
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2

Session of
1995

INTRODUCED BY FLICK, RYAN, PERZEL, BARLEY, FARGO, PHILLIPS,
PITTS, E. Z. TAYLOR, D. W. SNYDER, DEMPSEY, FARMER, CLARK,
KING, MAYERNIK, KENNEY, GLADECK, TRUE, CORNELL, MAITLAND,
HESS, HARHART, HERMAN, FICHTER, BROWN, MILLER, ZUG, GAMBLE,
WAUGH, GODSHALL, SCHULER, ADOLPH, LEH, LYNCH, ALLEN,
S. H. SMITH, NYCE, PETTIT, RAYMOND, SHEEHAN, LAWLESS,
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MARKOSEK, BIRMELIN, FAIRCHILD, FLEAGLE, STERN, MCGILL,
HERSHEY, FEESE, CONTI, REINARD, SEMMEL, GEIST, CHADWICK,
PLATTS, SAYLOR, STISH AND VAN HORNE, JANUARY 19, 1995

SENATOR PETERSON, PUBLIC HEALTH AND WELFARE, IN SENATE, RE-
REPORTED AS AMENDED, JUNE 21, 1995

AN ACT

1 Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An
2 act to consolidate, editorially revise, and codify the public
3 welfare laws of the Commonwealth," providing for a job <—
4 training program and establishing a timetable for
5 implementation; providing for pension funds of recipients;
6 providing tax credits to employers of public assistance
7 recipients; further providing for uniformity in
8 administration of assistance, for a workfare program, for
9 applications for assistance, for eligibility and for aid to
10 families with dependent children; providing for an electronic
11 benefit distribution system; imposing a penalty for failure
12 to appear at a criminal court proceeding; and providing for
13 powers and duties of the Department of Public Welfare, for
14 retesting and for protective custody of AFDC children for a
15 publicly financed voucher program to provide access to
16 privately delivered health insurance coverage. FEDERAL FUNDS <—
17 FOR LEGAL SERVICES; FURTHER PROVIDING FOR ADMINISTRATION OF
18 ASSISTANCE, FOR THE WORKFARE PROGRAM, FOR A PROGRAM FOR
19 IDENTIFICATION OF ASSISTANCE RECIPIENTS AND FOR ELIGIBILITY
20 FOR ASSISTANCE; PROHIBITING DUPLICATE PAYMENTS AND PROVIDING
21 FOR EXPEDITED AUTHORIZATION; FURTHER PROVIDING FOR MEDICAL
22 NEED DETERMINATIONS AND FOR RELATIVES' RESPONSIBILITY FOR

1 MEDICAL ASSISTANCE; PROVIDING FOR PENALTIES FOR FAILURE TO
2 APPEAR AT CRIMINAL PROCEEDINGS; AND FURTHER PROVIDING FOR
3 EMPLOYMENT INCENTIVE PAYMENTS AND FOR REPAYMENT FROM PROBATE
4 ESTATES.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. The act of June 13, 1967 (P.L.31, No.21), known
8 as the Public Welfare Code, is amended by adding a section to
9 read:

10 ~~Section 214. Job Training Program. (a) The department~~ <—
11 ~~shall, within sixty days of the effective date of this act,~~
12 ~~establish, implement and administer a three year job training~~
13 ~~program with the ultimate goal of securing economic self-~~
14 ~~sufficiency for welfare recipients.~~

15 ~~(b) The program shall contain the following:~~

16 ~~(1) The program shall consist of three pilot projects~~
17 ~~located in three separate counties in different geographical~~
18 ~~regions representing rural, suburban and urban populations of~~
19 ~~this Commonwealth. In selecting counties for pilot projects,~~
20 ~~preference shall be given to areas of persistent unemployment~~
21 ~~and widespread failure or closure of existing dominant~~
22 ~~industries.~~

23 ~~(2) The program shall consist of, but not be limited to, the~~
24 ~~following:~~

25 ~~(i) Acquisition of sufficient educational skills in reading,~~
26 ~~writing and mathematics to enable the trainee to function in the~~
27 ~~workforce.~~

28 ~~(ii) Acquisition of skills necessary to conduct successful~~
29 ~~interviews, acquire marketable work ethics and employe~~
30 ~~dependability.~~

31 ~~(iii) Skills and aptitude assessment.~~

~~(iv) Such other areas, including life management skills, which the department deems important.~~

~~(v) Continued monitoring of trainees placed in permanent positions to ensure their continued employment and to help them acquire and maintain the skills necessary for long term employment.~~

~~(3) Each program operator shall provide support services to trainees, including, but not limited to, health care, day care and other educational and support services including transportation.~~

~~(4) Each program operator shall match trainees with existing job vacancies which pay wages and benefits sufficient to ensure the financial security of the trainee and any dependents to enable that trainee and dependents to remain free of any State assistance for at least one year.~~

~~(5) Each program operator may be an employer, a nonprofit association, corporation or government agency or any combination thereof.~~

~~(6) Payments by the department to a project operator shall be scheduled so that twenty five percent of the contract price is paid during training, twenty five percent is paid upon completion of training, twenty five percent after the trainee is employed continuously for a period of at least six months and twenty five percent after the trainee is employed continuously for a period of at least one year.~~

~~(c) It is the intent of the General Assembly that this pilot program be continuously evaluated. The department shall be required to analyze the pilot program, measuring its results against the goals of this legislation as well as comparing it to other Federal and State job training programs. A report on the~~

~~evaluation shall be submitted to the Governor and the General Assembly detailing the findings and recommendations of the evaluation no later than two years following implementation of the program. The report shall include, but not be limited to, whether the pilot program is cost effective in the use of job training resources and has resulted in improved rates of permanent job placements and reduction of welfare rolls.~~

~~(d) In the event the report submitted by the department indicates that the pilot program has achieved the goals of this section and has resulted in improved outcomes in job placement as compared to other existing job training programs, the department shall recommend changes to State law and regulations within twelve months after issuance of the report to permanently implement the components of the pilot program Statewide within twelve months after issuance of the report.~~

~~(e) An employer may not contract a program participant to another employer unless the program participant is the sole recipient of any additional wages, benefits or compensation that may result from the contract.~~

~~(f) The department shall promulgate regulations to implement the provisions of this section.~~

SECTION 201.1. FEDERAL FUNDS FOR LEGAL SERVICES.--IN
ADDITION TO THE AREAS OF EXPENDITURES FOR LEGAL SERVICES
AUTHORIZED BY SECTION 220 OF THE GENERAL APPROPRIATION ACT OF
1995, FEDERAL FUNDS APPROPRIATED FOR FISCAL YEAR JULY 1, 1995,
THROUGH JUNE 30, 1996, MAY ONLY BE USED FOR THE FOLLOWING:
TERMINATION OF EMPLOYMENT AND UNEMPLOYMENT COMPENSATION;
INSURANCE; HEALTH CARE; DISCRIMINATION DUE TO AGE, RACE, SEX OR
HANDICAP; WAGE AND PENSION CLAIMS; TAXATION; WILLS AND ESTATES;
SOCIAL SECURITY; DISABILITY; AND DEBTOR-CREDITOR ISSUES.

1 Section 2. Section 403 of the act is amended by adding a
2 subsection to read:

3 Section 403. Uniformity in Administration of Assistance;
4 Regulations as to Assistance.--* * *

5 (g) Regulations which authorize payment for purchase of an
6 automobile, for parts for an automobile or for repair of an
7 automobile for a recipient of public assistance shall provide
8 that the payment shall be made ~~directly~~ JOINTLY to the seller of <—
9 the automobile or parts or the garage or mechanic which made the
10 repairs and ~~not to~~ the recipient. <—

11 Section 3. Section 405.2(a), (b), (c), ~~(d) and (f)~~ AND (D) <—
12 of the act, amended or added April 8, 1982 (P.L.231, No.75) and
13 June 16, 1994 (P.L.319, No.49), are amended ~~and the section is~~ <—
14 ~~amended by adding a subsection~~ to read:

15 Section 405.2. [Community Work] Workfare Program.--(a) The
16 department shall [coordinate the establishment of community work
17 projects by] enter into cooperative agreements to establish
18 workfare projects with departments, agencies or institutions of
19 the Commonwealth or any political subdivision located within the
20 Commonwealth or any agency of the Federal Government or
21 department-approved nonprofit organizations [that receive State
22 or county funds and] or established, for-profit temporary help <—
23 organizations for temporary placement with private, nonprofit or
24 for-profit employers. Participating, for-profit temporary help
25 organizations shall recover their costs and profit from fees
26 charged to employers. The department shall assign to these work
27 projects ~~able-bodied~~ cash assistance recipients [for whom the <—
28 Office of Employment Security has] who ARE ABLE TO WORK BUT have <—
29 been unable to secure employment. In instances when [community
30 work] workfare projects are not available for all [able-bodied <—

1 cash assistance] recipients, priority shall be given to general <—
2 assistance recipients for referral to available projects.

3 (b) Every individual who has not received a bona fide offer
4 of training or employment under section 405.1 shall, as a
5 condition of continuing eligibility for cash assistance, report
6 to and work in [a community work] an available workfare project
7 established under this section unless such individual is exempt
8 from the registration requirements of section 405.1. Such
9 individual shall be required to work that number of hours which
10 when multiplied by the applicable minimum wage equals the amount
11 of cash assistance such person receives: Provided, however,
12 That:

13 (1) such work shall not exceed forty hours per week; and

14 (2) the parent or other caretaker of a child between the
15 ages of six and fourteen who is personally providing care for
16 the child with only very brief and infrequent absences from the
17 child shall not be required to participate in [community work]
18 workfare projects except on days and at times when the child is
19 in school or when there are adequate day-care arrangements
20 available for the child at no cost to the recipient.

21 (c) [Community work] Workfare projects established under
22 this section must be approved by the department. To qualify for
23 approval, a work site must conform to appropriate health and
24 safety ~~and accessibility~~ standards. Cash assistance recipients <—
25 shall not be assigned to work opportunities available due to a
26 labor dispute, strike, or lockout and shall not be assigned to
27 perform work so as to cause the layoff, downgrading or
28 prevention of return to work of an available competent employee.
29 Cash assistance recipients shall be assigned to [community work]
30 workfare projects within twenty-five miles of their place of

1 residence unless the department determines that a greater
2 distance is not a hardship. The department shall seek Federal <—
3 waivers to allow for an increase of vehicle equity value up to
4 three thousand five hundred dollars (\$3,500) for participants in
5 this program.

6 (d) A person who without good cause fails or refuses to
7 accept assignment to and participate in a [community work]
8 workfare project shall be [disqualified from receiving cash
9 assistance for sixty days for the first violation and thereafter
10 until such time he or she is willing to comply. For the second
11 violation and subsequent violations the disqualification period
12 shall be one hundred twenty days. The disqualification period
13 shall commence on the date the department's order imposing
14 disqualification is final.] terminated from assistance pursuant
15 to section 432.3.

16 * * *

17 ~~(f) [Workmen's compensation insurance premiums shall be the~~ <—
18 ~~responsibility of the entity which provides the employment~~
19 ~~opportunity.] For the purposes of the act of June 2, 1915~~
20 ~~(P.L.736, No.338), known as the "Workers' Compensation Act,"~~
21 ~~individuals assigned to workfare projects shall be deemed~~
22 ~~employees of the Commonwealth within the meaning of the term~~
23 ~~"employee" as defined in section 104 of the "Workers'~~
24 ~~Compensation Act."~~

25 * * *

26 ~~(h) The Secretary of Public Welfare, the Secretary of~~
27 ~~Transportation and the Secretary of Labor and Industry shall~~
28 ~~jointly study, implement and coordinate a means of providing~~
29 ~~inexpensive public transportation from areas where high numbers~~
30 ~~of unemployed persons live to areas with employment~~

~~opportunities. This transportation system shall operate on a schedule which adequately enables and encourages people to get to and from their jobs and thereby alleviates the burden that distance can impose on the impoverished.~~

~~(i) The department shall annually, on the effective date of this act, submit to the General Assembly an evaluation report of the program. The report shall include, but not be limited to, cost effectiveness, cost of operation, availability of and access to project and recommendations to the General Assembly on how to improve the program.~~

~~Section 4. The act is amended by adding a section to read:~~

~~Section 405.5. Tax Credits to Employers. An employer who hires a public assistance recipient shall receive an annual tax credit towards the State taxes owed by his business for each of the first two years of such employment. This tax credit shall be equal to one fourth of the annual salary paid in the tax year to that employee. In addition, the employer shall receive a tax credit for any supplemental support service he provides to such employees, such as transportation and day care services, regardless of whether other employees also benefit from such service. Such service, to be eligible, must be approved by the department, and such approval shall be based on whether the service assists a public assistance recipient to become and remain gainfully employed. The tax credit for supplemental support services shall be available to an employer in any year he employs at least one person who was a public assistance recipient at any time within the preceding two years.~~

~~Section 5 4. Section 414 of the act, added June 16, 1994 (P.L.319, No.49), is amended to read:~~

~~Section 414. Assistance Recipient Identification Program.--~~

1 (a) [Subject to Federal approval, only where necessary, there <—
2 is hereby created a {pilot}~~Statewide~~ program within the] THE <—
3 department IS AUTHORIZED TO CREATE, IN GEOGRAPHIC AREAS WHERE <—
4 THE DEPARTMENT DETERMINES IT TO BE COST EFFECTIVE, A PROGRAM to
5 be known as the Assistance Recipient Identification Program.

6 (b) The purpose of the program is to eliminate duplication
7 of assistance to recipients, to deter fraud and to assist law
8 enforcement officials in their duties.

9 [(c) The department shall select three geographic areas in
10 this Commonwealth representing rural, suburban and urban areas
11 to participate in this program.]

12 (d) A person currently receiving or applying for assistance
13 shall participate in the program. The person shall be identified
14 using available technological means that may include, but are
15 not limited to, two-digit fingerimaging.

16 (e) The department, wherever feasible, shall work with
17 neighboring states to execute agreements between each of those
18 states and the Commonwealth to implement compatible computer
19 cross-matching identification systems.

20 (f) It is a violation for a person in the program to acquire
21 or attempt to acquire duplication of assistance.

22 (g) Absent a court order, only the department, the
23 Pennsylvania State Police, the chief of a local municipal police
24 department, or his designee within the department, including the
25 sheriff's office in counties of the second class, and the
26 designated officials of neighboring states with whom the
27 department executes agreements under subsection (e) shall have
28 access to records under this program.

29 (h) The department shall make a report to the General
30 Assembly [one year, two years and five years after the effective <—

1 date of this act. [The] NO LATER THAN MARCH 1, 1996, AND EVERY <—
2 TWO YEARS THEREAFTER. Each report shall include:
3 (1) Caseload data before implementation of this section as
4 well as after one year for comparison purposes to judge the
5 program's effectiveness at fraud deterrence.
6 (2) Attempts at and instances of multiple enrollment by
7 persons.
8 (3) Analysis of the cost-effectiveness of the project.
9 (4) Recommendations regarding whether the program should be
10 discontinued, expanded or otherwise modified.
11 [(i) This section shall expire two years after the effective <—
12 date of this act unless extended by the General Assembly.] <—
13 (j) As used in this section, the term "program" means the
14 Assistance Recipient Identification Program.
15 Section ~~6~~ 5. Section 432(3) of the act, amended June 16, <—
16 1994 (P.L.319, No.49), is amended and the section is amended by
17 adding a clause to read:
18 Section 432. Eligibility.--Except as hereinafter otherwise
19 provided, and subject to the rules, regulations, and standards
20 established by the department, both as to eligibility for
21 assistance and as to its nature and extent, needy persons of the
22 classes defined in clauses (1), (2), and (3) shall be eligible
23 for assistance:
24 * * *
25 (3) Other persons who are citizens of the United States, or
26 lawfully admitted aliens [and] who are [chronically needy or <—
27 transitionally needy persons] ELIGIBLE FOR GENERAL ASSISTANCE <—
28 BENEFITS.
29 (i) [Chronically needy persons are those persons chronically <—
30 in need] PERSONS who may be eligible for GENERAL ASSISTANCE FOR <—

1 an indeterminate period as a result of medical, social or
2 related circumstances [and] shall be limited to: <—

3 (A) A child who is under age eighteen or who is eighteen
4 through twenty years of age and attending a secondary or
5 equivalent vocational or technical school full-time and may
6 reasonably be expected to complete the program before reaching
7 twenty-one years of age.

8 (B) Persons who are parents residing in two-parent
9 households with their child who is under eighteen years of age.
10 Every possible effort shall be made by the department to place
11 these persons in the AFDC program.

12 (C) A person who has a serious physical or mental handicap
13 which prevents him or her from working in any substantial
14 gainful activity as determined in accordance with standards
15 established by the department. The department may require that
16 documentation of disability be submitted from a physician or
17 psychologist. The department may also require further medical
18 documentation of disability and may also order at the
19 department's expense a person to submit to an independent
20 examination as a condition of receiving assistance under this
21 clause.

22 (D) A person who is a nonparental caretaker of a child under
23 eighteen years of age or a caretaker of another person because
24 of illness or disability. Such child or other person must be a
25 member of the household and the caretaker must be a person whose
26 presence is required in the home to care for another person as
27 determined in accordance with department regulations.

28 (E) A person who is currently undergoing active treatment
29 for substance abuse in a drug and alcohol program licensed or
30 approved by the Department of Health or administered by an

1 agency of the Federal Government. No individual shall qualify as
2 chronically needy under this clause for more than nine months in
3 a lifetime.

4 †(F) A pregnant woman whose pregnancy has been medically <—
5 verified.† <—

6 †(G)†~~†(F)†~~ A person who is a victim of domestic violence and <—
7 who is receiving protective services as defined by the
8 department. No individual shall qualify as chronically needy
9 under this provision for more than nine months in his lifetime.

10 (ii) [Assistance for chronically needy persons] GENERAL <—
11 ASSISTANCE shall continue as long as the person remains
12 eligible. Redeterminations shall be conducted on at least an
13 annual basis and persons capable of work, even though otherwise
14 eligible for GENERAL assistance [to the chronically needy], <—
15 would be required to register for employment and accept
16 employment if offered as a condition of eligibility except as
17 otherwise exempt under section 405.1.

18 (iii) Transitionally needy persons are those persons who are
19 otherwise eligible for general assistance but do not qualify as
20 chronically needy. ~~A person without a physical or mental~~ <—
21 ~~disability who is at least eighteen years of age, but not more~~
22 ~~than twenty five years of age, shall not qualify as~~
23 ~~transitionally needy.~~ Assistance for transitionally needy
24 persons shall be authorized for not more than sixty days in any
25 twenty-four month period. Any transitionally needy benefits
26 received in the twelve-month period prior to the effective date
27 of this subclause shall be applied toward the total period of
28 benefits an individual is eligible for, beginning with the
29 receipt of the first cash assistance check in the previous
30 twelve-month period. THIS SUBCLAUSE SHALL EXPIRE SEPTEMBER 1, <—

1 1995.

2 (IV) NO TRANSITIONALLY NEEDY BENEFITS SHALL BE INITIALLY
3 AUTHORIZED AFTER JUNE 30, 1995. ANY PERSON RECEIVING
4 TRANSITIONALLY NEEDY GENERAL ASSISTANCE AS OF THE EFFECTIVE DATE
5 OF THIS SUBCLAUSE MAY CONTINUE TO RECEIVE THAT ASSISTANCE UNTIL
6 SIXTY DAYS OF BENEFITS ARE EXHAUSTED IN ACCORDANCE WITH
7 SUBCLAUSE (III). TRANSITIONALLY NEEDY BENEFITS RECEIVED AFTER
8 JUNE 30, 1993, SHALL BE APPLIED TO THE TOTAL PERIOD OF BENEFITS.
9 TRANSITIONALLY NEEDY GENERAL ASSISTANCE BENEFITS SHALL CEASE ON
10 THE EARLIER OF:

11 (A) THE DATE OF THE FINAL ISSUANCE OF BENEFITS; OR

12 (B) AUGUST 29, 1995.

13 * * *

14 (9) Assistance may not be granted to any person who has been
15 sentenced for a felony or misdemeanor offense and who has not
16 otherwise satisfied the penalty imposed on that person by law.
17 The department and the Pennsylvania State Police shall enter
18 into a cooperative agreement. Notwithstanding any provisions in
19 18 Pa.C.S. Ch. 91 (relating to criminal history record
20 information), this agreement shall provide the department with
21 access to the central repository within the Pennsylvania State
22 Police in order to carry out the objectives of this section. The <—
23 Pennsylvania State Police shall have access to the records of
24 the Assistance Recipient Identification Program under section
25 414 within the department in order to carry out the objectives
26 of section 414. FOR GENERAL ASSISTANCE APPLICANTS AND <—

27 RECIPIENTS, THE DEPARTMENT SHALL ENTER INTO COOPERATIVE
28 AGREEMENTS WITH THE PENNSYLVANIA STATE POLICE AND THE
29 PENNSYLVANIA BOARD OF PROBATION AND PAROLE TO ENSURE THAT NO
30 GENERAL ASSISTANCE IS GRANTED TO A PERSON WHO HAS BEEN SENTENCED

1 FOR A FELONY OR MISDEMEANOR OFFENSE. FOR THIS PURPOSE, THE
2 DEPARTMENT MAY ACCESS AND PROVIDE INFORMATION AVAILABLE PURSUANT
3 TO SECTION 414. As used in this clause, "satisfied the penalty"
4 means completed the period of incarceration or extension
5 thereof, and paid all fines, costs and restitution. Nothing in
6 this clause shall be deemed to exclude from assistance any
7 person who has been paroled from a term of imprisonment, or any
8 person who is in compliance with all terms of probation, and who
9 has made full payment of all fines, costs and restitution.

10 ~~Section 7. Section 432.12 of the act is amended by adding~~ <—
11 ~~subsections to read:~~

12 ~~Section 432.12. Determination of Need. * * *~~

13 ~~(d) In determining the amount of assistance payments to a~~
14 ~~recipient family for aid to families with dependent children,~~
15 ~~the department shall revise the schedule of benefits to be paid~~
16 ~~to the recipient family by eliminating the increment in benefits~~
17 ~~under the program for which that family would otherwise be~~
18 ~~eligible as a result of the birth of a child conceived during~~
19 ~~the period in which the family is eligible for aid to families~~
20 ~~with dependent children benefits, or during a temporary period~~
21 ~~in which the family or adult recipient is ineligible for aid to~~
22 ~~families with dependent children benefits pursuant to a penalty~~
23 ~~imposed by the department for failure to comply with benefit~~
24 ~~eligibility requirements, subsequent to which the family or~~
25 ~~adult recipient is again eligible for benefits. The department~~
26 ~~shall provide instead that a recipient family in which the adult~~
27 ~~recipient parents an additional child conceived during the adult~~
28 ~~recipient's period of eligibility for aid to families with~~
29 ~~dependent children benefits, or during a temporary penalty~~
30 ~~period of ineligibility for benefits, may receive additional~~

~~benefits only pursuant to subsection (c), except in the case of a general increase in the amount of aid to families with dependent children benefits which is provided to all program recipients and provide that any child support paid for the excluded child should be paid to the family for the benefit of the excluded child and should be disregarded in computing the amount of financial assistance which is available to the rest of the family.~~

~~(c) In the case of a family that receives aid to families with dependent children in which the adult recipient parents an additional child conceived during the period in which the family is eligible for aid to families with dependent children benefits, or during a temporary penalty period of ineligibility for benefits subsequent to which the family of the adult recipient again becomes eligible for benefits, the department, subject to Federal approval, shall, in addition to eliminating the increase in the benefit as provided in subsection (d), provide that in computing the amount of financial assistance which is available to the family that receives aid to families with dependent children, the monthly earned income disregard for each employed person in the family shall increase by an amount equal to that which the family would have otherwise received by parenting an additional child, adjusted for family size.~~

~~(f) Elimination of benefits under subsection (d) shall not apply to any child conceived as a result of rape or incest if the department:~~

~~(1) receives a non notarized, signed statement from the pregnant woman stating that she was a victim of rape or incest, as the case may be, and that she reported the crime, including the identity of the offender, if known, to a law enforcement~~

~~agency having the requisite jurisdiction or, in the case of incest where a pregnant minor is the victim, to the county child protective service agency and stating the name of the law enforcement agency or child protective service agency to which the report was made and the date such report was made;~~

~~(2) receives the signed statement of the pregnant woman which is described in this subsection. The statement shall bear the notice that any false statements made therein are punishable by law and shall state that the pregnant woman is aware that false reports to law enforcement authorities are punishable by law; and~~

~~(3) verifies with the law enforcement agency or child protective service agency named in the statement of the pregnant woman whether a report of rape or incest was filed with the agency in accordance with the statement.~~

~~The Commonwealth agency shall report any evidence of false statements or of fraud in the procurement or attempted procurement of any payment from Federal or State funds appropriated by the Commonwealth pursuant to this subsection to the district attorney of appropriate jurisdiction and, where appropriate, to the Attorney General.~~

Section 6. The act is amended by adding sections A SECTION to read:

~~Section 434.2. Assistance for Children Residing with Relatives Other than Their Natural Parents~~ PROHIBITION AGAINST DUPLICATE PAYMENTS AND EXPEDITED AUTHORIZATION.--In no case shall duplicate payments be made on behalf of an aid to families with dependent children or general assistance child.

~~Notwithstanding any provision of this act, children formerly in the custody of parents or other caregivers~~ A CHILD, A PARENT

1 OR OTHER CAREGIVER who are IS no longer exercising care and <—
2 control of the child, shall be eligible for expedited
3 authorization of cash assistance benefits.

4 Section 438. Electronic Benefit Transfer System. (a) The <—
5 department shall establish a Statewide electronic benefit
6 transfer system for the purpose of issuing food stamps, aid to
7 families with dependent children and general assistance
8 benefits.

9 (b) Food stamps, AFDC and general assistance benefits shall
10 be issued through point of sale terminals and automated teller
11 machines at locations throughout this Commonwealth with an
12 industry standard plastic access card.

13 (c) The department shall provide an annual report to the
14 General Assembly which shall include, but not be limited to, the
15 costs of implementing this section, a cost effectiveness
16 evaluation, the rate of fraud and any recommendations for
17 improving the program.

18 (d) The department shall promulgate rules and regulations to
19 administer and enforce this section, including, but not limited
20 to:

21 (1) provisions to ensure adequate access to the electronic
22 benefits transfer system to residents of rural, urban and
23 suburban areas;

24 (2) provisions to reduce the risk of fraud and theft of
25 benefits; and

26 (3) provisions to limit the liability of a recipient whose
27 access card is stolen and used to receive the recipient's
28 benefits.

29 SECTION 7. SECTION 442.1 OF THE ACT, AMENDED JUNE 16, 1994 <—
30 (P.L.319, NO.49), IS AMENDED TO READ:

SECTION 442.1. THE MEDICALLY NEEDY; DETERMINATION OF
ELIGIBILITY.--(A) A PERSON SHALL BE CONSIDERED MEDICALLY NEEDY
IF HE:

(1) RESIDES IN PENNSYLVANIA, REGARDLESS OF THE DURATION OF
HIS RESIDENCE OR HIS ABSENCE THEREFROM;

(2) MEETS THE STANDARDS OF FINANCIAL ELIGIBILITY ESTABLISHED
BY THE DEPARTMENT WITH THE APPROVAL OF THE GOVERNOR. IN
ESTABLISHING THESE STANDARDS THE DEPARTMENT SHALL TAKE INTO
ACCOUNT (I) THE FUNDS CERTIFIED BY THE BUDGET SECRETARY AS
AVAILABLE FOR MEDICAL ASSISTANCE FOR THE MEDICALLY NEEDY; (II)
PERTINENT FEDERAL LEGISLATION AND REGULATIONS; AND (III) THE
COST OF LIVING; AND

(3) IS TWENTY-ONE YEARS OF AGE OR OLDER AND RECEIVES OR IS
ELIGIBLE TO RECEIVE GENERAL ASSISTANCE BENEFITS.

(B) [TRANSITIONALLY NEEDY PERSONS] PERSONS WHO ARE NOT
ELIGIBLE FOR CASH ASSISTANCE BY REASON OF SECTION [432(3)(III)]
432(3)(I) SHALL BE CONSIDERED MEDICALLY NEEDY.

SECTION 8. SECTION 447 OF THE ACT, AMENDED JULY 31, 1968
(P.L.904, NO.273), IS AMENDED TO READ:

SECTION 447. RELATIVES' RESPONSIBILITY; REPAYMENT.--(A)
NOTWITHSTANDING ANY OTHER PROVISION OF LAW, NO REPAYMENT SHALL
BE REQUIRED OF ANY MEDICAL ASSISTANCE PAID IN BEHALF OF ANY
PERSON FOR WHICH HE WAS ELIGIBLE; AND, WITH RESPECT TO THE
DETERMINATION OF ELIGIBILITY FOR SUCH ASSISTANCE, NO RELATIVE,
OTHER THAN SPOUSES FOR EACH OTHER AND PARENTS FOR UNEMANCIPATED
MINOR CHILDREN, SHALL BE REQUIRED TO CONTRIBUTE TO THE COST OF
THE CARE FOR WHICH SUCH ASSISTANCE IS PROVIDED.

(B) PERSONS WHO APPLY FOR MEDICAL ASSISTANCE SHALL BE
REQUIRED TO COOPERATE WITH THE DEPARTMENT IN ESTABLISHING
PATERNITY AND PURSUING A MEDICAL SUPPORT ORDER.

SECTION 9. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

Section 481.1. Penalty for Failure to Appear at Criminal Court Proceeding.--Any person receiving any form of assistance under this article who fails, as a defendant, to appear at a criminal court proceeding when issued a summons shall be disqualified from receiving assistance until such time as that person complies with the summons. The court shall provide to the department listings of all defendants failing to appear in response to a summons. The department shall provide the listings to county boards of assistance.

~~Section 9. Article IV of the act is amended by adding a subarticle to read:~~

~~ARTICLE IV~~

~~PUBLIC ASSISTANCE~~

~~* * *~~

~~(n) Voucher Program~~

~~Section 494. Definitions. As used in this subarticle:~~

~~"Insurer" means:~~

~~(1) Any insurance company, association or reciprocal, nonprofit hospital plan corporation.~~

~~(2) A nonprofit professional health service plan.~~

~~(3) A health maintenance organization organized and regulated under the act of December 29, 1972 (P.L.1701, No.364), known as the "Health Maintenance Organization Act."~~

~~(4) A risk assuming preferred provider organization organized and regulated under the act of May 17, 1921 (P.L.682, No.284), known as "The Insurance Company Law of 1921."~~

~~(5) A preferred provider with a "health management gatekeeper" role for primary care physicians organized and regulated as a health services corporation or a preferred~~

~~provider organization subject to the provisions of section 630 of "The Insurance Company Law of 1921."~~

~~(6) A fraternal benefit society subject to the provisions of the act of December 14, 1992 (P.L.835, No.134), known as the "Fraternal Benefit Societies Code."~~

~~"Program" means a publicly financed voucher program providing access to privately delivered health insurance coverage for eligible medical assistance recipients.~~

~~Section 494.1. Voucher Program. (a) Following Federal approval where necessary, the department shall establish a three year demonstration voucher program within three geographic regions representing rural, suburban and urban populations to provide, in a cost effective manner, access to privately delivered health insurance coverage for residents of this Commonwealth who qualify for benefits under section 441.1, other than nursing facility care programs and the intermediate care facility programs for the mentally retarded and prescription drug benefits. All health care services shall, when available, be provided within the designated region.~~

~~(b) The department through a competitive bidding process in each region shall select three insurers for that region to participate in the pilot program.~~

~~Section 494.2. Issuance of Proof of Eligibility. If the department determines that a person meets the eligibility requirements set forth under section 441.1, the department shall issue that person proof of eligibility, which entitles the person to coverage under any health insurance or health care policy or contract, offered in accordance with this subarticle.~~

~~Section 494.3. Offering of Policies and Contracts. If coverage is issued to the individual, policyholder or contract~~

~~holder, the insurer shall submit the proof of eligibility and a request for reimbursement of premium to the department.~~

~~Section 494.4. Standards Applicable to the Policies and Contracts. The health insurance or health care policies and contracts for which insurers are eligible shall be provided in accordance with the following conditions:~~

~~(1) The cost of the policies and contracts shall not exceed ninety percent of the average fee for service reimbursement made on behalf of medical assistance recipients in that category of eligibility for inpatient and outpatient care. Prescriptions would continue to be covered under the present fee for service rebate system.~~

~~(2) The policies and contracts are not subject to any previous State mandatory benefits, except drug and alcohol services required under sections 2334 and 2335 of the act of April 9, 1929 (P.L.177, No.175), known as "The Administrative Code of 1929."~~

~~(3) Each policy and contract must include, but not be limited to, the following benefits:~~

~~(i) Inpatient/outpatient hospital services.~~

~~(ii) Rural health clinic services.~~

~~(iii) Laboratory and X ray services, including mammography.~~

~~(iv) Nurse practitioners' service.~~

~~(v) Home health services for individuals twenty one years of age and older.~~

~~(vi) Family planning services and supplies.~~

~~(vii) Physicians' services.~~

~~(viii) Nurse midwife services.~~

~~(ix) Thirty days' inpatient care coverage for mental health, mental retardation, substance abuse. Intermediate care coverage~~

~~may be substituted for inpatient care on a four days for each inpatient day basis.~~

~~(x) Coverage for prescription drugs, including all medically necessary childhood immunizations.~~

~~(xi) Prenatal care coverage, including early and periodic screening, diagnosis and treatment services, limited to individuals twenty years of age and younger.~~

~~(4) Every effort shall be made to include the following benefits:~~

~~(i) Visits to:~~

~~(A) A chiropractor's office.~~

~~(B) A podiatrist's office.~~

~~(C) An optometrist's office.~~

~~(ii) Dental services, limited to surgical procedures and emergency services, including medically necessary palliative treatment, and diagnostics, restorations, or extractions related to the need for palliative treatment.~~

~~(iii) Ambulance services, limited to medically necessary emergency transportation.~~

~~(5) The insurer shall not impose any waiting period for benefits, or otherwise reduce or restrict benefits, for any claim that is the result of a high risk condition.~~

~~(6) The insurer shall refund to the insured a portion of the premium for coverage of an eligible person if the person locates any item or service, which item or service was not received by or rendered to the person. Every insurer that agrees to participate shall document that it has a utilization review process and a claims audit process whereby a patient may challenge a questionable item or service. The insurance company would be allowed to collect this amount from the health care~~

1 ~~provider.~~

2 ~~Section 494.5. Reimbursement of Insurers. Within thirty~~
3 ~~days after receipt of a valid proof of eligibility and request~~
4 ~~for reimbursement from an insurer, the department shall issue~~
5 ~~payment to the insurer in the amount of the premium.~~

6 ~~Section 494.6. Duties of Department. The department shall:~~

7 ~~(1) Administer and implement the program.~~

8 ~~(2) Monitor the operation of the program.~~

9 ~~(3) Disseminate to the insurer and to the public information~~
10 ~~concerning the program and the persons eligible to receive~~
11 ~~benefits under the program.~~

12 ~~(4) Implement a system to provide information and guidance~~
13 ~~to all persons eligible under the program relative to the~~
14 ~~program's procedures and the selection of the most appropriate~~
15 ~~benefits under a health insurance or health care policy or~~
16 ~~contract.~~

17 ~~(5) Implement a system whereby a portion of the premium for~~
18 ~~coverage of an eligible person shall be refunded by the insurer~~
19 ~~to the person if the person locates any item or service, which~~
20 ~~item or service was not received by or rendered to the person.~~
21 ~~The insurer shall be allowed to collect this amount from the~~
22 ~~health care provider.~~

23 ~~(6) Continuously evaluate the program. The department shall~~
24 ~~be required to contract for and complete an analysis of the~~
25 ~~pilot program, measuring its delivery of, access to and~~
26 ~~availability of quality health care in a cost effective manner.~~
27 ~~A report on the evaluation shall be submitted to the Governor~~
28 ~~and the General Assembly detailing the findings and~~
29 ~~recommendations of the evaluation at the close of the three year~~
30 ~~program. The report shall include, but not be limited to, the~~

1 ~~following:~~

2 ~~(i) Cost effectiveness of the pilot project as compared to~~
3 ~~the current medical assistance program for both cost of care and~~
4 ~~administration.~~

5 ~~(ii) Improvement in access to and availability of the health~~
6 ~~care delivery system.~~

7 ~~(iii) Maintenance of or improvement of the standard of~~
8 ~~quality care delivered to this population.~~

9 ~~Section 494.7. Employer Buy in. Employers who hire current~~
10 ~~medical assistance voucher recipients shall be permitted to~~
11 ~~provide health care coverage for the employee by buying into the~~
12 ~~remaining term of the medical assistance recipient's health~~
13 ~~plan. The amount of the plan would be prorated for the number of~~
14 ~~days remaining in the current year of coverage.~~

15 ~~Section 494.8. Employer Responsibility. If an employer~~
16 ~~offers health care coverage to employees, the employer shall~~
17 ~~extend coverage to, or continue coverage of, an employee or an~~
18 ~~employee's dependents who are eligible to receive benefits~~
19 ~~provided under this subarticle.~~

20 ~~Section 494.9. Rules and Regulations. The department shall~~
21 ~~promulgate rules and regulations to carry out this subarticle.~~
22 ~~These shall include, but not be limited to, provisions relating~~
23 ~~to the development of the program, procedures for determining~~
24 ~~eligibility under the program, the specific geographic regions~~
25 ~~chosen, issuance of proof of eligibility, determinations of~~
26 ~~reimbursable premium amount and procedures for the reimbursement~~
27 ~~of insurers. These regulations shall be promulgated within six~~
28 ~~months of the enactment of this legislation.~~

29 ~~Section 494.10. Confidentiality of Medical Information. All~~
30 ~~information pertaining to an individual's medical care shall be~~

~~confidential, except the department shall have access to~~
~~information necessary to carry out its duties.~~ COOPERATE WITH
THE DEPARTMENT IN THE IMPLEMENTATION OF THIS SECTION.

SECTION 10. SECTIONS 491(B) AND 1412 OF THE ACT, AMENDED OR
ADDED JUNE 16, 1994 (P.L.319, NO.49), ARE AMENDED TO READ:

SECTION 491. EMPLOYMENT INCENTIVE PAYMENTS.--* * *

(B) AN EMPLOYMENT INCENTIVE PAYMENT MAY BE CLAIMED BY AN
EMPLOYER WHO HIRES ANY PERSON WHO IS RECEIVING AID TO FAMILIES
WITH DEPENDENT CHILDREN OR WHO IS [CLASSIFIED AS CHRONICALLY OR
TRANSITIONALLY NEEDY] RECEIVING GENERAL ASSISTANCE AT THE TIME
OF EMPLOYMENT EXCEPT THAT PAYMENTS SHALL NOT BE PROVIDED FOR:

(1) THE EMPLOYMENT OF ANY PERSON WHO DISPLACES ANY OTHER
INDIVIDUAL FROM EMPLOYMENT, EXCEPT PERSONS DISCHARGED FOR CAUSE
AS CERTIFIED BY THE OFFICE OF EMPLOYMENT SECURITY.

(2) THE EMPLOYMENT OF ANY PERSON CLOSELY RELATED, AS DEFINED
BY PARAGRAPHS (1) THROUGH (8) OF SECTION 152(A) OF THE INTERNAL
REVENUE CODE, TO THE TAXPAYER, OR, IF THE TAXPAYER IS A
CORPORATION, TO AN INDIVIDUAL WHO OWNS, DIRECTLY OR INDIRECTLY
MORE THAN FIFTY PERCENT OF THE OUTSTANDING STOCK OF THE
CORPORATION, BANK, SAVINGS INSTITUTION, COMPANY, INSURANCE
COMPANY, OR MUTUAL THRIFT INSTITUTION.

(3) THE EMPLOYMENT OF AN INDIVIDUAL FOR WHOM THE EMPLOYER IS
SIMULTANEOUSLY RECEIVING FEDERALLY OR STATE FUNDED JOB TRAINING
PAYMENTS.

* * *

SECTION 1412. REPAYMENT FROM PROBATE ESTATES.--(A)
NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT OR ANY OTHER
LAW, THE DEPARTMENT SHALL ESTABLISH AND IMPLEMENT AN ESTATE
RECOVERY PROGRAM TO RECOVER MEDICAL ASSISTANCE PAID WITH RESPECT
TO INDIVIDUALS WHO WERE FIFTY-FIVE YEARS OF AGE OR OLDER AT THE

1 TIME THAT ASSISTANCE WAS RECEIVED. UNDER THIS PROGRAM, THE
2 DEPARTMENT SHALL RECOVER FROM THE PROBATE ESTATE OF AN
3 INDIVIDUAL THE AMOUNT OF MEDICAL ASSISTANCE PAID FOR ALL NURSING
4 FACILITY SERVICES, HOME- AND COMMUNITY-BASED SERVICES AND
5 RELATED HOSPITAL AND PRESCRIPTION DRUG SERVICES. WITH THE
6 APPROVAL OF THE GOVERNOR, THE DEPARTMENT MAY EXPAND THE ESTATE
7 RECOVERY PROGRAM BY REGULATION TO INCLUDE MEDICAL ASSISTANCE FOR
8 SERVICES OTHER THAN THOSE LISTED IN THIS SECTION AND TO RECOVER
9 AGAINST OTHER REAL AND PERSONAL PROPERTY IN WHICH AN INDIVIDUAL
10 HAD ANY LEGAL TITLE OR INTEREST AT THE TIME OF DEATH. THE
11 DEPARTMENT'S CLAIM SHALL HAVE THE PRIORITY OF A DEBT DUE THE
12 COMMONWEALTH. [IF PROPERTY SUBJECT TO THE DEPARTMENT'S CLAIM IS
13 TRANSFERRED WITHOUT THE DEPARTMENT'S CLAIM BEING SATISFIED, THEN
14 THE EXECUTOR OR ADMINISTRATOR TRANSFERRING SUCH PROPERTY, IF
15 APPLICABLE, AND THE PERSON RECEIVING SUCH PROPERTY SHALL BECOME
16 LIABLE TO PAY THE DEPARTMENT'S CLAIM.]

17 (A.1) LIABILITY FOR DEBT SHALL BE AS FOLLOWS:

18 (1) IF PROPERTY SUBJECT TO THE DEPARTMENT'S CLAIM IS
19 TRANSFERRED WITHOUT THE DEPARTMENT'S CLAIM BEING SATISFIED, THEN
20 THE EXECUTOR OR ADMINISTRATOR TRANSFERRING SUCH PROPERTY, IF
21 THERE IS ONE, SHALL BECOME LIABLE TO PAY THE DEPARTMENT'S CLAIM.

22 (2) IF PROPERTY SUBJECT TO THE DEPARTMENT'S CLAIM IS
23 TRANSFERRED TO THE EXTENT THAT THE TRANSFER IS MADE WITHOUT
24 VALUABLE AND ADEQUATE CONSIDERATION IN MONEY OR SOMETHING WORTH
25 MONEY AT THE TIME OF THE TRANSFER AND WITHOUT THE DEPARTMENT'S
26 CLAIM BEING SATISFIED, THEN THE EXECUTOR OR ADMINISTRATOR
27 TRANSFERRING SUCH PROPERTY, IF THERE IS ONE, AND THE PERSON
28 RECEIVING SUCH PROPERTY SHALL BECOME LIABLE TO PAY THE
29 DEPARTMENT'S CLAIM.

30 (B) THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF A

1 DECEDENT WHO ATTAINED FIFTY-FIVE YEARS OF AGE SHALL ASCERTAIN
2 WHETHER THE DECEDENT RECEIVED MEDICAL ASSISTANCE DURING THE FIVE
3 YEARS PRECEDING DEATH AND, IF SO, SHALL GIVE NOTICE TO THE
4 DEPARTMENT TO SECURE FROM THE DEPARTMENT A STATEMENT OF THE
5 DEPARTMENT'S CLAIM FOR MEDICAL ASSISTANCE CONSISTENT WITH 20
6 PA.C.S. § 3392(3) AND (6) (RELATING TO CLASSIFICATION AND ORDER
7 OF PAYMENT). THE DEPARTMENT MUST SUBMIT ITS CLAIM TO THE
8 EXECUTOR OR ADMINISTRATOR WITHIN [THIRTY] FORTY-FIVE DAYS OF
9 RECEIPT OF NOTICE OR THE CLAIM SHALL BE FORFEITED.

10 (C) THIS SECTION SHALL APPLY NOTWITHSTANDING THE PROVISIONS
11 OF SECTION 447.

12 Section ~~10~~ 11. Within 90 days of the effective date of this <—
13 ~~act~~ SECTION, the Department of Public Welfare shall submit to <—
14 the appropriate Federal agency a request for any and all waivers
15 of Federal law and regulations and for any other approvals by
16 the Federal Government necessary for the implementation of the
17 programs added by this act. It shall be the obligation of the
18 Department of Public Welfare to enter into good faith
19 negotiations with the appropriate Federal authorities and to
20 make every effort to obtain the necessary Federal waivers and
21 approvals.

22 ~~Section 11. The Department of Public Welfare shall apply to~~ <—
23 ~~the Federal Government for a waiver to ensure that persons who~~
24 ~~are unemployed are not forced to liquidate any pension funds~~
25 ~~which they may have already acquired and to which they are~~
26 ~~otherwise entitled before receiving benefits under this act,~~
27 ~~including, but not limited to, food stamps, welfare payments,~~
28 ~~Medicaid and Supplemental Security Income (SSI) payments.~~

29 SECTION 12. IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT <—
30 THE DEPARTMENT OF PUBLIC WELFARE PROMULGATE FINAL-FORM

1 REGULATIONS WHICH OMIT NOTICE OF PROPOSED RULEMAKING FOR THE
2 PURPOSE OF REVISING REGULATIONS IMPLEMENTING SECTIONS 443.1,
3 443.3 AND 443.4 OF THE ACT. THESE REGULATIONS SHALL BE SUBMITTED
4 BEFORE SEPTEMBER 1, 1995. THIS SECTION SHALL EXPIRE SEPTEMBER 1,
5 1995.

6 Section ~~12~~ 13. All references in ~~this~~ THE act to the <—
7 Community Work Program shall be deemed to be references to the
8 Workfare Program.

9 ~~Section 13. This act shall take effect as follows:~~ <—

10 ~~(1) The amendment of section 432.12 of the act shall~~
11 ~~take effect in ten months.~~

12 ~~(2) The remainder of this act shall take effect in 60~~
13 ~~days.~~

14 SECTION 14. THIS ACT SHALL TAKE EFFECT AS FOLLOWS: <—

15 (1) THE ADDITION OF SECTION 432(3)(IV) OF THE ACT SHALL
16 TAKE EFFECT JULY 1, 1995, OR IMMEDIATELY, WHICHEVER IS LATER.

17 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
18 IMMEDIATELY.