

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2

Session of
1995

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PLATTS, SAYLOR AND STISH, JANUARY 19, 1995

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JANUARY 26, 1995

AN ACT

1 Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An
2 act to consolidate, editorially revise, and codify the public
3 welfare laws of the Commonwealth," providing for a job
4 training program and establishing a timetable for
5 implementation; PROVIDING FOR PENSION FUNDS OF RECIPIENTS; <—
6 PROVIDING TAX CREDITS TO EMPLOYERS OF PUBLIC ASSISTANCE
7 RECIPIENTS; further providing for UNIFORMITY IN <—
8 ADMINISTRATION OF ASSISTANCE, FOR a workfare program, for
9 applications for assistance, for eligibility and for aid to
10 families with dependent children; providing for an electronic
11 benefit distribution system; IMPOSING A PENALTY FOR FAILURE <—
12 TO APPEAR AT A CRIMINAL COURT PROCEEDING; AND PROVIDING for
13 powers and duties of the Department of Public Welfare, for
14 retesting and for protective custody of AFDC children for a
15 publicly financed voucher program to provide access to
16 privately delivered health insurance coverage.

17 The General Assembly of the Commonwealth of Pennsylvania
18 hereby enacts as follows:

19 Section 1. The act of June 13, 1967 (P.L.31, No.21), known

1 as the Public Welfare Code, is amended by adding a section to
2 read:

3 Section 214. Job Training Program.--(a) The department
4 shall, within sixty days of the effective date of this act,
5 establish, implement and administer a three-year job training
6 program with the ultimate goal of securing economic self-
7 sufficiency for welfare recipients.

8 (b) The program shall contain the following:

9 (1) The program shall consist of three pilot projects
10 located in three separate counties in different geographical
11 regions representing rural, suburban and urban populations of
12 this Commonwealth. IN SELECTING COUNTIES FOR PILOT PROJECTS, <—
13 PREFERENCE SHALL BE GIVEN TO AREAS OF PERSISTENT UNEMPLOYMENT
14 AND WIDESPREAD FAILURE OR CLOSURE OF EXISTING DOMINANT
15 INDUSTRIES.

16 (2) The program shall consist of, but not be limited to, the
17 following:

18 (i) Acquisition of sufficient educational skills in reading,
19 writing and mathematics to enable the trainee to function in the
20 workforce.

21 (ii) Acquisition of skills necessary to conduct successful
22 interviews, acquire marketable work ethics and employe
23 dependability.

24 (iii) Such other areas, including life management skills,
25 which the department deems important.

26 (IV) CONTINUED MONITORING OF TRAINEES PLACED IN PERMANENT <—
27 POSITIONS TO ENSURE THEIR CONTINUED EMPLOYMENT AND TO HELP THEM
28 ACQUIRE AND MAINTAIN THE SKILLS NECESSARY FOR LONG-TERM
29 EMPLOYMENT.

30 (3) Each program operator shall provide support services to

1 trainees, including, but not limited to, health care, day care
2 and other educational and support services including
3 transportation.

4 (4) Each program operator shall match trainees with existing
5 job vacancies which pay wages and benefits BASED ON A FORTY-HOUR <—
6 WORK WEEK AND WHICH ARE sufficient to ensure the financial
7 security of the trainee and any dependents to enable that
8 trainee and dependents to remain free of any State assistance
9 for at least one year.

10 (5) Each program operator may be an employer, a nonprofit
11 association ~~or corporation~~, CORPORATION OR GOVERNMENT AGENCY or <—
12 any combination thereof.

13 (6) Payments by the department to a project operator shall
14 be scheduled so that twenty-five percent of the contract price
15 is paid during training, twenty-five percent is paid upon
16 completion of training, twenty-five percent after the trainee is
17 employed continuously for a period of at least six months and
18 twenty-five percent after the trainee is employed continuously
19 for a period of at least one year.

20 (c) It is the intent of the General Assembly that this pilot
21 program be continuously evaluated. The department shall be
22 required to analyze the pilot program, measuring its results
23 against the goals of this legislation as well as comparing it to
24 other Federal and State job training programs. A report on the
25 evaluation shall be submitted to the Governor and the General
26 Assembly detailing the findings and recommendations of the
27 evaluation no later than two years following implementation of
28 the program. The report shall include, but not be limited to, <—
29 ~~whether the pilot program is cost effective in the use of job~~
30 ~~training resources and has resulted in improved rates of~~

~~permanent job placements and reduction of welfare rolls. TO:~~ <—

(I) COST-EFFECTIVENESS IN THE USE OF JOB TRAINING RESOURCES.

(II) RATE OF JOB PLACEMENTS.

(III) REDUCTION ON WELFARE ENROLLMENT.

(IV) RATE OF IN-MIGRATION AND OUT-MIGRATION IN THE PROGRAM AREA.

(d) In the event the report submitted by the department indicates that the pilot program has achieved the goals of this section and has resulted in improved outcomes in job placement as compared to other existing job training programs, the department shall recommend changes to State law and regulations within twelve months after issuance of the report to permanently implement the SUCCESSFUL components of the pilot program Statewide within twelve months after issuance of the report. <—

(E) AN EMPLOYER MAY NOT CONTRACT A PROGRAM PARTICIPANT TO ANOTHER EMPLOYER UNLESS THE PROGRAM PARTICIPANT IS THE SOLE RECIPIENT OF ANY ADDITIONAL WAGES, BENEFITS OR COMPENSATION THAT MAY RESULT FROM THE CONTRACT. <—

~~(e)~~ (F) The department shall promulgate regulations to implement the provisions of this section. <—

SECTION 2. SECTION 403 OF THE ACT IS AMENDED BY ADDING A SUBSECTION TO READ: <—

SECTION 403. UNIFORMITY IN ADMINISTRATION OF ASSISTANCE; REGULATIONS AS TO ASSISTANCE.--* * *

(G) REGULATIONS WHICH AUTHORIZE PAYMENT FOR PURCHASE OF AN AUTOMOBILE, FOR PARTS FOR AN AUTOMOBILE OR FOR REPAIR OF AN AUTOMOBILE FOR A RECIPIENT OF PUBLIC ASSISTANCE SHALL PROVIDE THAT THE PAYMENT SHALL BE MADE DIRECTLY TO THE SELLER OF THE AUTOMOBILE OR PARTS OR THE GARAGE OR MECHANIC WHICH MADE THE REPAIRS AND NOT TO THE RECIPIENT.

1 Section ~~2~~ 3. Section 405.2(a), (b), (c) ~~and (d)~~, (D) AND (F) <—
2 of the act, amended or added April 8, 1982 (P.L.231, No.75) and
3 June 16, 1994 (P.L.319, No.49), are amended AND THE SECTION IS <—
4 AMENDED BY ADDING A SUBSECTION to read:

5 Section 405.2. [Community Work] Workfare Program.--(a) The
6 department shall [coordinate the establishment of community work
7 projects by] enter into cooperative agreements to establish
8 workfare projects with departments, agencies or institutions of
9 the Commonwealth or any political subdivision located within the
10 Commonwealth or any agency of the Federal Government or
11 department-approved nonprofit organizations [that receive State
12 or county funds+ and] OR ESTABLISHED, FOR-PROFIT TEMPORARY HELP <—
13 ORGANIZATIONS FOR TEMPORARY PLACEMENT WITH PRIVATE, NONPROFIT OR
14 FOR-PROFIT EMPLOYERS. PARTICIPATING, FOR-PROFIT TEMPORARY HELP
15 ORGANIZATIONS SHALL RECOVER THEIR COSTS AND PROFIT FROM FEES
16 CHARGED TO EMPLOYERS. THE DEPARTMENT shall assign to these work
17 projects able-bodied cash assistance recipients [for whom the
18 Office of Employment Security has] who have been unable to
19 secure employment. In instances when [community work] workfare
20 projects are not available for all able-bodied cash assistance
21 recipients, priority shall be given to general assistance
22 recipients for referral to available projects.

23 (b) Every individual who has not received a bona fide offer
24 of training or employment under section 405.1 shall, as a
25 condition of continuing eligibility for cash assistance, report
26 to and work in [a community work] an available workfare project
27 established under this section unless such individual is exempt
28 from the registration requirements of section 405.1. Such
29 individual shall be required to work that number of hours which
30 when multiplied by the applicable minimum wage equals the amount

1 of cash assistance such person receives: Provided, however,
2 That:

3 (1) such work shall not exceed forty hours per week; and

4 (2) the parent or other caretaker of a child between the
5 ages of six and fourteen who is personally providing care for
6 the child with only very brief and infrequent absences from the
7 child shall not be required to participate in [community work]
8 workfare projects except on days and at times when the child is
9 in school or when there are adequate day-care arrangements
10 available for the child at no cost to the recipient.

11 (c) [Community work] Workfare projects established under
12 this section must be approved by the department. To qualify for
13 approval, a work site must conform to appropriate health and
14 safety AND ACCESSIBILITY standards. Cash assistance recipients <—
15 shall not be assigned to work opportunities available due to a
16 labor dispute, strike, or lockout and shall not be assigned to
17 perform work so as to cause the layoff, downgrading or
18 prevention of return to work of an available competent employee.
19 Cash assistance recipients shall be assigned to [community work]
20 workfare projects within twenty-five miles of their place of
21 residence unless the department determines that a greater
22 distance is not a hardship. THE DEPARTMENT SHALL SEEK FEDERAL <—
23 WAIVERS TO ALLOW FOR AN INCREASE OF VEHICLE EQUITY VALUE UP TO
24 THREE THOUSAND FIVE HUNDRED DOLLARS (\$3,500) FOR PARTICIPANTS IN
25 THIS PROGRAM.

26 (d) A person who without good cause fails or refuses to
27 accept assignment to and participate in a [community work]
28 workfare project shall be [disqualified from receiving cash
29 assistance for sixty days for the first violation and thereafter
30 until such time he or she is willing to comply. For the second

1 violation and subsequent violations the disqualification period
2 shall be one hundred twenty days. The disqualification period
3 shall commence on the date the department's order imposing
4 disqualification is final.] terminated from assistance pursuant
5 to section 432.3.

6 * * *

7 (F) [WORKMEN'S COMPENSATION INSURANCE PREMIUMS SHALL BE THE <—
8 RESPONSIBILITY OF THE ENTITY WHICH PROVIDES THE EMPLOYMENT
9 OPPORTUNITY.] FOR THE PURPOSES OF THE ACT OF JUNE 2, 1915
10 (P.L.736, NO.338), KNOWN AS THE "WORKERS' COMPENSATION ACT,"
11 INDIVIDUALS ASSIGNED TO WORKFARE PROJECTS SHALL BE DEEMED
12 EMPLOYES OF THE COMMONWEALTH WITHIN THE MEANING OF THE TERM
13 "EMPLOYEE" AS DEFINED IN SECTION 104 OF THE "WORKERS'
14 COMPENSATION ACT."

15 * * *

16 (H) THE SECRETARY OF PUBLIC WELFARE, THE SECRETARY OF
17 TRANSPORTATION AND THE SECRETARY OF LABOR AND INDUSTRY SHALL
18 JOINTLY STUDY, IMPLEMENT AND COORDINATE A MEANS OF PROVIDING
19 INEXPENSIVE PUBLIC TRANSPORTATION FROM AREAS WHERE HIGH NUMBERS
20 OF UNEMPLOYED PERSONS LIVE TO AREAS WITH EMPLOYMENT
21 OPPORTUNITIES. THIS TRANSPORTATION SYSTEM SHALL OPERATE ON A
22 SCHEDULE WHICH ADEQUATELY ENABLES AND ENCOURAGES PEOPLE TO GET
23 TO AND FROM THEIR JOBS AND THEREBY ALLEVIATES THE BURDEN THAT
24 DISTANCE CAN IMPOSE ON THE IMPOVERISHED.

25 (I) THE DEPARTMENT SHALL ANNUALLY, ON THE EFFECTIVE DATE OF
26 THIS ACT, SUBMIT TO THE GENERAL ASSEMBLY AN EVALUATION REPORT OF
27 THE PROGRAM. THE REPORT SHALL INCLUDE, BUT NOT BE LIMITED TO,
28 COST EFFECTIVENESS, COST OF OPERATION, AVAILABILITY OF AND
29 ACCESS TO PROJECT AND RECOMMENDATIONS TO THE GENERAL ASSEMBLY ON
30 HOW TO IMPROVE THE PROGRAM.

1 SECTION 4. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

2 SECTION 405.5. TAX CREDITS TO EMPLOYERS.--AN EMPLOYER WHO
3 HIRES A PUBLIC ASSISTANCE RECIPIENT SHALL RECEIVE AN ANNUAL TAX
4 CREDIT TOWARDS THE STATE TAXES OWED BY HIS BUSINESS FOR EACH OF
5 THE FIRST TWO YEARS OF SUCH EMPLOYMENT. THIS TAX CREDIT SHALL BE
6 EQUAL TO ONE-FOURTH OF THE ANNUAL SALARY PAID IN THE TAX YEAR TO
7 THAT EMPLOYEE. IN ADDITION, THE EMPLOYER SHALL RECEIVE A TAX
8 CREDIT FOR ANY SUPPLEMENTAL SUPPORT SERVICE HE PROVIDES TO SUCH
9 EMPLOYES, SUCH AS TRANSPORTATION AND DAY CARE SERVICES,
10 REGARDLESS OF WHETHER OTHER EMPLOYEES ALSO BENEFIT FROM SUCH
11 SERVICE. SUCH SERVICE, TO BE ELIGIBLE, MUST BE APPROVED BY THE
12 DEPARTMENT, AND SUCH APPROVAL SHALL BE BASED ON WHETHER THE
13 SERVICE ASSISTS A PUBLIC ASSISTANCE RECIPIENT TO BECOME AND
14 REMAIN GAINFULLY EMPLOYED. THE TAX CREDIT FOR SUPPLEMENTAL
15 SUPPORT SERVICES SHALL BE AVAILABLE TO AN EMPLOYER IN ANY YEAR
16 HE EMPLOYS AT LEAST ONE PERSON WHO WAS A PUBLIC ASSISTANCE
17 RECIPIENT AT ANY TIME WITHIN THE PRECEDING TWO YEARS.

18 Section 3 5. Section 414 of the act, added June 16, 1994 <—
19 (P.L.319, No.49), is amended to read:

20 Section 414. Assistance Recipient Identification Program.--

21 (a) Subject to Federal approval, only where necessary, there is
22 hereby created a [pilot] Statewide program within the department
23 to be known as the Assistance Recipient Identification Program.

24 (b) The purpose of the program is to eliminate duplication
25 of assistance to recipients, to deter fraud and to assist law
26 enforcement officials in their duties.

27 [(c) The department shall select three geographic areas in
28 this Commonwealth representing rural, suburban and urban areas
29 to participate in this program.]

30 (d) A person currently receiving or applying for assistance

1 shall participate in the program. The person shall be identified
2 using available technological means that may include, but are
3 not limited to, two-digit fingerimaging.

4 (e) The department, wherever feasible, shall work with
5 neighboring states to execute agreements between each of those
6 states and the Commonwealth to implement compatible computer
7 cross-matching identification systems.

8 (f) It is a violation for a person in the program to acquire
9 or attempt to acquire duplication of assistance.

10 (g) Absent a court order, only the department, the
11 Pennsylvania State Police, the chief of a local municipal police
12 department, OR HIS DESIGNEE WITHIN THE DEPARTMENT, INCLUDING THE <—
13 SHERIFF'S OFFICE IN COUNTIES OF THE SECOND CLASS, and the
14 designated officials of neighboring states with whom the
15 department executes agreements under subsection (e) shall have
16 access to records under this program.

17 †(h) The department shall make a report to the General <—
18 Assembly one year, TWO YEARS AND FIVE YEARS after the effective <—
19 date of this act. [The] EACH report shall include: <—

20 (1) Caseload data before implementation of this section as
21 well as after one year for comparison purposes to judge the
22 program's effectiveness at fraud deterrence.

23 (2) Attempts at and instances of multiple enrollment by
24 persons.

25 (3) Analysis of the cost-effectiveness of the project.

26 (4) Recommendations regarding whether the program should be
27 discontinued, expanded or otherwise modified.

28 (i) This section shall expire two years after the effective
29 date of this act unless extended by the General Assembly.

30 (j) As used in this section, the term "program" means the

1 Assistance Recipient Identification Program.†

<—

2 ~~(h) The department shall make a report to the General~~
3 ~~Assembly on a yearly basis in order to report the attempts at~~
4 ~~and instances of multiple enrollment by persons. In addition,~~
5 ~~the department shall provide total enrollment figures for the~~
6 ~~current year of all public assistance recipients.~~

7 Section 4 6. Section 432(3) of the act, amended June 16,
8 1994 (P.L.319, No.49), is amended and the section is amended by
9 adding a clause to read:

<—

10 Section 432. Eligibility.--Except as hereinafter otherwise
11 provided, and subject to the rules, regulations, and standards
12 established by the department, both as to eligibility for
13 assistance and as to its nature and extent, needy persons of the
14 classes defined in clauses (1), (2), and (3) shall be eligible
15 for assistance:

16 * * *

17 (3) Other persons who are citizens of the United States, or
18 lawfully admitted aliens and who are chronically needy or
19 transitionally needy persons.

20 (i) Chronically needy persons are those persons chronically
21 in need who may be eligible for an indeterminate period as a
22 result of medical, social or related circumstances and shall be
23 limited to:

24 (A) A child who is under age eighteen or who is eighteen
25 through twenty years of age and attending a secondary or
26 equivalent vocational or technical school full-time and may
27 reasonably be expected to complete the program before reaching
28 twenty-one years of age.

29 (B) Persons who are parents residing in two-parent
30 households with their child who is under eighteen years of age.

1 Every possible effort shall be made by the department to place
2 these persons in the AFDC program.

3 (C) A person who has a serious physical or mental handicap
4 which prevents him or her from working in any substantial
5 gainful activity as determined in accordance with standards
6 established by the department. The department may require that
7 documentation of disability be submitted from a physician or
8 psychologist. The department may also require further medical
9 documentation of disability and may also order at the
10 department's expense a person to submit to an independent
11 examination as a condition of receiving assistance under this
12 clause.

13 (D) A person who is a nonparental caretaker of a child under
14 eighteen years of age or a caretaker of another person because
15 of illness or disability. Such child or other person must be a
16 member of the household and the caretaker must be a person whose
17 presence is required in the home to care for another person as
18 determined in accordance with department regulations.

19 (E) A person who is currently undergoing active treatment
20 for substance abuse in a drug and alcohol program licensed or
21 approved by the Department of Health or administered by an
22 agency of the Federal Government. No individual shall qualify as
23 chronically needy under this clause for more than nine months in
24 a lifetime.

25 [(F) A pregnant woman whose pregnancy has been medically
26 verified.]

27 [(G)] (F) A person who is a victim of domestic violence and
28 who is receiving protective services as defined by the
29 department. No individual shall qualify as chronically needy
30 under this provision for more than nine months in his lifetime.

1 (ii) Assistance for chronically needy persons shall continue
2 as long as the person remains eligible. Redeterminations shall
3 be conducted on at least an annual basis and persons capable of
4 work, even though otherwise eligible for assistance to the
5 chronically needy, would be required to register for employment
6 and accept employment if offered as a condition of eligibility
7 except as otherwise exempt under section 405.1.

8 (iii) Transitionally needy persons are those persons who are
9 otherwise eligible for general assistance but do not qualify as
10 chronically needy. A person without a physical or mental
11 disability who is at least eighteen years of age, but not more
12 than twenty-five years of age, shall not qualify as
13 transitionally needy. Assistance for transitionally needy
14 persons shall be authorized for not more than sixty days in any
15 twenty-four month period. Any transitionally needy benefits
16 received in the twelve-month period prior to the effective date
17 of this subclause shall be applied toward the total period of
18 benefits an individual is eligible for, beginning with the
19 receipt of the first cash assistance check in the previous
20 twelve-month period.

21 * * *

22 (9) Assistance may not be granted to any person who has been
23 sentenced for a felony or misdemeanor offense and who has not
24 otherwise satisfied the penalty imposed on that person by law.
25 The department and the Pennsylvania State Police shall enter
26 into a cooperative agreement. Notwithstanding any provisions in
27 18 Pa.C.S. Ch. 91 (relating to criminal history record
28 information), this agreement shall provide the department with
29 access to the central repository within the Pennsylvania State
30 Police in order to carry out the objectives of this section. The

1 Pennsylvania State Police shall have access to the records of
2 the Assistance Recipient Identification Program under section
3 414 within the department in order to carry out the objectives
4 of section 414. As used in this clause, "satisfied the penalty"
5 means completed the period of incarceration or extension
6 thereof, and paid all fines, costs and restitution. Nothing in
7 this clause shall be deemed to exclude from assistance any
8 person who has been paroled from a term of imprisonment, or any
9 person who is in compliance with all terms of probation, and who
10 has made full payment of all fines, costs and restitution.

11 Section 5 7. Section 432.12 of the act is amended by adding <—
12 subsections to read:

13 Section 432.12. Determination of Need.--* * *

14 (d) In determining the amount of assistance payments to a
15 recipient family for aid to families with dependent children,
16 the department shall revise the schedule of benefits to be paid
17 to the recipient family by eliminating the increment in benefits
18 under the program for which that family would otherwise be
19 eligible as a result of the birth of a child CONCEIVED during <—
20 the period in which the family is eligible for aid to families
21 with dependent children benefits, or during a temporary period
22 in which the family or adult recipient is ineligible for aid to
23 families with dependent children benefits pursuant to a penalty
24 imposed by the department for failure to comply with benefit
25 eligibility requirements, subsequent to which the family or
26 adult recipient is again eligible for benefits. The department
27 shall provide instead that a recipient family in which the adult
28 recipient parents an additional child CONCEIVED during the adult <—
29 recipient's period of eligibility for aid to families with
30 dependent children benefits, or during a temporary penalty

period of ineligibility for benefits, may receive additional
benefits only pursuant to subsection (e), except in the case of
a general increase in the amount of aid to families with
dependent children benefits which is provided to all program
recipients AND PROVIDE THAT ANY CHILD SUPPORT PAID FOR THE
EXCLUDED CHILD SHOULD BE PAID TO THE FAMILY FOR THE BENEFIT OF
THE EXCLUDED CHILD AND SHOULD BE DISREGARDED IN COMPUTING THE
AMOUNT OF FINANCIAL ASSISTANCE WHICH IS AVAILABLE TO THE REST OF
THE FAMILY.

(e) In the case of a family that receives aid to families
with dependent children in which the adult recipient parents an
additional child CONCEIVED during the period in which the family
is eligible for aid to families with dependent children
benefits, or during a temporary penalty period of ineligibility
for benefits subsequent to which the family of the adult
recipient again becomes eligible for benefits, the department,
subject to Federal approval, shall, in addition to eliminating
the increase in the benefit as provided in subsection (d),
provide that in computing the amount of financial assistance
which is available to the family that receives aid to families
with dependent children, the monthly earned income disregard for
each employed person in the family shall increase by an amount
equal to that which the family would have otherwise received by
parenting an additional child, adjusted for family size.

(F) ELIMINATION OF BENEFITS UNDER SUBSECTION (D) SHALL NOT
APPLY TO ANY CHILD CONCEIVED AS A RESULT OF RAPE OR INCEST IF
THE DEPARTMENT:

(1) RECEIVES A NON-NOTARIZED, SIGNED STATEMENT FROM THE
PREGNANT WOMAN STATING THAT SHE WAS A VICTIM OF RAPE OR INCEST,
AS THE CASE MAY BE, AND THAT SHE REPORTED THE CRIME, INCLUDING

1 THE IDENTITY OF THE OFFENDER, IF KNOWN, TO A LAW ENFORCEMENT
2 AGENCY HAVING THE REQUISITE JURISDICTION OR, IN THE CASE OF
3 INCEST WHERE A PREGNANT MINOR IS THE VICTIM, TO THE COUNTY CHILD
4 PROTECTIVE SERVICE AGENCY AND STATING THE NAME OF THE LAW
5 ENFORCEMENT AGENCY OR CHILD PROTECTIVE SERVICE AGENCY TO WHICH
6 THE REPORT WAS MADE AND THE DATE SUCH REPORT WAS MADE;

7 (2) RECEIVES THE SIGNED STATEMENT OF THE PREGNANT WOMAN
8 WHICH IS DESCRIBED IN THIS SUBSECTION. THE STATEMENT SHALL BEAR
9 THE NOTICE THAT ANY FALSE STATEMENTS MADE THEREIN ARE PUNISHABLE
10 BY LAW AND SHALL STATE THAT THE PREGNANT WOMAN IS AWARE THAT
11 FALSE REPORTS TO LAW ENFORCEMENT AUTHORITIES ARE PUNISHABLE BY
12 LAW; AND

13 (3) VERIFIES WITH THE LAW ENFORCEMENT AGENCY OR CHILD
14 PROTECTIVE SERVICE AGENCY NAMED IN THE STATEMENT OF THE PREGNANT
15 WOMAN WHETHER A REPORT OF RAPE OR INCEST WAS FILED WITH THE
16 AGENCY IN ACCORDANCE WITH THE STATEMENT.

17 THE COMMONWEALTH AGENCY SHALL REPORT ANY EVIDENCE OF FALSE
18 STATEMENTS OR OF FRAUD IN THE PROCUREMENT OR ATTEMPTED
19 PROCUREMENT OF ANY PAYMENT FROM FEDERAL OR STATE FUNDS
20 APPROPRIATED BY THE COMMONWEALTH PURSUANT TO THIS SUBSECTION TO
21 THE DISTRICT ATTORNEY OF APPROPRIATE JURISDICTION AND, WHERE
22 APPROPRIATE, TO THE ATTORNEY GENERAL.

23 Section 6 8. The act is amended by adding sections to read: <—

24 Section 434.2. Assistance for Children Residing with
25 Relatives Other than Their Natural Parents.--In no case shall
26 duplicate payments be made on behalf of an aid to families with
27 dependent children or general assistance child. Notwithstanding
28 any provision of this act, children, formerly in the custody of
29 parents or other caregivers who are no longer exercising care
30 and control of the child, shall be eligible for expedited

1 authorization of cash assistance benefits.

2 Section 438. Electronic Benefit Transfer System.--(a) The
3 department shall establish a Statewide electronic benefit
4 transfer system for the purpose of issuing food stamps, aid to
5 families with dependent children and general assistance
6 benefits.

7 (b) Food stamps, AFDC and general assistance benefits shall
8 be issued through point-of-sale terminals and automated teller
9 machines at locations throughout this Commonwealth with an
10 industry-standard plastic access card.

11 (C) THE DEPARTMENT SHALL PROVIDE AN ANNUAL REPORT TO THE <—
12 GENERAL ASSEMBLY WHICH SHALL INCLUDE, BUT NOT BE LIMITED TO, THE
13 COSTS OF IMPLEMENTING THIS SECTION, A COST-EFFECTIVENESS
14 EVALUATION, THE RATE OF FRAUD AND ANY RECOMMENDATIONS FOR
15 IMPROVING THE PROGRAM.

16 ~~(c)~~ (D) The department shall promulgate rules and <—
17 regulations to administer and enforce this section, INCLUDING, <—
18 BUT NOT LIMITED TO:

19 (1) PROVISIONS TO ENSURE ADEQUATE ACCESS TO THE ELECTRONIC
20 BENEFITS TRANSFER SYSTEM TO RESIDENTS OF RURAL, URBAN AND
21 SUBURBAN AREAS;

22 (2) PROVISIONS TO REDUCE THE RISK OF FRAUD AND THEFT OF
23 BENEFITS; AND

24 (3) PROVISIONS TO LIMIT THE LIABILITY OF A RECIPIENT WHOSE
25 ACCESS CARD IS STOLEN AND USED TO RECEIVE THE RECIPIENT'S
26 BENEFITS.

27 SECTION 481.1. PENALTY FOR FAILURE TO APPEAR AT CRIMINAL
28 COURT PROCEEDING.--ANY PERSON RECEIVING ANY FORM OF ASSISTANCE
29 UNDER THIS ARTICLE WHO FAILS, AS A DEFENDANT, TO APPEAR AT A
30 CRIMINAL COURT PROCEEDING WHEN ISSUED A SUMMONS SHALL BE

1 DISQUALIFIED FROM RECEIVING ASSISTANCE UNTIL SUCH TIME AS THAT
2 PERSON COMPLIES WITH THE SUMMONS. THE COURT SHALL PROVIDE TO THE
3 DEPARTMENT LISTINGS OF ALL DEFENDANTS FAILING TO APPEAR IN
4 RESPONSE TO A SUMMONS. THE DEPARTMENT SHALL PROVIDE THE LISTINGS
5 TO COUNTY BOARDS OF ASSISTANCE.

6 Section 7 9. Article IV of the act is amended by adding a <—
7 subarticle to read:

8 ARTICLE IV

9 PUBLIC ASSISTANCE

10 * * *

11 (n) Voucher Program

12 Section 494. Definitions.--As used in this subarticle:

13 "Insurer" means:

14 (1) Any insurance company, association or reciprocal,
15 nonprofit hospital plan corporation.

16 (2) A nonprofit professional health service plan.

17 (3) A health maintenance organization organized and
18 regulated under the act of December 29, 1972 (P.L.1701, No.364),
19 known as the "Health Maintenance Organization Act."

20 (4) A risk-assuming preferred provider organization
21 organized and regulated under the act of May 17, 1921 (P.L.682,
22 No.284), known as "The Insurance Company Law of 1921."

23 (5) A preferred provider with a "health management
24 gatekeeper" role for primary care physicians organized and
25 regulated as a health services corporation or a preferred
26 provider organization subject to the provisions of section 630
27 of "The Insurance Company Law of 1921."

28 (6) A fraternal benefit society subject to the provisions of
29 the act of December 14, 1992 (P.L.835, No.134), known as the
30 "Fraternal Benefit Societies Code."

1 "Program" means a publicly financed voucher program providing
2 access to privately delivered health insurance coverage for
3 eligible medical assistance recipients.

4 Section 494.1. Voucher Program.--(a) Following Federal
5 approval where necessary, the department shall establish a
6 three-year demonstration voucher program within three geographic
7 regions representing rural, suburban and urban populations to
8 provide, in a cost-effective manner, access to privately
9 delivered health insurance coverage for residents of this
10 Commonwealth who qualify for benefits under section 441.1, other
11 than nursing facility care programs and the intermediate care
12 facility programs for the mentally retarded AND PRESCRIPTION <—
13 DRUG BENEFITS. ALL HEALTH CARE SERVICES SHALL, WHEN AVAILABLE,
14 BE PROVIDED WITHIN THE DESIGNATED REGION.

15 (b) The department through a competitive bidding process in
16 each region shall select three insurers for that region to
17 participate in the pilot program.

18 Section 494.2. Issuance of Proof of Eligibility.--If the
19 department determines that a person meets the eligibility
20 requirements set forth under section 441.1, the department shall
21 issue that person proof of eligibility, which entitles the
22 person to coverage under any health insurance or health care
23 policy or contract, offered in accordance with this subarticle.

24 Section 494.3. Offering of Policies and Contracts.--If
25 coverage is issued to the individual, policyholder or contract
26 holder, the insurer shall submit the proof of eligibility and a
27 request for reimbursement of premium to the department.

28 Section 494.4. Standards Applicable to the Policies and
29 Contracts.--The health insurance or health care policies and
30 contracts for which insurers are eligible shall be provided in

1 accordance with the following conditions:

2 (1) The cost of the policies and contracts shall not exceed
3 ninety percent of the average fee-for-service reimbursement made
4 on behalf of medical assistance recipients in that category of
5 eligibility FOR INPATIENT AND OUTPATIENT CARE. PRESCRIPTIONS <—
6 WOULD CONTINUE TO BE COVERED UNDER THE PRESENT FEE-FOR-SERVICE
7 REBATE SYSTEM.

8 (2) The policies and contracts are not subject to any
9 previous State mandatory benefits, EXCEPT DRUG AND ALCOHOL <—
10 SERVICES REQUIRED UNDER SECTIONS 2334 AND 2335 OF THE ACT OF
11 APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS "THE ADMINISTRATIVE
12 CODE OF 1929."

13 (3) Each policy and contract must include, but not be
14 limited to, a combined maximum of eighteen visits per fiscal <—
15 year for the following visits to:

- 16 (i) (A) A physician's office.
- 17 (B) A chiropractor's office.
- 18 (C) A podiatrist's office.
- 19 (D) An optometrist's office.
- 20 (E) A certified registered nurse practitioner's office.
- 21 (F) An independent clinic.
- 22 (G) A family planning clinic.
- 23 (H) A rural health clinic.
- 24 (I) A general and rehabilitation hospital clinic.
- 25 (J) A federally qualified health center.
- 26 (ii) Home health care, limited to thirty visits per fiscal
27 year.
- 28 (iii) Medical rehabilitation hospital care, limited to
29 thirty days of inpatient care per fiscal year.
- 30 (iv) Drug and alcohol hospital care, limited to thirty days

1 ~~of inpatient care per fiscal year.~~

2 ~~(v) Emergency room care services, limited to emergency~~
3 ~~situations.~~

4 ~~(vi) Laboratory and X ray services, including mammography.~~

5 ~~(vii) Dental services, limited to surgical procedures and~~
6 ~~emergency services, including medically necessary palliative~~
7 ~~treatment, and diagnostics, restorations, or extractions related~~
8 ~~to the need for palliative treatment.~~

9 ~~(viii) Inpatient hospital services other than services in an~~
10 ~~institution for tuberculosis or mental illness.~~

11 ~~(ix) Outpatient hospital services.~~

12 ~~(x) Early and periodic screening, diagnosis and treatment~~
13 ~~(EPSDT) services, limited to individuals under twenty one years~~
14 ~~of age.~~

15 ~~(xi) Ambulance services, limited to medically necessary~~
16 ~~emergency transportation.~~

17 ~~(xii) Specific legend drugs identified by the department,~~
18 ~~limited to a maximum of three prescriptions or refills per~~
19 ~~month, in the following categories:~~

20 ~~(A) Anti infectives, including oral, parenteral, topical,~~
21 ~~ophthalmic, otic, vaginal or rectal products containing~~
22 ~~antibiotics, antifungal, sulfonamides, antimalarial~~
23 ~~preparations, antituberculous agents, amebicides, antiviral~~
24 ~~agents, leprostatics, anthelmintics and urinary anti infectives,~~
25 ~~either alone or in combination with other drugs.~~

26 ~~(B) Cardiovascular preparations, including single entity or~~
27 ~~combination products containing diuretics, cardiac glycosides,~~
28 ~~antianginal agents, antiarrhythmic agents, channel calcium~~
29 ~~blocking agents, peripheral vasodilators, beta adrenergic~~
30 ~~blocking agents, alpha/beta adrenergic blocking agents,~~

~~antihypertensives, antihyperlipidemics, antiplatelet agents,
coagulants and anticoagulants.~~

~~(C) Antidiabetic agents.~~

~~(D) Anticonvulsants.~~

~~(E) Psychotherapeutic drugs, including forms of antianxiety
agents, antidepressants and antipsychotic agents.~~

~~(F) Antineoplastic agents.~~

~~(G) Antiglaucoma agents, including oral and ophthalmic
products.~~

~~(H) Antiparkinson agents.~~

~~(I) Family planning drugs.~~

~~(J) Acquired immune deficiency syndrome (AIDS) specific
drugs.~~

~~(K) Asthma specific drugs, including oral and inhalation
bronchodilators and antiasthmatic combinations.~~

~~(L) Ulcer medications, limited to oral and parenteral forms
of histamine H₂ antagonists, misoprostol, omeprazole and
sulceralfate.~~

~~(M) Pain medication, including oral, parenteral, rectal and
topical products of analgesics, anti-inflammatory agents and
antirheumatic agents.~~

~~(N) Insulin.~~

~~(O) All medically necessary childhood immunizations.~~

~~(xiii) Inpatient psychiatric care.~~

~~(xiv) Medical equipment, supplies, prostheses, orthoses and
appliances.~~ THE FOLLOWING BENEFITS:

(I) INPATIENT/OUTPATIENT HOSPITAL SERVICES.

(II) RURAL HEALTH CLINIC SERVICES.

(III) LABORATORY AND X-RAY SERVICES, INCLUDING MAMMOGRAPHY.

(IV) NURSE PRACTITIONERS' SERVICE.

<—

1 (V) HOME HEALTH SERVICES FOR INDIVIDUALS TWENTY-ONE YEARS OF
2 AGE AND OLDER.

3 (VI) FAMILY PLANNING SERVICES AND SUPPLIES.

4 (VII) PHYSICIANS' SERVICES.

5 (VIII) NURSE-MIDWIFE SERVICES.

6 (IX) THIRTY DAYS' INPATIENT CARE COVERAGE FOR MENTAL HEALTH,
7 MENTAL RETARDATION, SUBSTANCE ABUSE. INTERMEDIATE CARE COVERAGE
8 MAY BE SUBSTITUTED FOR INPATIENT CARE ON A FOUR DAYS FOR EACH
9 INPATIENT-DAY BASIS.

10 (X) COVERAGE FOR PRESCRIPTION DRUGS, INCLUDING ALL MEDICALLY
11 NECESSARY CHILDHOOD IMMUNIZATIONS.

12 (XI) PRENATAL CARE COVERAGE, INCLUDING EARLY AND PERIODIC
13 SCREENING, DIAGNOSIS AND TREATMENT SERVICES, LIMITED TO
14 INDIVIDUALS TWENTY YEARS OF AGE AND YOUNGER.

15 (4) EVERY EFFORT SHALL BE MADE TO INCLUDE THE FOLLOWING
16 BENEFITS:

17 (I) VISITS TO:

18 (A) A CHIROPRACTOR'S OFFICE.

19 (B) A PODIATRIST'S OFFICE.

20 (C) AN OPTOMETRIST'S OFFICE.

21 (II) DENTAL SERVICES, LIMITED TO SURGICAL PROCEDURES AND
22 EMERGENCY SERVICES, INCLUDING MEDICALLY NECESSARY PALLIATIVE
23 TREATMENT, AND DIAGNOSTICS, RESTORATIONS, OR EXTRACTIONS RELATED
24 TO THE NEED FOR PALLIATIVE TREATMENT.

25 (III) AMBULANCE SERVICES, LIMITED TO MEDICALLY NECESSARY
26 EMERGENCY TRANSPORTATION.

27 ~~(4)~~ (5) The insurer shall not impose any waiting period for <—
28 benefits, or otherwise reduce or restrict benefits, for any
29 claim that is the result of a high-risk condition.

30 ~~(5)~~ (6) The insurer shall refund to the insured a portion of <—

the premium for coverage of an eligible person if the person locates any item or service, which item or service was not received by or rendered to the person. Every insurer that agrees to participate shall document that it has a utilization review process and a claims audit process whereby a patient may challenge a questionable item or service. The insurance company would be allowed to collect this amount from the health care provider.

Section 494.5. Reimbursement of Insurers.--Within thirty days after receipt of a valid proof of eligibility and request for reimbursement from an insurer, the department shall issue payment to the insurer in the amount of the premium.

Section 494.6. Duties of Department.--The department shall:

(1) Administer and implement the program.

(2) Monitor the operation of the program.

(3) Disseminate to the insurer and to the public information concerning the program and the persons eligible to receive benefits under the program.

(4) Implement a system to provide information and guidance to all persons eligible under the program relative to the program's procedures and the selection of the most appropriate benefits under a health insurance or health care policy or contract.

(5) Implement a system whereby a portion of the premium for coverage of an eligible person shall be refunded by the insurer to the person if the person locates any item or service, which item or service was not received by or rendered to the person. The insurer shall be allowed to collect this amount from the health care provider.

(6) Continuously evaluate the program. The department shall

1 be required to contract for and complete an analysis of the
2 pilot program, measuring its delivery of and access to, ACCESS <—
3 TO AND AVAILABILITY OF quality health care in a cost-effective
4 manner. A report on the evaluation shall be submitted to the
5 Governor and the General Assembly detailing the findings and
6 recommendations of the evaluation at the close of the three-year
7 program. The report shall include, but not be limited to, the
8 following:

9 (i) Cost-effectiveness of the pilot project as compared to
10 the current medical assistance program for both cost of care and
11 administration.

12 (ii) Improvement in access to AND AVAILABILITY OF the health <—
13 care delivery system.

14 (iii) Maintenance of or improvement of the standard of
15 quality care delivered to this population.

16 Section 494.7. Employer Buy-in.--Employers who hire current
17 medical assistance voucher recipients shall be permitted to
18 provide health care coverage for the employee by buying into the
19 remaining term of the medical assistance recipient's health
20 plan. The amount of the plan would be prorated for the number of
21 ~~months~~ DAYS remaining in the current year of coverage. <—

22 Section 494.8. Employer Responsibility.--If an employer
23 offers health care coverage to employees, the employer shall
24 extend coverage to, or continue coverage of, an employee or an
25 employee's dependents who are eligible to receive benefits
26 provided under this subarticle.

27 Section 494.9. Rules and Regulations.--The department shall
28 promulgate rules and regulations to carry out this subarticle.
29 These shall include, but not be limited to, provisions relating
30 to the development of the program, procedures for determining

eligibility under the program, the specific geographic regions
chosen, issuance of proof of eligibility, determinations of
reimbursable premium amount and procedures for the reimbursement
of insurers. These regulations shall be promulgated within six
months of the enactment of this legislation.

SECTION 494.10. CONFIDENTIALITY OF MEDICAL INFORMATION.--ALL <—
INFORMATION PERTAINING TO AN INDIVIDUAL'S MEDICAL CARE SHALL BE
CONFIDENTIAL, EXCEPT THE DEPARTMENT SHALL HAVE ACCESS TO
INFORMATION NECESSARY TO CARRY OUT ITS DUTIES.

Section 8 10. Within 90 days of the effective date of this <—
act, the Department of Public Welfare shall submit to the
appropriate Federal agency a request for any and all waivers of
Federal law and regulations and for any other approvals by the
Federal Government necessary for the implementation of the
programs added by this act. It shall be the obligation of the
Department of Public Welfare to enter into good faith
negotiations with the appropriate Federal authorities and to
make every effort to obtain the necessary Federal waivers and
approvals.

SECTION 11. THE DEPARTMENT OF PUBLIC WELFARE SHALL APPLY TO <—
THE FEDERAL GOVERNMENT FOR A WAIVER TO ENSURE THAT PERSONS WHO
ARE UNEMPLOYED ARE NOT FORCED TO LIQUIDATE ANY PENSION FUNDS
WHICH THEY MAY HAVE ALREADY ACQUIRED AND TO WHICH THEY ARE
OTHERWISE ENTITLED BEFORE RECEIVING BENEFITS UNDER THIS ACT,
INCLUDING, BUT NOT LIMITED TO, FOOD STAMPS, WELFARE PAYMENTS,
MEDICAID AND SUPPLEMENTAL SECURITY INCOME (SSI) PAYMENTS.

Section 9 12. All references in this act to the Community <—
Work Program shall be deemed to be references to the Workfare
Program.

Section 10 13. This act shall take effect as follows: <—

1 (1) The amendment of section 432.12 of the act shall
2 take effect in ten months.

3 (2) The remainder of this act shall take effect in 60
4 days.