

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1936 Session of
1991

INTRODUCED BY SAURMAN, COLAIZZO, HECKLER, E. Z. TAYLOR, TIGUE,
TRELLO AND CIVERA, JULY 24, 1991

REFERRED TO COMMITTEE ON HEALTH AND WELFARE, JULY 24, 1991

AN ACT

1 Establishing the Medical Procedures Emergency Relief Committee;
2 empowering the committee to perform certain powers and
3 duties; and establishing the Uncompensated Medical Care Fund.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the Medical
8 Procedures Emergency Relief Act.

9 Section 2. Legislative findings and intent.

10 (a) Findings.--Access to affordable health care has become a
11 critical problem for a significant number of this Commonwealth's
12 citizenry. An estimated 35 million Americans under age 65 or 17%
13 of that population in the United States have no health
14 insurance.

15 (b) Intent.--The intent of this act is to assure access to
16 necessary medical care and organ transplants by establishing a
17 Medical Procedures Emergency Relief Fund.

18 Section 3. Definitions.

1 The following words and phrases when used in this act shall
2 have the meanings given to them in this section unless the
3 context clearly indicates otherwise:

4 "Charge." The amount to be billed by a hospital for specific
5 goods or services provided to a patient.

6 "Committee." The Pennsylvania Medical Procedures Emergency
7 Relief Committee.

8 "Department." The Department of Health of the Commonwealth.

9 "Fund." The Medical Procedures Emergency Relief Fund
10 established under this act.

11 "Hospital." An institution licensed in this Commonwealth
12 which is primarily engaged in providing to inpatients, by or
13 under the supervision of physicians, diagnostic services and
14 therapeutic services for medical diagnoses, treatment and care
15 for injured, disabled or sick persons or rehabilitation services
16 for such persons. The term includes psychiatric hospitals.

17 "Medically indigent." The status of a person who has limited
18 or no health insurance benefits and who is ineligible for
19 medical assistance under the act of June 13, 1967 (P.L.31,
20 No.21), known as the Public Welfare Code, whose medical expenses
21 exceed 20% of the person's own income or family's annual income.

22 "Secretary." The Secretary of Health of the Commonwealth.

23 "Uncompensated care." Any uncollected charges, reduced to
24 actual allowable costs, associated with the provision of free
25 care, delivered to persons deemed medically indigent.

26 Section 4. Medical Procedures Emergency Relief Committee.

27 (a) Establishment.--The General Assembly hereby establishes
28 the Medical Procedures Emergency Relief Committee in the
29 department to ensure that necessary hospital care is available
30 to all citizens in this Commonwealth.

1 (b) Composition.--The committee shall consist of 15 members.
2 The Speaker of the House of Representatives and the Minority
3 Leader of the House of Representatives shall each appoint one
4 representative of the business and industry community and one
5 consumer representative. The Speaker shall appoint one hospital
6 administrator; the Minority Leader of the House of
7 Representatives shall appoint one nurse. The President pro
8 tempore of the Senate and the Minority Leader of the Senate
9 shall each appoint one representative of organized labor. The
10 President pro tempore of the Senate shall appoint one hospital
11 administrator and one nurse. The Minority Leader of the Senate
12 shall appoint one physician and one representative of the health
13 insurance industry. All appointees shall serve a three-year term
14 except that the first appointees shall draw lots staggering
15 their terms. The Secretaries of Health and Welfare and the
16 Insurance Commissioner shall each serve as voting members of the
17 committee during their term of office.

18 (c) Organization.--Within 30 days following the appointment
19 of the committee, the Secretary of Health shall convene an
20 organization meeting of the committee. A quorum shall be a
21 majority of the members of the committee. A chairman and other
22 officers deemed necessary by the committee shall be elected by
23 the committee.

24 (d) Meetings.--The committee shall meet at least quarterly.

25 (e) Staff.--The department shall provide staff and services
26 necessary to carry out the business of the committee subject to
27 annual appropriations from the General Assembly.

28 Section 5. Powers and duties of committee.

29 The committee shall have the following powers and duties:

30 (1) Establish, operate and monitor the fund.

1 (2) Audit information submitted by hospitals on
2 uncompensated care provided and eligibility of medically
3 indigent persons for financial assistance.

4 (3) Establish guidelines and approve credit and
5 collection policies of hospitals applying for compensation
6 from the fund.

7 Section 6. Uncompensated medical care.

8 (a) Fund.--An Uncompensated Medical Care Fund is established
9 to insure that medically indigent persons who are not eligible
10 for medical assistance under the act of June 13, 1967 (P.L.31,
11 No.21), known as the Public Welfare Code, have reasonable access
12 to necessary inpatient hospital care and organ transplants.

13 (b) Funding.--In addition to the tax imposed by section
14 302.2 of the act of March 4, 1971 (P.L.6, No.2), known as the
15 Tax Reform Code of 1971, there shall be imposed an additional \$2
16 surcharge applied to each taxpayer filing a personal income tax
17 form. The surcharge shall be collected by the Department of
18 Revenue. The money collected shall be deposited in the
19 Uncompensated Medical Care Fund. Moneys in the fund shall be
20 held in a separate account in the State Treasury. All moneys
21 collected and any interest earned shall be available to the
22 department to pay for uncompensated care pursuant to the
23 provisions of this act.

24 (c) Administration.--The committee shall administer the
25 fund, and all moneys in the fund are hereby appropriated to the
26 committee on a continuing basis to carry out the purposes of
27 this section. The committee may contract with a qualified vendor
28 or other governmental agency to administer the fund.

29 (d) Distribution.--The committee shall equitably distribute
30 the fund to provide financial relief to hospitals that provide

1 uncompensated health care to medically indigent persons. The
2 committee shall review the hospital's total financial resources
3 when reviewing an application for relief from the fund,
4 including the resources of affiliated or related corporations
5 and endowment or other trust funds.

6 (e) Eligibility.--Any hospital applying for distribution
7 from the fund shall be required to file and comply with a credit
8 and collection policy that is acceptable to the committee. The
9 hospital must also provide appropriate certification that it has
10 met all obligations under the Hospital Survey and Construction
11 Act (60 Stat. 1040).

12 (f) Determination of eligibility.--The hospital shall be
13 responsible for determination and verification of eligibility of
14 each recipient of care. The hospital shall use and enforce an
15 ability-to-pay scale currently approved by the committee or a
16 copayment schedule currently approved by the committee before
17 applying for reimbursement pursuant to this act.

18 (g) Deadline.--By July 1, 1992, relative reimbursement to
19 hospitals shall reflect inpatient hospital services rendered to
20 the medically indigent.

21 (h) Limit on reimbursements.--Reimbursements to hospitals
22 shall be limited to the aggregate level of funding which will be
23 available from the fund for the care of the medically indigent.
24 Hospitals shall be reimbursed at a level not to exceed costs as
25 determined by Medicare and Medicaid cost reports. Medically
26 indigent patients shall be required to pay the hospital actual
27 costs of care up to 20% of the patient's family income. The fund
28 shall not pay for the patient's responsibility. The hospital
29 shall establish a reasonable payment schedule for the patient or
30 family.

1 (i) Application for indigency determination.--Every hospital
2 shall require that a medically indigent person who is to be
3 considered eligible for assistance under this act shall submit a
4 signed application therefor to the hospital.

5 (j) Authorization by applicant.--By signing the application,
6 the medically indigent person specifically authorizes the
7 committee to obtain records pertaining to eligibility from a
8 financial institution, or from any insurance company, or from
9 any wage and employment data available from the Department of
10 Labor and Industry.

11 (k) Penalty for nonuse of alternative services.--The
12 department shall not reimburse inpatient services which can be
13 performed less expensively in an accessible outpatient setting.

14 (l) Certain persons noneligible.--Hospital services to a
15 person who is employed but does not choose to participate in a
16 group medical insurance plan offered through his or her place of
17 employment shall not be eligible for reimbursement pursuant to
18 this act.

19 (m) Priority of payment sources.--All other means of payment
20 shall be exhausted before funds are utilized for reimbursement
21 under this act. The fund shall be the payor of last resort.

22 (n) Rulemaking.--The committee shall promulgate such rules
23 and regulations as are necessary to administer the program.

24 Section 7. Expiration.

25 This act shall expire six years from its effective date
26 unless extended by statute.

27 Section 8. Effective date.

28 This act shall take effect in 60 days.