
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2046 Session of
1986

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JANUARY 27, 1986

REFERRED TO COMMITTEE ON HEALTH AND WELFARE, JANUARY 27, 1986

AN ACT

1 Providing primary health care for low-income purchasers;
2 establishing standards; imposing requirements upon the
3 Department of Health; providing for fees; and establishing
4 community health care centers.

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

7 Section 1. Short title.

8 This act shall be known and may be cited as the Family Health
9 Protection Act.

10 Section 2. Legislative findings and statement of purpose.

11 (a) Findings.--The General Assembly finds that a health care
12 crisis exists in this Commonwealth. A substantial percentage of
13 the population has either very limited health insurance or no
14 health insurance at all. Many of these uninsured and
15 underinsured people lack sufficient means to purchase private
16 health insurance or pay for their health care directly but are
17 above the very low-income guidelines for medical assistance.

1 This lack of basic health care coverage is detrimental to the
2 health of the uninsured and their families, as this lack of
3 coverage causes many people to postpone needed treatment until
4 their condition becomes critical. At that stage, emergency room
5 care and hospitalization is often required. This results in
6 substantial bills for emergency and inpatient hospital care
7 which the uninsured person cannot afford to pay. The costs of
8 this care are ultimately borne by all purchasers of health care,
9 including private businesses, the Commonwealth and the general
10 public, through higher health insurance premiums and increased
11 expenditures under the medical assistance program. The General
12 Assembly further finds that the provision of high quality
13 primary care for the uninsured and underinsured can
14 substantially assist in limiting the growth in the cost of
15 health care in this Commonwealth by helping the uninsured and
16 underinsured to maintain their health without costly emergency
17 room and inpatient hospital care. Therefore, the General
18 Assembly finds that it is in the interests of all citizens of
19 this Commonwealth to establish a Statewide health care delivery
20 system which will provide free or below cost high quality
21 primary care for individuals and families who are unable to
22 afford basic health care.

23 (b) Purposes.--

24 (1) It is a purpose of this act to expand eligibility
25 for medical assistance benefits to enable more uninsured and
26 underinsured persons to qualify for and procure an additional
27 source for payment of medical bills.

28 (2) It is a purpose of this act to eliminate the need
29 for a large preadmission deposit as a condition of the
30 admission of or provision of services to a person in need of

1 hospital care by expanding medical assistance benefits
2 eligibility.

3 Section 3. Definitions.

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

7 "Community health center." An entity which, either through
8 its staff and supporting resources or through contracts or
9 cooperative arrangements with other public or private entities,
10 provides the following:

11 (1) Primary health services.

12 (2) Information on the availability and proper use of
13 health services for all residents of the area it serves,
14 referred to in this act as catchment area.

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

16 "Federal poverty income guidelines." The poverty income
17 guidelines set by the United States Department of Health and
18 Human Services and published in the Federal Register.

19 "Primary health services." Any of the following:

20 (1) Diagnostic, treatment, consultative, referral and
21 other services rendered by physicians and, where feasible, by
22 physician extenders, such as physicians' assistants, nurse
23 midwives, nurse clinicians and nurse practitioners.

24 (2) Diagnostic laboratory services and diagnostic
25 radiologic services.

26 (3) Preventive health services, including medical social
27 services, nutritional assessment and referral, preventive
28 health education, children's eye and ear examinations,
29 prenatal and post partum care, prenatal services, well child
30 care (including periodic screening), immunizations and

1 voluntary family planning services.

2 (4) Emergency medical services, including provision,
3 through clearly defined arrangements, for access of users of
4 the center to health care for medical emergencies during and
5 after the center's regularly scheduled hours.

6 (5) Transportation services as needed for adequate
7 patient care, sufficient so that residents of the catchment
8 area served by the center who have special difficulties of
9 access to services provided by the center will receive such
10 services.

11 (6) Preventive dental services provided by a licensed
12 dentist or other qualified personnel, including:

13 (i) Oral hygiene instruction.

14 (ii) Oral prophylaxis, as necessary.

15 (iii) Topical application of fluorides and the
16 prescription of fluorides for systemic use when not
17 available in the community water supply.

18 (7) Vision services, including routine eye and vision
19 examinations and provision of eyeglasses, as appropriate and
20 feasible.

21 (8) Pharmaceutical services, including the provision of
22 prescription drugs.

23 Section 4. Solicitation of proposals.

24 (a) Proposals.--Within 90 days from the effective date of
25 this act, the department shall solicit proposals for community
26 health centers to provide primary health services in localities
27 of this Commonwealth.

28 (b) Form.--The proposals shall be submitted in such form and
29 manner as the department may prescribe.

30 Section 5. Criteria for selection.

1 (a) Selection.--Within 120 days from the date set by the
2 department as the deadline for proposals to be submitted for the
3 first year of funding under this act, which deadline shall be no
4 more than 90 days after the solicitation of proposals, the
5 department shall select the proposals to be funded and enter
6 into contracts based upon those proposals.

7 (b) Priority.--In selecting proposals, the department shall
8 give first priority to geographic areas where there are
9 significant numbers of uninsured or underinsured persons who do
10 not have ready access to free or reduced fee primary care
11 services.

12 (c) Preference.--In determining priority of funding for
13 competing proposals for the same geographic area which
14 satisfactorily meet the criteria set forth in subsection (d),
15 the department shall give preference to proposals from the
16 following entities and in the following order:

17 (1) Already existing community health centers in or
18 adjacent to the geographic area where services are to be
19 provided, funded in whole or in part through the Community
20 Health Centers Act (42 U.S.C. § 254c), local governments, the
21 Appalachian Regional Commission, the Community Action Program
22 or the Department of Community Affairs, or under this act
23 after initial grants hereunder are made, provided that all
24 funds granted under this section are used to increase the
25 amount or scope of services provided by such centers.

26 (2) State acute care hospitals.

27 (3) General acute care hospitals which are tax exempt
28 under section 501(c)(3) of the Internal Revenue Code of 1954
29 (68A Stat.3, 26, U.S.C. § 501(c)(3)).

30 (4) Health Maintenance Organizations which are federally

1 qualified and comply with 42 U.S.C. § 1396b(m)(1) and
2 (m)(2)(A).

3 (5) Any other public or nonprofit entity.

4 (d) Application approval.--The department may not approve an
5 application for a grant unless the secretary determines that the
6 entity for which the application is submitted is a community
7 health center within the meaning of section 3, and that:

8 (1) The primary health services of the center will be
9 available and accessible to all persons in the center's
10 catchment area promptly, as appropriate, and in a manner
11 which assures continuity.

12 (2) The center will have organizational arrangements,
13 established in accordance with regulations prescribed by the
14 secretary, for:

15 (i) An ongoing quality assurance program, including
16 utilization and peer review systems, respecting the
17 center's services.

18 (ii) Maintaining the confidentiality of patient
19 records.

20 (3) The center will demonstrate its financial
21 responsibility by the use of such accounting procedures and
22 other requirements as may be prescribed by the department.

23 (4) The center:

24 (i) has or will have a contractual or other
25 arrangement, with the agency of the Commonwealth in which
26 it provides services, which administers or supervises the
27 administration of the State plan approved under Title XIX
28 of the Social Security Act (Public Law 74-271, 42 U.S.C.
29 § 301 et seq.) for the payment of all or a part of the
30 center's costs in providing health services to persons

1 who are eligible for medical assistance under such State
2 plan; or

3 (ii) has made or will make every reasonable effort
4 to enter into such an arrangement.

5 (5) The center has made or will make and will continue
6 to make every reasonable effort to collect appropriate
7 reimbursement for its costs in providing health services to
8 persons who are entitled to insurance benefits under Title
9 XVIII of the Social Security Act, to medical assistance under
10 a State plan approved under Title XIX of such act, or to
11 assistance for medical expenses under any other public
12 assistance program or private health insurance program.

13 (6) The center:

14 (i) Has prepared a schedule of fees or payments for
15 the provision of its services designed to cover its
16 reasonable costs of operation and a corresponding
17 schedule of discounts to be applied to the payment of
18 such fees or payments, which discounts are adjusted on
19 the basis of the patients's ability to pay.

20 (ii) Has made and will continue to make every
21 reasonable effort to collect reimbursement for health
22 services to persons described in paragraph (5) on the
23 basis of the full amount of fees and payments for such
24 services, without application of any discount.

25 (iii) Has submitted to the department such reports
26 as it may require to determine compliance with this
27 paragraph.

28 (7) The center has established a governing board which:

29 (i) Is composed of individuals, a majority of whom
30 are being served by the center and who, as a group,

1 represent the individuals being served by the center.

2 (ii) Meets at least once a month, selects the
3 services to be provided by the center, schedules the
4 hours during which such services will be provided,
5 approves the center's annual budget, approves the
6 selection of a director for the center, and, except in
7 the case of a governing board of a public center,
8 establishes general policies for the center.

9 (8) If the application is for a second or subsequent
10 grant for a public center, the governing board has approved
11 the application or, if the governing board has not approved
12 the application, the failure of the governing board to
13 approve the application was unreasonable. For purposes of
14 this paragraph, the term "public center" means a community
15 health center funded, or to be funded, through a grant under
16 this section to a public agency.

17 (9) The center has developed, in accordance with
18 regulations of the department:

19 (i) An overall plan and budget.

20 (ii) An effective procedure for compiling and
21 reporting to the department such statistics and other
22 information as the department may require relating to:

23 (A) The costs of its operations.

24 (B) The patterns of use of its services.

25 (C) The availability, accessibility and
26 acceptability of its services.

27 (D) Such other matters relating to operations of
28 the applicant as the department may, by regulation,
29 require.

30 (10) The center will review its catchment area

1 periodically to:

2 (i) Insure that the size of such area is such that
3 the services to be provided through the center, including
4 any satellite, are available and accessible to the
5 residents of the area promptly and as appropriate.

6 (ii) Insure that the boundaries of such area
7 eliminate, to the extent possible, barriers to access to
8 the services of the center, including barriers resulting
9 from the area's physical characteristics, its residential
10 patterns, its economic and social groupings, and
11 available transportation.

12 (11) In the case of a center which serves a population,
13 including a substantial proportion of individuals of limited
14 English-speaking ability, the center has:

15 (i) Developed a plan and made arrangements
16 responsive to the needs of such population for providing
17 services, to the extent practicable, in the language and
18 cultural context most appropriate to such individuals.

19 (ii) Identified an individual on its staff who is
20 fluent in both that language and in English and whose
21 responsibilities shall include providing guidance to such
22 individuals and to appropriate staff members with respect
23 to cultural sensitivities and bridging linguistic and
24 cultural differences.

25 (12) The center, in accordance with regulations
26 prescribed by the department, has developed an ongoing
27 referral relationship with one or more hospitals to make
28 necessary inpatient care available to all patients of the
29 center.

30 (e) Additional proposal.--After the initial solicitation of

1 proposals under this act, the department will solicit and accept
2 additional proposals, at least once each fiscal year, for new or
3 expanded community health centers.

4 (f) Regulations.--The department shall promulgate
5 regulations governing refunding or termination of funding to
6 community health centers funded under this act.

7 (g) Technical assistance.--The department shall encourage
8 and provide technical assistance to entities which are
9 considering submitting proposals under this section.

10 Section 6. Quality assurance.

11 (a) Monitoring of quality and availability.--The department
12 shall designate the staff to monitor the quality and
13 availability of care provided by all community health centers.
14 The department shall set up a toll-free telephone number for the
15 use of persons in making complaints about quality or
16 availability of care provided by a community health care center.
17 The toll-free number shall be staffed by the persons designated
18 by the department to monitor the quality and availability of
19 care. A log shall be kept of all complaints and the resolution
20 thereof. This log, arranged by a community health center, shall
21 be provided every June to the Public Health and Welfare
22 Committee of the Senate and to the Health and Welfare Committee
23 of the House of Representatives, with names of complainants
24 removed for confidentiality purposes. Sixty days after
25 submission to the House and Senate, this log shall be released
26 to the general public.

27 (b) Grievance procedure.--Every community health center
28 shall have a written grievance procedure for persons seeking or
29 receiving services under this act.

30 (c) Notices.--Every community health center shall post signs

1 in a conspicuous place in the waiting room setting out the
2 department's toll-free telephone number and the purpose for that
3 number. Every community health center shall also be required to
4 post signs in a conspicuous place in the waiting room outlining
5 the center's grievance procedures.

6 (d) Grievance to Department of Health.--Every community
7 health center shall be required, on a yearly basis, to send a
8 copy of all grievances filed with it to the department, along
9 with a summary of the resolution of each grievance. Every person
10 who files a grievance shall be informed by the community health
11 center of his right to file a complaint with the department if
12 such grievance is not resolved to the person's satisfaction.

13 (e) Data.--Every community health center shall submit to the
14 department such data as the department deems useful in allowing
15 it to monitor the quality and availability of care.

16 Section 7. Sanctions against providers.

17 (a) Contract cancellation.--Contracts shall be for a 12-
18 month duration but may be canceled by the department, upon 30
19 days' written notice, for failure of the community health center
20 to comply with the terms of the contract, the original proposal,
21 departmental regulations or any State or Federal statute or
22 regulation applicable to the center.

23 (b) Withholding of payments.--The department shall have the
24 right to withhold or deny payments for services rendered by
25 community health centers or rendered under contract with
26 community health centers which were not of high quality or were
27 not appropriate for the disease or condition being treated.

28 Section 8. Fees for care.

29 With respect to care provided with funds appropriated under
30 this act, each community health center shall:

1 (1) Have prepared a schedule of fees or payments for the
2 provision of its services designed to cover its reasonable
3 costs of operation and a corresponding schedule of discounts,
4 adjusted on the basis of the patient's ability to pay. The
5 schedule of discounts shall provide for full discount to
6 individuals and families with annual incomes at or below
7 those set forth in the most recent Federal Poverty Income
8 Guidelines and for no discount to individuals and families
9 with annual incomes greater than twice those set forth in
10 such guidelines, except that nominal fees for services may be
11 collected from individuals with annual incomes at or below
12 such levels where imposition of such fees is consistent with
13 project goals.

14 (2) Operate in a manner so that no person shall be
15 denied service by reason of his inability to pay therefor,
16 provided that a charge for the provision of services will be
17 made to the extent that a third party, including a government
18 agency, is authorized or is under legal obligation to pay
19 such charges.

20 Section 9. Notice of availability of free or below cost care.

21 (a) Eligibility identification; Department of Labor and
22 Industry.--The Office of Employment Security in the Department
23 of Labor and Industry, shall distribute to every individual
24 applying for compensation under the act of December 5, 1936 (2nd
25 Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment
26 Compensation Law, a wallet-sized card and a flier explaining
27 that the individual and his immediate family may be eligible for
28 free or below cost primary health care from community health
29 centers. The flier shall list the addresses and phone numbers of
30 at least three community health centers which are closest to the

1 individual's home and of other providers of free or below cost
2 care and health-related services, such as Maternal and Infant
3 Care or the Women, Infants and Children Program.

4 (b) Eligibility identification; Department of Public
5 Welfare.--The Department of Public Welfare shall provide a
6 wallet-sized card and a flier to all persons found ineligible
7 for benefits under Title XIX of the Social Security Act (Public
8 Law 74-271, 42 U.S.C. § 301 et seq.), explaining that the
9 individual and his immediate family may be eligible for free or
10 below cost primary health care from community mental health
11 centers. The flier shall list the addresses and phone numbers of
12 at least three community health centers which are closest to the
13 individual's home and of other providers of free or below cost
14 care and health-related services, such as Maternal and Infant
15 Care or the Women, Infants and Children Program. For those
16 persons found ineligible for medical assistance who provide to
17 the Department of Public Welfare verification of gross family
18 income, the Department of Public Welfare shall determine their
19 eligibility for primary health services under this act and
20 provide them with written notification of same. Where the
21 Department of Public Welfare has found a person eligible for
22 primary health care under this act, no further eligibility
23 determination need be made by the community health center for a
24 period of 30 days from the date of the Department of Public
25 Welfare's written notification of eligibility.

26 (c) Posters; services available.--The department shall print
27 posters and fliers describing the availability of free and
28 reduced cost primary health services provided pursuant to this
29 act and the eligibility guidelines. The posters and fliers shall
30 also list either the addresses and locations of the community

1 health centers nearest to the area where the posters are to be
2 displayed and the fliers distributed, or a local or toll-free
3 telephone number from which people may obtain information
4 concerning the locations and phone numbers of community health
5 centers funded pursuant to this act. These fliers and posters
6 shall be printed in English and Spanish and such other languages
7 as the department deems appropriate. The posters and fliers
8 shall be distributed to and displayed by all Office of
9 Employment Security field offices, all county assistance
10 offices, all area agencies on aging, all county-municipality
11 health departments, and all community health centers funded
12 under this act. The department shall also distribute posters and
13 fliers to all hospitals and county courthouses and to all
14 groups, organizations and senior centers which request them.

15 (d) Advertising media.--The department shall also develop a
16 media campaign which shall utilize television, radio and
17 newspapers to advertise the availability of free and below cost
18 care.

19 Section 10. Freedom of choice.

20 Every person shall have the right to receive services from
21 any of the community health centers funded pursuant to this act.
22 However, where a person chooses to enroll in a Health
23 Maintenance Organization under this act, the Health Maintenance
24 Organization may require up to 30 days' notice of the person's
25 intent to switch community health centers. No notice of intent
26 to switch is necessary when such person has a medical emergency.

27 Section 11. Nondiscrimination.

28 (a) Discrimination prohibited.--No community health center
29 may discriminate against any person in the provision of care,
30 based upon race, sex, age, handicap, religion, national origin,

1 or financial ability to pay (except those fees specifically
2 authorized by the department under this act).

3 (b) Prohibited practices.--Practices prohibited by this
4 section include, but are not limited to:

5 (1) Maintaining waiting rooms or examination rooms for
6 patients receiving free or below cost care that are separate
7 from waiting rooms or examination rooms used by other
8 patients.

9 (2) Not scheduling appointments for such patients on
10 days or at times when other patients are seen.

11 (3) Not using the same staff to diagnose and treat such
12 patients as are used to diagnose or treat other patients.

13 Section 12. Expansion of income levels.

14 (a) Standard levels.--The Department of Public Welfare may
15 not set medical assistance eligibility levels lower than the
16 highest eligibility standard allowed by Federal law.

17 (b) Calculation of net income.--In calculating net income
18 for purposes of determining financial eligibility for medical
19 assistance, the department shall use an eligibility standard
20 based on one to six months' income, at the option of the
21 applicant.

22 Section 13. Prescription medications.

23 (a) Eligibility.--Persons eligible for medical assistance
24 shall receive pharmaceutical services as set forth in the
25 regulations of the Department of Public Welfare.

26 (b) Definitions.--For purposes of this section, the phrase
27 "persons eligible for medical assistance" shall include the
28 categorically needy, the medically needy and State Blind Pension
29 recipients. The pharmaceutical services available to the
30 medically needy and the State Blind Pension recipients shall be

1 identical in amount, duration and scope as the pharmaceutical
2 services available to the categorically needy.

3 Section 14. Conditions of hospital licensure.

4 (a) Provision of services to needy persons.--As a condition
5 of licensure, each hospital shall insure that no person is
6 denied necessary and timely health care due to that person's
7 inability to pay in advance, from current income or resources,
8 for all or part of the cost of the care. A hospital may enter
9 into a reasonable installment agreement to cover the cost of the
10 care that is not paid by medical assistance or insurance.

11 (b) Available assistance for completing application.--As a
12 condition of licensure, a hospital shall provide to each
13 prospective patient its assistance in completing an application
14 for medical assistance, at the hospital and within one business
15 day of the prospective patient's first request to be admitted to
16 the hospital.

17 (c) Conspicuous notice.--As a condition of licensure, a
18 hospital shall post in all waiting rooms and business offices a
19 conspicuous notice which sets forth the obligations imposed on
20 the hospital by subsections (a) and (b).

21 (d) Damages.--A hospital which denies necessary or timely
22 care, in violation of this section, shall be liable to a person
23 who is denied such care for damages resulting from the denial.

24 Section 15. Repeals.

25 The following parts of acts are repealed insofar as they are
26 inconsistent with the provisions of this act:

27 Sections 442.1 and 443.4 of the act of June 13, 1967 (P.L.31,
28 No.21), known as the Public Welfare Code.

29 Sections 806, 808 and 811 of the act of July 19, 1979
30 (P.L.130, No.48), known as the Health Care Facilities Act.

1 Section 16. Effective date.

2 This act shall take effect in 60 days.