise tax passed on the final days of the legislative session. The proposed tax package is projected to cost \$400 million in tax cuts annually and approximately \$1.6 billion in non-recurring funding set aside for one time refunds.

Companies may apply for a franchise tax refund based on a three year look back period. If a company accepts a refund, they must sign a waiver relinquishing their right to sue the State of Tennessee regarding the franchise tax matter. The window for a company to apply for a franchise tax refund is May 15- November 30, 2024.

The name of a company that has accepted a refund will be published on the Tennessee Department of Revenue's website for a thirty day period running from May 31- June 30, 2025, after which all information will be removed. Ranges of the company's refund amount will also be disclosed in accordance with the following categories: \$0-\$750; \$750- \$10,000; \$10,000 and up.

Cost of Funeral Planning Decreases

The Tennessee General Assembly overwhelmingly approved legislation this year which would decrease the cost of funeral planning by decreasing a state mandated consumer fee to \$10 for all pre-need funeral purchases. The legislation also preserved the account which allows the state to assist should a funeral home trust or insurance company go into receivership to help protect the pre-need funds which are entrusted to funeral directors across the state.



Voucher Legislation

As much reported in the news, the Governor's voucher program, named the Education Freedom Scholarship Act of 2024, did not receive enough support in either chamber of the legislature to be brought to a floor vote. The contentious issues included various factions of groups opposing the legislation due to ideological and political reasons. Additionally, the funding for the program was expected to greatly increase in the near future which very much concerned local legislative bodies responsible for school board budgets. It is expected that the legislation will be resurrected in 2025 by the Lee Administration with the seating of the new General Assembly in January.

Additional Education Funding

While the statewide voucher bill didn't pass, the annual state budget adds \$261 million in new recurring dollars for K-12 education, bringing the total base Tennessee Investment in Achievement (TISA) budget to \$6.8 billion and the overall budget for public education to \$8.55 billion. The new dollars will cover medical insurance premiums, retirement for teachers, and funding for teacher raises to bring the annual starting base salary up to \$50,000 by 2026.

Dental Insurance Reform

There have been ongoing issues for years with confusion and lack of transparency in dental insurance billing. Insurance companies downcode and bundle services which leaves the dentists with inaccurate reimbursement amounts and limits care to patients. This bill cleans up areas of code where dental insurance carriers and dentists alike have conflicting implementation of the law and ensures patients get the care they and their dentist want provided.

Certificate of Need Changes

This is the compromise bill by the General Assembly to lessen certificate of need in Tennessee allowing for more healthcare facilities in predominantly rural areas. This is an ongoing process and the reform bill is implemented over several years beginning this July. The highlight of the bill is it eliminates CON for most facilities and services in counties without a hospital and CON no longer applies for satellite EDs within 10 miles of such a hospital's main campus. Several facilities will remain under CON including home health, nursing homes, and organ transplantation.

Criminal Justice Legislation

This year the General Assembly passed a number of bills dealing with the criminal justice system. These bills included legislation that will limit sentencing reduction credits for violent offenders, offering a blended sentence for serious or repeat juvenile offenders that extends beyond their 18th birthday, increasing penalties for domestic violence, removing income and ability to pay as a provision of bail and making capital punishment an option for those convicted of rape.

Arming of Teachers

The very contentious legislation which passed this year authorizes public school faculty and staff to carry concealed handguns on school grounds. The compromise position which was included in the final version of the bill requires local law enforcement, the local school system and the principal of the school to all agree on allowing the teachers to go armed. As of today, numerous school districts have already opted out of the legislation.



Upcoming Elections

16 Senate seats (even-numbered districts) will be up for election this November. With the retirement of Sen. Art Swann, there is only one open seat. However, there will be 9 senate primary elections, and all but 2 districts will have several candidates on the general election ballot.

All 99 House Seats are up for election this fall. There are seven open seats up for grabs, but 78 districts will have multiple candidates on the ballot. There will also be 19 Republican and 13 Democratic primary elections in August.



Lawmakers head home today after floor sessions continue to become longer and more urgent with the end of session talks beginning to happen. Several committees closed this week including Senate State and Local, Senate Commerce, House Health Sub, House Property and Planning Sub, House Elections and Campaign Finance Sub, House Children and Family Sub, House Business and Utilities Sub.

Outside the normally scheduled bills and resolutions heard in the General Assembly, the focus will soon change to the budget and budget amendments filed by lawmakers, with the House and Senate appropriation deadlines having already passed. The Governor's office released the supplemental budget this week which spurred lawmakers and staff to double check which items received proposed funding from the executive branch.

The budget process will be interesting to watch this year with both chambers differing in their opinions on how to pay for the proposed school voucher bill. The House choosing to carve out new money and the Senate wanting the money to come out of the TISA resources. If the voucher bill were to not pass in equal forms by both chambers, this could free up money for projects by lawmakers. We will keep you updated.

Legislation Spotlight:

HB 416, which would expand the PACE program, was heard in House Finance, Ways, and Means Sub and placed behind the budget.

The bill sponsored by Representative Caleb Hemmer (D-Nashville) would expand PACE to be a statewide program. PACE, which already successfully operates in Hamilton County, is a health care provider that offers an encompassing swath of services for both members of the elderly population and individuals with disabilities.

The bill is scheduled to be heard in Senate Health and Welfare Committee on April 3.

Next Week:

Monday, April 1, at 12:30pm
House Appropriations Sub (HHR III)

Tuesday, April 2, at 10:30am (or immediately following Senate Finance)
Senate Appropriations Sub

Wednesday, April 3, at 8:00am
House Agriculture and Natural Resources (HHR III)
U.S. Army Corps of Engineers presentation
Tennessee Wildlife Resources Agency presentation

Thursday, April 4, at 9:00am
Joint Convention of the House and Senate in the House Chambers

Committee News:

Finance and Administration **Commissioner Jim Bryson** and his team presented the governor's administration amendment to the proposed FY2024-25 budget in the House and Senate Finance, Ways, and Means committees.

The amendment allocates 150 million dollars to successfully close out the FY23-24 budget. It also appropriates:

- funds for two THP regional offices
- the purchase of Capitol Towers
- improvements for the East TN Veterans' Cemetery Gravesite
- the completion of the University of Tennessee Knoxville's Chemistry Building.

The commissioner emphasized that this amendment puts Tennessee in a good position, entering into a more "normal" FY25-26 with the base budget and reserve funds preserved and no new additional debt.

Other News:

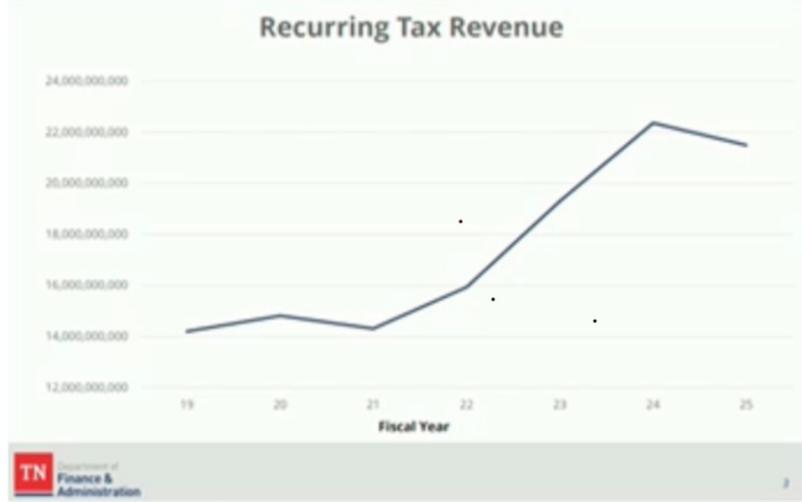
Representative Dwayne Thompson (D-Cordova) announced that he will be retiring from the legislature at the conclusion of the 2024 session.

Elected in 2016, Thompson has successfully represented part of Shelby County for eight years. While in office, Thompson focused on increasing access to mental health care and affordable housing as well as prioritized making government more efficient.



"This has been one of the honors of my life to have my community allowed to represent them in the Tennessee State House," stated Thompson.

Revenue Has Leveled



The above graph was provided by Commissioner Bryson as a part of the department's presentations before the finance committees to demonstrate how tax revenue in TN has leveled out from 2019 to the predicted 2025 estimations.

Legislation to Watch:

HB 2297, which would expand the Katie Beckett Program, advanced out of House Health committee.

The bill sponsored by Representative Sam Whitson (R-Franklin) would expand the program by adding an additional 1,000 participant slots. The Katie Beckett Program provides home and community-based services for children with significant disabilities or complex medical needs whose families are not eligible for Medicaid.

The bill is scheduled to be heard in Senate Health and Welfare Committee on April 3.



Tennessee Occupational Therapy Association

The 2023 legislative session began January 10th and adjourned April 21st. This year, Capitol & 5th tracked 58 bills on behalf of TNOTA. We saw a significant decrease in COVID-19 related legislation- a drastic change from last year's session. Licensing rules, prior authorization, and women's health were among the large topics in healthcare this year. There were two bills passed that restrict barriers and streamline the process for occupational therapy licenses:

****TNOTA PRIORITY****

SB458/HB496: Senator Bo Watson, Representative Brock Martin

Directs health related boards to promulgate rules that expedite the application process for occupational licenses by requiring the boards to make a determination on applications within 60 days of the date they are submitted. This bill passed both chambers and awaits the Governor's signature.

SB296/HB779: Senator Todd Gardenhire, Representative Esther Helton-Haynes

Directs the board of medical examiners, board of osteopathic examination, board of nursing, or board of physician assistants to render a decision on completed applications from a licensed out-of-state applicant, and inform the applicant of need to appear before the board, within 60 days of receipt of the application. The House and Senate passed this bill, and it awaits signatures from each speaker.

Additional legislation of interest that passed this year:

SB1345/HB1503: Senator Bo Watson, Representative Kevin Vaughan

Enacts the "Surprise Billing Consumer Protection Act", which makes changes to the law regarding network adequacy of managed health insurance issuers including all emergency procedures, nonemergency procedures, and previously documented procedures that may result from an occurrence in which charges arise from a covered person receiving healthcare services from an out-of-network provider at an in-network facility. Signed by Governor Bill Lee- awaiting public chapter assignment.

SB666/HB885: Senator Shane Reeves, Representative David Hawk

Amendment 1 rewrote the bill to enact the "Prior Authorization Fairness Act". The bill in its final form, among other things, requires that utilization review organizations perform: 1) A non-urgent prior authorization review within seven calendar days; and (2) An urgent prior authorization review within 72 hours, plus, if applicable, one additional business day. The Act does not apply to healthcare plans under TennCare, ERISA, or CoverKids. It has been sent to the Governor's desk.

SB1392/HB1213: Lt. Governor Randy McNally, Speaker Cameron Sexton

This bill authorizes an enrollee in a healthcare plan to choose to pay for healthcare services out-of-pocket from an out-of-network provider. Enrollee's must submit certain documentation to the carriers if the enrollee negotiates for a lower cost for healthcare services and pays out-of-pocket. It further requires that carriers count out-of-pocket payments by the enrollee toward the enrollee's deductible, coinsurance, copayment, or other cost-sharing amount if the service is included in the healthcare plan. This legislation has been enacted as Public Chapter 244, effective July 1, 2023.