



# HOUSE COMMITTEE ON APPROPRIATIONS

2009-10 Legislative Session

## FISCAL NOTE

**HOUSE BILL: 371**

**PRINTER'S NO: 1275**

**PRIME SPONSOR: Staback**

**As amended by A03985**

<b>FISCAL IMPACT SUMMARY</b>	<b>FY 2009/10</b>	<b>FY 2010/11</b>
<b>Expenditure Increase/(Decrease):</b>		
General Fund	See Analysis	See Analysis

### OVERVIEW:

House Bill 371, PN 1275 amends the Public Welfare Code by adding a new Section 211.1 that provides for onsite investigations by the Department of Public Welfare of complaints at personal care homes and assisted living residences. The legislation identifies three classes of complaints that would prompt onsite investigations, identifies specific components of the investigation, and establishes specific timelines for the department to complete its investigation and submit a violation report to the provider. The department must contact and coordinate its investigations with appropriate local agencies. Within seven calendar days of receiving a violation report, the provider must file a plan of corrective action for the department's review and approval. The department shall conduct a follow-up onsite inspection of the facility to ensure compliance with the approved plan of correction.

Amendment A03985 does the following:

- Amends Section 441.4 to limit the ability of Medical Assistance long-term care recipients to deduct unpaid medical expenses in determining the amount of income they must contribute toward the cost of their nursing home care.
- Makes technical corrections to the hospital assessment in Article VIII-E to clarify that long term care hospitals will be excluded from the assessment and that Philadelphia is authorized to use its share of the assessment revenue for city health clinics.
- Adds a new Section 215 requiring the department to make a good faith effort to determine whether an applicant for cash, medical or energy assistance is a veteran. As a condition for eligibility to receive assistance, an applicant who is a veteran would be required to contact an accredited veteran service officer to determine the applicant's eligibility for veteran benefits. The department shall develop a standard form to be used by a veteran service officer to verify the applicant's eligibility for veteran benefits.
- Amends Section 415 to eliminate the requirement that nominees to county boards of assistance be confirmed by a two-thirds vote of the Senate, requiring instead that each appointment to a county board of assistance bear the endorsement of the senator of the district in which the nominee resides. In the case of a vacancy in a senatorial district, the nominee shall be endorsed by the senator of an adjacent district.

This act would take effect immediately.

## **ANALYSIS:**

House Bill 371, as amended, is expected to generate state savings of \$7.5 million in FY 2009/10 and \$15.0 million in 2010/11 as a result of the changes to Section 441.1, which are necessary to make state law comply with federal requirements. Specifically, medical expenses incurred six months or more prior to application for Medical Assistance shall be disallowed as a deduction from income and medical expenses that were incurred as a result of an asset transfer are also disallowed, provided that these limitations do not result in undue hardship.

The provisions relating to veterans have no impact on expenditures for the Department of Public Welfare because they largely reflect current practice under which the department attempts to claim federal benefits for veterans. The Medical Assistance program is the payor of last resort and the department currently attempts to claim federal benefits for veterans in the program. It is assumed that the department could absorb the costs associated with developing the standard form required under this act.

It is anticipated that the department can meet the time frames and processes for on-site inspections in Section 211.1 with existing resources. Consequently, this section would have no impact on Commonwealth expenditures.

There is no fiscal impact associated with the technical corrections to the Philadelphia hospital assessment and the changes regarding appointments to county boards of assistance.

**PREPARED BY:** Elizabeth Balaban  
House Appropriations Committee, (D)

**DATE:** October 1, 2009

**General Note and Disclaimer:** *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*