

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2704 Session of  
1992

INTRODUCED BY RICHARDSON, DeWEESE, TRICH, STETLER, HUGHES,  
KUKOVICH, RITTER, JAMES, JOSEPHS, CAWLEY, VAN HORNE, PETRONE,  
WILLIAMS, FREEMAN, TANGRETTI, PRESTON, THOMAS, MELIO,  
MIHALICH, CARN, CAPPABIANCA, TIGUE, PESCI AND WAMBACH,  
MAY 11, 1992

REFERRED TO COMMITTEE ON HEALTH AND WELFARE, MAY 11, 1992

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 the New  
4 Directions Jobs Program; eliminating monthly reporting; and  
5 further providing for eligibility, for the enforcement of  
6 support obligations, for WIC benefits, for access to medical  
7 support and health insurance, for certain Federal benefits  
8 and Federal funding, for medical assistance, for long-term  
9 care insurance and for services relating to AIDS.

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

12 Section 1. The act of June 13, 1967 (P.L.31, No.21), known  
13 as the Public Welfare Code, is amended by adding a section to  
14 read:

15 Section 405.3. New Directions Jobs Program.--The department  
16 shall draw down the maximum available Federal dollars for its  
17 New Directions Jobs Program to maximize the employment training  
18 and job placement potential of all employable welfare  
19 recipients. To that end for fiscal year 1993-1994, the  
20 department shall solicit voluntary donations from eligible New

1 Directions contracting agencies as a match to draw down the  
2 maximum available Federal funds.

3 Section 2. Section 408 of the act, amended April 8, 1982  
4 (P.L.231, No.75), is amended to read:

5 Section 408. Meeting Special Needs; Encouraging Self-Support  
6 and Employment.--(a) The department shall take measures not  
7 inconsistent with the purposes of this article; and when other  
8 funds or facilities for such purposes are inadequate or  
9 unavailable to provide for special needs of individuals eligible  
10 for assistance; to relieve suffering and distress arising from  
11 handicaps and infirmities; to promote their rehabilitation; to  
12 help them if possible to become self-dependent; and, to  
13 cooperate to the fullest extent with other public agencies  
14 empowered by law to provide vocational training, rehabilitative  
15 or similar services.

16 (b) For the purpose of increasing Federal funding and  
17 facilitating health in children, preventing malnutrition, low  
18 birth weight and infant mortality, and providing nutritious  
19 foods for infants, children, pregnant women and nursing mothers,  
20 the department shall designate State supplemental Women Infants  
21 and Children (WIC) benefits as a Special Need Item for persons  
22 eligible for Federally funded categories of cash assistance.

23 Section 3. Section 432 of the act is amended by adding a  
24 clause to read:

25 Section 432. Eligibility.--Except as hereinafter otherwise  
26 provided, and subject to the rules, regulations, and standards  
27 established by the department, both as to eligibility for  
28 assistance and as to its nature and extent, needy persons of the  
29 classes defined in clauses (1), (2), and (3) shall be eligible  
30 for assistance:

1       \* \* \*

2       (8) The department shall not categorize any such person as  
3 chronically needy unless it has fully explored whether the child  
4 is eligible for Aid to Families with Dependent Children (AFDC).  
5 In furtherance of this end, the department shall:

6       (i) use the broadest possible definition of incapacity under  
7 Federal law and regulations and design a medical assessment form  
8 consistent with that definition;

9       (ii) use the broadest possible criteria permitted under  
10 Federal law and regulations regarding eligibility for AFDC for  
11 unemployed parents (AFDC-U); and

12       (iii) create flexible verification criteria for establishing  
13 the necessary degree of relatedness for specified relatives.

14 The pursuit of AFDC eligibility for any child shall not delay  
15 the child's receipt of public assistance. By October 1, 1992,  
16 the department shall complete a review of all general assistance  
17 household cases that contain at least one child to determine  
18 whether said household can be converted to AFDC.

19       Section 4. Sections 432.2, 432.7 and 432.21 of the act are  
20 amended by adding subsections to read:

21       Section 432.2. Determination of Eligibility.--\* \* \*

22       (f) The department shall not require, as a condition of  
23 eligibility for assistance under this act, a monthly report from  
24 any assistance recipient.

25       Section 432.7. Determination of Paternity and Enforcement of  
26 Support Obligations.--\* \* \*

27       (j) The department shall give priority in its resources and  
28 timeliness of enforcement to legally obligated parents of  
29 children who:

30       (i) have health or dental insurance either from an employer

or through a union health and dental plan; and

(ii) are employed wage earners or salaried individuals and within this group to higher income individuals. In this regard, the department shall use its parent locator service and other means to determine which absent parents are employed or are union members.

(k) (1) The department shall petition courts for support orders or modify existing support orders to include medical support whenever health and dental insurance, including employment related or other group health insurance, is available to the absent parent at reasonable cost. The presence or availability of medical assistance (or Medicaid) shall not preclude the seeking and obtaining of a health support order where such other health insurance is or may be available in the future to support the children and spouse.

(2) Health insurance support must be sought even if not currently available to the absent parent at reasonable cost and even if the children cannot be on the current insurance policy so if when such insurance is available in the future no modification of the order shall be necessary.

(3) The custodial parent in a public assistance household must be told by the department that health support order services are available and the services must be provided upon request.

(4) In the department's ongoing review and, if appropriate, modification of cash support orders, undertaken under Federal law once every three years, the department shall also review such orders for the presence of medical support or health insurance access provisions and seek modifications to include them if appropriate. The department shall complete review of all

ongoing orders for medical support by July 1, 1994. For cases where modification of cash support is not desired, but modification of medical support is, the department shall have written criteria with which to identify ongoing cases that have a high potential for obtaining medical support. The department must then petition the court to modify the underlying support order to include health insurance in these cases.

(5) The department, in obtaining or modifying support orders to provide for medical support, shall include provisions to the effect that the custodial parent has direct access to the health and dental insurance coverage information and needed claim forms, to submit claims, and to obtain ID cards, including where the noncustodial parent is the insured party.

(6) Support orders sought or modified by the department shall provide that to the extent required by the provisions for medical support coverage contained in the order the employer shall:

(i) enroll the employee, the employee's spouse or former spouse and the employee's dependent children listed in the order as covered persons in the group health insurance plan or similar plan providing health care services or coverage offered by the employer, if the subject spouse, former spouse or children are eligible for such coverage under the employer's enrollment provisions; and

(ii) deduct any required premiums from the employee's earnings to pay off the insurance.

If more than one plan is offered by the employers, the spouse, former spouse or children shall be enrolled in the insurance plan in which the employee is enrolled or, if the employee is not enrolled, in the plan best meeting the provisions for health

care coverage contained in the order. In each case which is being enforced by the department, the employer shall respond to such orders by advising the department in which plan the children are enrolled or if the children are ineligible for any plan through the employer.

(l) The department shall contract with qualified persons to establish pilot projects throughout the State to utilize as prosecutors of cash support and medical support orders and as representatives of the custodial parents, individuals who are not employees of State or county governments. Such pilot projects shall seek to demonstrate the efficiency and productivity in terms of savings to the State, and the amount and benefits to the custodial parent and children of cash and medical support orders obtained or modified by such project staff. To the extent feasible, support order funds obtained by such projects shall be utilized to finance the projects.

(m) Each publicly funded health care program that furnishes or pays for health care services to a recipient having private health care coverage shall be entitled to be subrogated to the rights that such person has against the insurer of such coverage to the extent of the health care services rendered. Such action may be brought within five years from the date that service was rendered such person.

Section 432.21. Requirement that Certain Federal Benefits be Primary Sources of Assistance.--\* \* \*

(c) The department shall institute steps to identify any recipients and applicants for assistance who may be eligible for Social Security Survivor's benefits and shall provide assistance to them in applying for and obtaining said benefits, including, but not limited to, informing recipients and applicants of the

eligibility standards for Social Security Survivor's benefits,  
helping them complete Social Security application forms and  
helping them obtain records establishing paternity.

(d) The department shall institute steps to aid recipients  
or applicants for assistance who are users of mental health and  
mental retardation (MH/MR) services, beginning with high users  
of services, to apply for and receive Federal Supplemental  
Security Income (SSI) and Federal Social Security Retirement,  
Survivor's and Disability Income benefits (RSDI). In furtherance  
of this end, the department shall:

(1) offer incentives, financial and otherwise, to providers  
of MH/MR services, including hospitals and community-based  
mental health/mental retardation centers, to assist their  
patients in applying for SSI and RSDI and to provide medical  
records and reports to support said applications;

(2) require each MH/MR center to designate a public benefits  
counselor to coordinate efforts to obtain SSI and RSDI for  
patients of the center and to serve as a liaison with the  
department's Disability Advocacy Program (DAP) workers and with  
the Social Security Administration, including the State Bureau  
of Disability Determinations under Federal contract, to do  
disability evaluations; and

(3) require all providers of mental health and mental  
retardation services to refer any denials of SSI and RSDI to the  
DAP.

Section 5. Section 443.3 of the act, amended November 28,  
1973 (P.L.364, No.128), is amended to read:

Section 443.3. Other Medical Assistance Payments.--(a)  
Payments on behalf of eligible persons shall be made for other  
services, as follows:

1       (1) Rates established by the department for outpatient  
2 services as specified by regulations of the department adopted  
3 under Title XIX of the Federal Social Security Act consisting of  
4 preventive, diagnostic, therapeutic, rehabilitative or  
5 palliative services; furnished by or under the direction of a  
6 physician, chiropractor or podiatrist, by a hospital or  
7 outpatient clinic which qualifies to participate under Title XIX  
8 of the Federal Social Security Act, to a patient to whom such  
9 hospital or outpatient clinic does not furnish room, board and  
10 professional services on a continuous, twenty-four hour a day  
11 basis.

12       (2) Rates established by the department for (i) other  
13 laboratory and X-ray services prescribed by a physician,  
14 chiropractor or podiatrist and furnished by a facility other  
15 than a hospital which is qualified to participate under Title  
16 XIX of the Federal Social Security Act, (ii) physician's  
17 services consisting of professional care by a physician,  
18 chiropractor or podiatrist in his office, the patient's home, a  
19 hospital, a nursing home or elsewhere, (iii) the first three  
20 pints of whole blood, (iv) remedial eye care, as provided in  
21 Article VIII consisting of medical or surgical care and aids and  
22 services and other vision care provided by a physician skilled  
23 in diseases of the eye or by an optometrist which are not  
24 otherwise available under this Article, (v) special medical  
25 services for school children, as provided in the Public School  
26 Code of 1949, consisting of medical, dental, vision care  
27 provided by a physician skilled in diseases of the eye or by an  
28 optometrist or surgical care and aids and services which are not  
29 otherwise available under this article.

30       (b) As used in subsection (a)(2)(v), special medical



1 services shall also include supplemental food, prescribed by a  
2 physician for children, infants, pregnant women and nursing  
3 mothers, available under the State supplemental WIC  
4 appropriation.

5 Section 6. The act is amended by adding sections to read:

6 Section 443.7. Facilitating Access of Elderly to Medical  
7 Assistance.--(a) In order to facilitate access of elderly  
8 persons eligible for medical assistance and to insure that  
9 elderly persons make use of medical assistance to pay for their  
10 prescribed medications instead of the State-funded prescription  
11 program under Chapter 3 of the act of August 14, 1991 (P.L.342,  
12 No.36), known as the "Lottery Fund Preservation Act" (PACE), the  
13 department shall "outstation" staff at senior citizens' centers  
14 and similar providers of services to the elderly for the taking  
15 of Medicaid applications and enrollment in the department's  
16 Healthy Horizons program for needy elderly persons eligible for  
17 medical assistance. To the extent feasible, the department shall  
18 coordinate such efforts with the Department of Aging, so that  
19 medical assistance applications and PACE applications can be  
20 taken together by the same workers, whether these be employees of  
21 the Department of Public Welfare or the Department of Aging.

22 (b) Both the Department of Public Welfare and the Department  
23 of Aging shall coordinate policies and take steps, including the  
24 outstationing of medical assistance application staff at senior  
25 citizens' centers, to insure that eligible elderly persons  
26 always receive medical assistance for prescriptions before PACE  
27 program funding is utilized.

28 Section 454. Procedure in Relation to Certain Medical  
29 Assistance Claims.--(a) The department shall amend the State  
30 Medical Assistance Plan to adopt the option of making

independent disability determinations of persons with alcoholism and other drug dependencies for purposes of medical assistance eligibility as authorized by Title XIX of the Social Security Act (Public Law 74-271, 42 U.S.C. § 1396a(v)).

(b) The department shall transfer persons on general assistance who appear to meet the Social Security disability criteria to Federal medical assistance and shall seek Federal match for the cost of these services.

Section 455. Purchase of Private Insurance.--The department shall, as provided for in Title XIX of the Social Security Act (Public Law 74-271, 42 U.S.C. § 1396a), purchase private insurance with Medicaid funds, under the most cost-effective option allowed by Federal law.

Section 456. Maximization of Federal Funds for Alcohol and Other Drug Dependency Treatment under Medical Assistance.--The department shall take all efforts necessary to maximize Federal funds under the medical assistance program for alcohol and other drug dependency treatment now funded with purely State funds. Such efforts shall, at a minimum, include the following:

(1) train Disability Advocacy Project workers in Social Security disability criteria for persons with alcoholism and other drug dependencies;

(2) design a system to identify persons on general assistance who are alcohol or other drug dependent and refer those persons to specially trained Disability Advocacy Project workers;

(3) amend the State Medical Assistance Plan to adopt the option of making independent disability determinations of persons with alcoholism and other drug dependencies for purposes of medical assistance eligibility as authorized by Title XIX of

1 the Social Security Act (Public Law 74-271, 42 U.S.C. §  
2 1396a(v)); and

3 (4) transfer persons on general assistance who appear to  
4 meet the Social Security disability criteria to Federal medical  
5 assistance and seek Federal match for the cost of the services  
6 provided to them.

7 Section 457. Maximization of Federal Funds for Residential  
8 Alcohol and other Drug Dependency Treatment.--The department  
9 shall take all efforts necessary to maximize Federal funds under  
10 the medical assistance program for residential alcohol and other  
11 drug dependency treatment now funded with purely State funds  
12 pursuant to sections 2334 and 2335 of the act of April 9, 1929  
13 (P.L.177, No.175), known as "The Administrative Code of 1929."  
14 Such efforts shall, at a minimum, include the following:

15 (1) where cost effective, provide funds to residential  
16 alcohol and other drug dependency treatment facilities that  
17 serve persons under twenty-one years of age to become accredited  
18 by the Joint Commission on Accreditation of Health Care  
19 Organizations and then seek Federal match for Medicaid eligible  
20 persons under twenty-one years of age treated in such  
21 facilities;

22 (2) amend the State Medical Assistance Plan and seek Federal  
23 match for any individual eligible for medical assistance under  
24 Federal requirements being treated in a residential facility  
25 having less than seventeen treatment beds;

26 (3) amend the State Medical Assistance Plan and seek Federal  
27 match under the optional targeted case management provision of  
28 the Federal Medical Assistance Program as provided for in the  
29 Social Security Act (Public Law 74-271, 42 U.S.C. § 1396n(g))  
30 for any case management services currently or anticipated to be

1 provided under sections 2334 and 2335 of "The Administrative  
2 Code of 1929," including those case management services to be  
3 provided under contract with the Single County Drug and Alcohol  
4 Authorities; and

5 (4) enter into negotiations with the Health Care Financing  
6 Administration regarding obtaining Federal match under medical  
7 assistance for other individuals receiving residential alcohol  
8 and other drug dependency treatment.

9 Section 458. Purchase of Laboratory Services, Etc.--The  
10 department shall enter into arrangements through a competitive  
11 bidding process or other means for the purchase of laboratory  
12 services, medical supplies and devices and durable medical  
13 equipment. The department may purchase laboratory services  
14 pursuant to this section only from laboratories that meet the  
15 applicable requirements of Titles XVIII and XIX of the Social  
16 Security Act (Public Law 74-271, 42 U.S.C. § 301 et seq.), and  
17 whose charges for such services to individuals entitled to  
18 benefits under Titles XVIII or XIX are no more than seventy-five  
19 percent of their total charges for such services.

20 Section 459. Mail-order Prescription Drugs.--The department  
21 shall enter into an arrangement by competitive bidding process  
22 or otherwise to provide prescription drugs to eligible  
23 recipients by mail order. Participation by recipients shall be  
24 voluntary but the department shall waive any applicable  
25 copayment requirements for recipients who choose to participate.

26 Section 460. Long Term Care Insurance.--It is declared to be  
27 the policy of this Commonwealth to promote the development of  
28 long term care insurance as a cost effective alternative to the  
29 use of Federal and State moneys under Title XIX of the Social  
30 Security Act (Public Law 74-271, 42 U.S.C. § 301 et seq.). In

1 order to effectuate this policy, the department is directed to  
2 take all reasonable and appropriate steps, including application  
3 to the Federal government for necessary waivers, to modify the  
4 medical assistance program in order to create such incentives,  
5 including special income or resource levels and exemptions for  
6 recipient residents of long term care facilities, in order to  
7 encourage the general population to purchase long term care  
8 insurance. The department shall report annually to the General  
9 Assembly regarding its efforts under this section on the first  
10 three anniversaries of enactment of this section.

11 Section 461. Certain Services Relating to AIDS.--The  
12 department is directed to expand available service to the full  
13 extent permitted by the increase in the costs of institutional  
14 and hospital care and thereby to maximize the potential number  
15 of institutional admissions that may be avoided or deferred by  
16 recipients with acquired immune deficiency syndrome.

17 Section 462. Maximization of Funding Participation by  
18 Federal and Other Non-state Sources.--(a) Within sixty day of  
19 the effective date of this section, the Department of  
20 Corrections, Department of Education, Department of Health and  
21 the Department of Public Welfare shall each review all of their  
22 health care related programs and report to the General Assembly  
23 and the Secretary of the Budget all programs or parts of  
24 programs for which funding contributions may be available  
25 through Federal participation in the medical assistance program  
26 or other non-State sources. This report shall include the  
27 actions planned to make use of these additional funding sources.

28 (b) Within thirty days of receipt of the reports described  
29 in subsection (a), the Secretary of the Budget shall report to  
30 the General Assembly the progress made in acquiring additional

1 funding from the sources identified in subsection (a) of this  
2 section.

3       Section 7. This act shall take effect in 60 days.