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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 981 Session of  
2009

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INTRODUCED BY D. WHITE, STOUT, SCARNATI, M. WHITE, WONDERLING,  
ROBBINS, WARD, WAUGH, ALLOWAY, KASUNIC AND WOZNIAK,  
JUNE 26, 2009

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REFERRED TO PUBLIC HEALTH AND WELFARE, JUNE 26, 2009

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AN ACT

1 Providing for funding to certain hospitals in sixth, seventh and  
2 eighth class counties; and imposing powers and duties on the  
3 Department of Public Welfare.

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 Rural  
8 Community Hospital Act.

9 Section 2. Definitions.

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

13 "Department." The Department of Public Welfare of the  
14 Commonwealth.

15 "Hospital." An entity located in this Commonwealth that is  
16 licensed as a hospital under the act of July 19, 1979 (P.L.130,  
17 No.48), known as the Health Care Facilities Act.

18 "Qualified hospital." A hospital that satisfies the

1 requirements of section 3.

2 Section 3. Qualification of hospital.

3 To be eligible to receive funds as a qualified hospital under  
4 this act, a hospital must:

5 (1) Be located in a county of the sixth, seventh or  
6 eighth class that has greater than 15% of its population  
7 eligible for medical assistance or has greater than 10,000  
8 persons eligible for medical assistance.

9 (2) Have less than 200 licensed and staffed inpatient  
10 beds.

11 (3) Not be a critical access hospital, as defined in  
12 section 1861(mm) (1) of the Social Security Act (49 Stat. 620,  
13 42 U.S.C. § 1935(mm) (1), that is qualified to participate  
14 under Title XIX of the Social Security Act (49 Stat. 620, 42  
15 U.S.C. § 1396 et seq.).

16 Section 4. Funding for fiscal year 2009-2010.

17 (a) Distribution.--During the fiscal year beginning July 1,  
18 2009, upon Federal approval of an amendment to the Medicaid  
19 State plan, the department shall allocate annually from funds  
20 appropriated for this purpose disproportionate share payments to  
21 qualified hospitals to provide financial assistance to assure  
22 readily available health care to citizens in certain rural  
23 counties of this Commonwealth.

24 (b) Maximizing Federal funds.--The department shall seek to  
25 maximize any Federal funds, including funds obtained under Title  
26 XIX of the Social Security Act (49 Stat. 620, 42 U.S.C. § 1396  
27 et seq.) available for rural community hospitals.

28 (c) Payment calculation.--Payments to qualified hospitals  
29 shall be allocated as follows:

30 (1) Fifty percent of the total amount available for

1 qualified hospitals shall be allocated equally among each  
2 qualified hospital.

3 (2) Fifty percent of the total amount available shall be  
4 divided proportionately among qualified hospitals based on  
5 the percentage of each qualified hospital's acute medical  
6 assistance inpatient days to total hospital bed days used for  
7 all qualified hospitals.

8 (3) A qualified hospital that has reached its  
9 disproportionate share limit as under Title XIX of the Social  
10 Security Act shall receive its share of the State funds  
11 available under this act.

12 Section 5. Funding for subsequent fiscal years.

13 Effective July 1, 2010, the department shall reimburse a  
14 qualified hospital at a rate of 101% of the Medical Assistance  
15 allowable costs for inpatient hospital and outpatient hospital  
16 services provided to a Medical Assistance recipient.

17 Section 6. Effective date.

18 This act shall take effect immediately.