

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 5

**PRINTER'S NO.** 1791

**AMOUNT**

No Impact for FY 2009-10

**FUND**

General

**DATE INTRODUCED**

March 2, 2009

**PRIME SPONSOR**

Senator Erickson

**HISTORY OF BILL**

Referred to PUBLIC HEALTH AND WELFARE, March 2, 2009

Reported as committed, March 17, 2009

First consideration, March 17, 2009

Second consideration, March 18, 2009

Re-referred to APPROPRIATIONS, March 18, 2009

Re-reported as amended, March 22, 2010

**DESCRIPTION AND PURPOSE OF BILL**

An Act establishing the Community-Based Health Care (CHC) Program in the Department of Health and providing for hospital health clinics.

Creates the Community-Based Health Care Act in the Department of Health to provide grants to community-based health care clinics.

Defines "community-based health care clinic" as a nonprofit health care center located in the Commonwealth that provides comprehensive primary care services without regard for a patient's ability to pay and that:

1. Serves a federally designated medically underserved area, a medically underserved population or a health professional shortage area; or
2. serves a patient population with a majority of that population having an income less than 200% of the federal poverty income guidelines; and

# **SENATE APPROPRIATIONS COMMITTEE**

## **FISCAL NOTE**

3. include any of the following:
  - a. a federally qualified health center or a federally qualified health center look-alike;
  - b. a rural health clinic;
  - c. a hospital health clinic;
  - d. a free or partial-pay health clinic that provides services by volunteer and non-volunteer health care providers; or
  - e. a nurse-managed health care clinic that is managed by advanced practice nurses and is associated with a nursing education program, a federally qualified health center or an independent nonprofit health or social services agency.

Permits the department to provide grants to:

1. expand and improve health care access and services
2. reduce unnecessary utilization of hospital emergency services;
3. encourage collaborative relationships

Provides for the following distribution for grant awards:

1. 50% for the expansion of an existing or the development of a new community-based health care clinic using established criteria;
2. 25% for improvements in prenatal, obstetric, postpartum and newborn care;
3. 20% for improved access and services intended to reduce unnecessary emergency room utilization; and
4. 5% for the establishment of collaborative relationships among community-based health care clinics, hospitals and other health care providers.

No more than 25% of the grants awarded shall go to federally qualified health centers or look-alikes.

Funds shall be distributed in a manner that improves access and expands services in all geographic regions of the Commonwealth.

A grant may not exceed \$500,000 and shall require a matching commitment of 25% of the grant, which can be in the form of cash or equivalent in-kind services.

# **SENATE APPROPRIATIONS COMMITTEE**

## **FISCAL NOTE**

The bill permits the department to seek any available federal funds, as well as any available grants and funding from other sources, to supplement amounts available.

Senate Bill 5 also provides for powers and duties of the department; requires an annual report on the awarding of grants; permits the department to audit grants; and charges the Department of Public Welfare with administering the program as it relates to hospital health clinics.

Permits DPW to distribute available funds obtained for hospital clinics through disproportionate share payments to hospitals to provide financial assistance that will assure readily available and coordinated comprehensive health care. Permits DPW to maximize federal funds.

Provides a payment calculation for hospital health clinics as follows:

- 30% to eligible hospital health clinics in counties of the first and second class;
- 50% to eligible hospital health clinics in counties of the third, fourth and fifth class; and
- 20% to eligible hospital health clinics in counties of the sixth through eighth class.

Effective in 90 days.

### **FISCAL IMPACT:**

Payment to community based health care clinics for assistance under this act is not to exceed the amount of funds available for the program. In addition, any payment under the act does not constitute an entitlement from the Commonwealth or a claim on any other funds of the Commonwealth.

There is no cost for Fiscal Year 2009-10. Funding for Fiscal Year 2010-11 will be determined as part of the normal budget process.