

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 5

Session of 2008

INTRODUCED BY ERICKSON, BAKER, CORMAN, M. WHITE, RAFFERTY, O'PAKE, ORIE, VANCE, MADIGAN, COSTA, PIPPY, EARLL, EICHELBERGER, D. WHITE, REGOLA, WONDERLING, BROWNE, BRUBAKER, FOLMER, GREENLEAF, GORDNER, SCARNATI, ARMSTRONG AND PILEGGI, JUNE 24, 2008

SENATOR ARMSTRONG, APPROPRIATIONS, RE-REPORTED AS AMENDED, SEPTEMBER 23, 2008

AN ACT

1 Establishing the Community-Based Health Care (CHC) Program in  
2 the Department of Health; providing for hospital health  
3 clinics and for a tax credit; and making an appropriation.

4 TABLE OF CONTENTS

5 Chapter 1. Health Care Assistance

6 Subchapter A. Preliminary Provisions

7 Section 101. Short title.

8 Section 102. Definitions.

9 Subchapter B. Community-Based Health Care (CHC)

10 Section 111. Community-Based Health Care (CHC) Program.

11 Section 112. Powers and duties of department.

12 Section 113. Hospital health clinics.

13 Section 114. Community-Based Health Care (CHC) Fund.

14 Subchapter C. Tax Credit

15 Section 121. Scope of subchapter.

16 Section 122. Definitions.

1 Section 123. Establishment of program.

2 Section 124. Application.

3 Section 125. Tax credit.

4 Section 126. Limitations.

5 Section 127. Report.

6 Chapter 51. Miscellaneous Provisions

7 Section 5101. Appropriations.

8 Section 5102. Effective date.

9 The General Assembly of the Commonwealth of Pennsylvania  
10 hereby enacts as follows:

11 CHAPTER 1

12 HEALTH CARE ASSISTANCE

13 SUBCHAPTER A

14 PRELIMINARY PROVISIONS

15 Section 101. Short title.

16 This act shall be known and may be cited as the Community-  
17 Based Health Care (CHC) Act.

18 Section 102. Definitions.

19 The following words and phrases when used in this chapter  
20 shall have the meanings given to them in this section unless the  
21 context clearly indicates otherwise:

22 "Chronic care and disease management." A model of care that  
23 includes the following:

24 (1) The provision of effective health management through  
25 support and information that also promotes patient self-care  
26 for patients with chronic conditions.

27 (2) The use of evidence-based medicine to ensure  
28 appropriate treatment decisions by health care providers.

29 (3) The coordination of care and use of reasonably  
30 accessible and updated patient information that encourages

1 follow-up care as a standard procedure.

2 (4) The tracking of clinical information for individual  
3 and general patient populations to guide treatment and  
4 effectively anticipate community health care problems.

5 "Community-based health care clinic." A nonprofit health  
6 care center located in this Commonwealth that provides  
7 comprehensive ~~primary~~ HEALTH care services without regard for a ←  
8 patient's ability to pay and that:

9 (1) meets either of the following criteria:

10 (i) serves a federally designated medically  
11 underserved area, a medically underserved population or a  
12 health professional shortage area; or

13 (ii) serves a patient population with a majority of  
14 that population having an income less than 200% of the  
15 Federal poverty income guidelines; and

16 (2) includes any of the following:

17 (i) A federally qualified health center as defined  
18 in section 1905(1)(2)(B) of the Social Security Act (49  
19 Stat. 620, 42 U.S.C. § 1396d(1)(2)(B)) or a federally  
20 qualified health center look-alike.

21 (ii) A rural health clinic as defined in section  
22 1861(aa)(2) of the Social Security Act (49 Stat. 620, 42  
23 U.S.C. § 1395x(aa)(2)), certified by Medicare.

24 (iii) A hospital health clinic.

25 (iv) A free or partial-pay health clinic that  
26 provides services by volunteer and nonvolunteer health  
27 care providers.

28 (v) A nurse-managed health care clinic that is  
29 managed by advanced practice nurses and is associated  
30 with a nursing education program, a federally qualified

1 health center or an independent nonprofit health or  
2 social services agency.

3 "Department." Except as provided under section 122, the  
4 Department of Health of the Commonwealth.

5 "Fund." The Community-Based Health Care (CHC) Fund.

6 "Health care provider." A health care provider licensed to  
7 practice a component of the healing arts by a licensing board  
8 within the Department of State who provides health care services  
9 at a community-based health care clinic.

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

13 "Medical assistance." A State program of medical assistance  
14 established under Article IV(f) of the act of June 13, 1967  
15 (P.L.31, No.21), known as the Public Welfare Code.

16 "Patient." A natural person receiving health care from a  
17 health care provider at a community-based health care clinic.

18 "Program." The Community-Based Health Care (CHC) Program.

19 SUBCHAPTER B

20 COMMUNITY-BASED HEALTH CARE (CHC)

21 Section 111. Community-Based Health Care (CHC) Program.

22 (a) Establishment.--The Community-Based Health Care (CHC)  
23 Program is established within the department to provide grants  
24 to community-based health care clinics to:

25 (1) Expand and improve health care access and services,  
26 such as preventive care, chronic care and disease management,  
27 prenatal, obstetric, postpartum and newborn care, dental  
28 treatment, behavioral health and pharmacy services.

29 (2) Reduce unnecessary utilization of hospital emergency  
30 services by providing an effective alternative health care

1 delivery system.

2 (3) Encourage collaborative relationships among  
3 community-based health care clinics, hospitals and other  
4 health care providers.

5 (b) Grant award methodology.--A methodology for the  
6 allocation of grant awards shall be developed by the department  
7 based on the following distribution:

8 (1) Fifty percent for the expansion of an existing or  
9 the development of a new community-based health care clinic  
10 using criteria that include:

11 (i) The actual and projected number of total  
12 patients, new patients and patient visits for all  
13 patients served or to be served, specifically delineating  
14 the number of low-income and uninsured patients, who fall  
15 below 200% of the Federal poverty income guidelines.

16 (ii) The addition or expansion of ancillary health  
17 care services, such as dental, behavioral health and  
18 pharmacy.

19 (iii) The development or enhancement of preventive  
20 and chronic care and disease management techniques.

21 (2) Twenty-five percent for improvements in prenatal,  
22 obstetric, postpartum and newborn care.

23 (3) Twenty percent for improved access and services, <—  
24 INCLUDING PATIENT TRANSPORTATION, intended to reduce  
25 unnecessary emergency room utilization.

26 (4) Five percent for the establishment of collaborative  
27 relationships among community-based health care clinics,  
28 hospitals and other health care providers.

29 (c) Limitation.--No more than ~~15%~~ 25% of the grants awarded <—  
30 under subsection (b) shall go to federally qualified health

1 centers or Federally qualified health center look-alikes.

2 (d) Distribution.--Funds shall be distributed in a manner  
3 that improves access and expands services in all geographic  
4 areas of this Commonwealth.

5 (e) Reallocation.--The department shall reallocate funds  
6 among the categories described in subsection (b) if sufficient  
7 grant requests are not received to use all the funds available  
8 in a specific category.

9 (f) Amount of grants.--A grant under this subsection shall  
10 not exceed \$500,000, and shall require a matching commitment of  
11 25% of the grant, which can be in the form of cash or equivalent  
12 in-kind services.

13 (g) Federal funds.--The department shall seek any available  
14 Federal funds, as well as any available grants and funding from  
15 other sources, to supplement amounts made available under this  
16 subchapter to the extent permitted by law.

17 Section 112. Powers and duties of department.

18 The department shall have the following powers and duties:

19 (1) To administer the program.

20 (2) To develop an allocation methodology pursuant to  
21 section 111(b).

22 (3) Within 90 days of the effective date of this  
23 section, to develop and provide a grant application form  
24 consistent with this act. The department shall provide  
25 applications for grants under this section to all known  
26 community-based health care clinics. A grant under this  
27 section may be extended over two State fiscal years at the  
28 request of the community-based health care clinic.

29 (4) To calculate and make grants to qualified community-  
30 based health care clinics.

1 (5) To provide an annual report no later than November  
2 30 to the chair and minority chair of the Public Health and  
3 Welfare Committee of the Senate and the chair and minority  
4 chair of the Health and Human Services Committee of the House  
5 of Representatives. The report shall include ACCOUNTABILITY ←  
6 MEASURES FOR all of the following:

7 (i) The total dollar amount for each grant awarded,  
8 listing the type of community-based health care clinic  
9 and the name of the grantee.

10 (ii) A summary of the use of the grant by each  
11 grantee.

12 (iii) A summary of how each grant expanded access  
13 and services in accordance with the criteria set forth in  
14 section 111(a) and (b), INCLUDING A SPECIFIC ←  
15 DOCUMENTATION OF LOW-INCOME AND UNINSURED PATIENTS  
16 SERVED, and the total amount of funds allocated in each  
17 distribution category under section 111(b).

18 (iv) The impact of the grant on improving the  
19 delivery and quality of health care in the community.

20 (v) An accountability assessment of the benefits of  
21 the assistance provided under this subchapter and any  
22 recommendations for changes to the program.

23 The report shall be made available for public inspection and  
24 posted on the department's publicly accessible Internet  
25 website.

26 (6) To audit grants awarded under this subchapter to  
27 ensure that funds have been used in accordance with this  
28 subchapter and the terms and standards adopted by the  
29 department.

30 (7) To establish and maintain an online database of

1 community-based health care clinics.

2 (8) To establish a toll-free telephone number for  
3 individuals to obtain information about community-based  
4 health care clinics.

5 Section 113. Hospital health clinics.

6 (a) Program.--The Department of Public Welfare shall be  
7 responsible for administering the program as it relates to  
8 hospital health clinics in accordance with the requirements of  
9 this act and shall have the following additional duties:

10 (1) To develop an application and collect such data and  
11 information as may be necessary to determine the eligibility  
12 of hospital health clinics for payments under this section  
13 using the criteria set forth in section 111(a) and (b).

14 (2) To review an application and make a final  
15 determination regarding a hospital health clinic's  
16 eligibility for funding within 90 days of receipt.

17 (3) To make payments to hospital health clinics in  
18 accordance with the payment calculation set forth in  
19 subsection (e).

20 (b) Submission of application.--In order to qualify for  
21 funding pursuant to this section, a hospital health clinic shall  
22 submit the required application to the Department of Public  
23 Welfare no later than 90 days after the effective date of this  
24 act.

25 (c) Funding.--

26 (1) For fiscal year 2009-2010 and each year thereafter,  
27 upon Federal approval of an amendment to the Medicaid State  
28 plan, the Department of Public Welfare shall annually  
29 distribute any available funds obtained under this act for  
30 hospital health clinics through disproportionate share

1 payments to hospitals to provide financial assistance that  
2 will assure readily available and coordinated comprehensive  
3 ~~primary~~ health care to the citizens of this Commonwealth. ←

4 (2) The Secretary of Public Welfare shall determine the  
5 funds available and make appropriate adjustments based on the  
6 number of qualifying hospitals with hospital health clinics.

7 (d) Maximization.--The Department of Public Welfare shall  
8 seek to maximize any Federal funds, including funds obtained  
9 under Title XIX of the Social Security Act (49 Stat. 620, 42  
10 U.S.C. § 1396 et seq.).

11 (e) Payment calculation.--

12 (1) Thirty percent of the total amount available shall  
13 be allocated to eligible hospital health clinics of hospitals  
14 located in counties of the first and second class. The total  
15 amount available for each hospital health clinic at a  
16 hospital in these counties shall be allocated on the basis of  
17 each hospital's percentage of medical assistance and low-  
18 income hospital health clinic visits compared to the total  
19 number of medical assistance and low-income hospital health  
20 clinic visits for all hospitals in these counties.

21 (2) Fifty percent of the total amount available shall be  
22 allocated to eligible hospital health clinics of hospitals  
23 located in counties of the third, fourth and fifth class. The  
24 total amount available for each hospital health clinic at a  
25 hospital in these counties shall be allocated on the basis of  
26 each hospital's percentage of medical assistance and low-  
27 income hospital health clinic visits compared to the total  
28 number of medical assistance and low-income hospital health  
29 clinic visits for all hospitals in these counties.

30 (3) Twenty percent of the total amount available shall

1 be allocated to eligible hospital health clinics of hospitals  
2 located in counties of the sixth, seventh and eighth class.  
3 The total amount available for each hospital health clinic at  
4 a hospital in these counties shall be allocated on the basis  
5 of each hospital's percentage of medical assistance and low-  
6 income hospital health clinic visits compared to the total  
7 number of medical assistance and low-income hospital health  
8 clinic visits for all hospitals in these counties.

9 (4) Any hospital that has reached its disproportionate  
10 share limit under Title XIX of the Social Security Act shall  
11 receive its share of the State funds available under this  
12 act.

13 (f) Definition.--As used in this section, the term "low-  
14 income" means under 200% of the Federal poverty income  
15 guidelines.

16 Section 114. Community-Based Health Care (CHC) Fund.

17 (a) Establishment.--The Community-Based Health Care (CHC)  
18 Fund is established in the State Treasury.

19 (b) Funding sources.--Funding sources for the fund shall  
20 include all of the following:

21 (1) Transfers or appropriations to the fund.

22 (2) Money received from the Federal Government or other  
23 sources.

24 (3) Money required to be deposited in the fund pursuant  
25 to other provisions under this act or any other law.

26 (4) Investment earnings from the fund, net of investment  
27 costs.

28 (c) Use.--The department shall utilize the fund to carry out  
29 the program.

TAX CREDIT

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Section 121. Scope of subchapter.

This subchapter deals with the community-based health care clinic tax credit.

Section 122. Definitions.

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

"Business firm." An entity authorized to do business in this Commonwealth and subject to taxes imposed under Article IV, VI, VII, VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

"Contribution." A donation of cash or personal property by the business firm to the Commonwealth.

"Department." Notwithstanding section 102, the Department of Community and Economic Development of the Commonwealth.

Section 123. Establishment of program.

A community-based health care clinic tax credit program is hereby established in order to fund the Community-Based Health Care (CHC) Program.

Section 124. Application.

(a) Application.--A business firm shall apply to the department in a form and manner determined by the department for a tax credit under section 125.

(b) Availability of tax credits.--Tax credits under this subchapter shall be made available by the department on a first-come, first-served basis within the limitations established under section 126.

(c) Contributions.--A contribution shall be made no later than 60 days following the approval of an application under

1 subsection (a).

2 Section 125. Tax credit.

3 (a) Grant.--The Department of Revenue shall grant a tax  
4 credit against any tax due under Article IV, VI, VII, VIII, IX  
5 or XV of the act of March 4, 1971 (P.L.6, No.2), known as the  
6 Tax Reform Code of 1971, to a business firm that has applied  
7 for, been approved for and made a contribution. In the taxable  
8 year in which the contribution is made, the credit shall not  
9 exceed 75% of the total amount contributed by the business firm.  
10 The credit shall not exceed \$100,000 annually per business firm.

11 (b) Expense.--All money received from business firms in  
12 accordance with this subchapter shall be expended solely for  
13 community-based health care clinics pursuant to Subchapter A.

14 Section 126. Limitations.

15 (a) Amount.--The total aggregate amount of all tax credits  
16 approved under this subchapter shall not exceed \$5,000,000 in a  
17 fiscal year.

18 (b) Activities.--No tax credit shall be approved for  
19 activities that are a part of a business firm's normal course of  
20 business.

21 (c) Tax liability.--A tax credit granted for any one taxable  
22 year may not exceed the tax liability of a business firm.

23 (d) Use.--A tax credit not used in the taxable year the  
24 contribution was made may not be carried forward or carried back  
25 and is not refundable or transferable.

26 Section 127. Report.

27 (a) Delivery.--The department shall provide a report to the  
28 chair and minority chair of the Appropriations Committee of the  
29 Senate, the chair and minority chair of the Public Health and  
30 Welfare Committee of the Senate, the chair and minority chair of

1 the Appropriations Committee of the House of Representatives and  
2 the chair and minority chair of the Health and Human Services  
3 Committee of the House of Representatives.

4 (b) Substance.--The report shall include:

5 (1) The total amount of the tax credits awarded.

6 (2) The total amount of the contributions from all  
7 business firms.

8 (3) The total number of additional persons served  
9 through the program due to contributions from business firms,  
10 by county.

11 CHAPTER 51

12 MISCELLANEOUS PROVISIONS

13 Section 5101. Appropriations.

14 (a) Department of Health.--The sum of \$35,000,000 from the  
15 Community-Based Health Care (CHC) Fund is hereby appropriated to  
16 the Department of Health for the fiscal year July 1, 2009, to  
17 June 30, 2010, to carry out the provisions of Ch. 1 Subch. B,  
18 with the exception of funding under section 113.

19 (b) Department of Public Welfare.--The sum of \$10,000,000  
20 from the Community-Based Health Care (CHC) Fund is hereby  
21 appropriated to the Department of Public Welfare for the fiscal  
22 year July 1, 2009, to June 30, 2010, to carry out the provisions  
23 of Ch. 1 Subch. B and the funding of hospital health clinics  
24 under section 113.

25 (c) Limitations on payments.--Payments to community-based  
26 health care clinics for assistance under this act shall not  
27 exceed the amount of funds available for the program, and any  
28 payment under this act shall not constitute an entitlement from  
29 the Commonwealth or a claim on any other funds of the  
30 Commonwealth.

1 Section 5102. Effective date.

2 This act shall take effect in 90 days.