

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 1341 Session of  
1993

INTRODUCED BY EVANS, STETLER AND JOSEPHS, APRIL 19, 1993

AS REPORTED FROM COMMITTEE ON HEALTH AND WELFARE, HOUSE OF  
REPRESENTATIVES, AS AMENDED, APRIL 27, 1993

## 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," further providing for a  
4 performance evaluation of the Pennsylvania Community Work  
5 Program; providing for the New Directions Jobs Program and  
6 for employment and training programs for the transitionally  
7 needy and for referral to Pennsylvania Conservation Corps;  
8 establishing an exemption for education savings accounts;  
9 CREATING THE ASSISTANCE RECIPIENT IDENTIFICATION PROGRAM;  
10 establishing a residency requirement and requiring residency  
11 data collection; further providing for determination of  
12 paternity and enforcement and for Federal benefits as the  
13 primary source of assistance; ensuring aid to families with  
14 dependent children eligibility for children; requiring prior  
15 authorization for home health services; further providing for  
16 medical assistance payments and for Medicaid fraud; providing  
17 for certain purchases of private insurance, for certain  
18 purchases of laboratory and medical supplies and mail order  
19 prescriptions, for maximization of Federal funds for  
20 children's nutrition and drug and alcohol treatment and for  
21 independent disability determinations; removing the limit on  
22 the Employment Fund for the Blind; further providing for  
23 employment incentive payments; and making a repeal.

&lt;—

24 The General Assembly of the Commonwealth of Pennsylvania  
25 hereby enacts as follows:

26 Section 1. Section 405.2 of the act of June 13, 1967  
27 (P.L.31, No.21), known as the Public Welfare Code, is amended by

1 adding a subsection to read:

2 Section 405.2. Community Work Program.--\* \* \*

3 (g) An independent performance evaluation shall be performed  
4 on the Pennsylvania Community Work Program to assess its  
5 effectiveness and utilization and to make recommendations for  
6 improvements in the implementation of the program. The report  
7 shall be submitted to the Governor and the General Assembly no  
8 later than June 30, 1994, and shall include, but not be limited  
9 to, the following information:

10 (1) The number of persons eligible for the program.

11 (2) The number of persons actively participating in the  
12 program.

13 (3) The number and type of community work projects approved  
14 by the department.

15 (4) The number of persons who have been disqualified from  
16 cash assistance for noncompliance with the program.

17 Section 2. The act is amended by adding sections to read:

18 Section 405.3. New Directions Jobs Program.--To increase the  
19 employment training and job placement potential of all  
20 employable recipients of aid to families with dependent  
21 children, the department shall solicit and receive voluntary  
22 donations as a match to draw down additional Federal funds  
23 available under the Family Support Act of 1988 (Public Law 100-  
24 485, 102 Stat. 2343).

25 Section 405.4. Employment and Training Demonstrations for  
26 Transitionally Needy General Assistance Recipients.--(a) The  
27 department is hereby authorized to establish a program of grants  
28 to any private industry council or designated administrative  
29 entity, public or private school, institution of higher  
30 learning, business enterprise or nonprofit organization for the

1 implementation of programs to provide employment assistance for  
2 transitionally needy general assistance recipients. Grants may  
3 be authorized for either supported employment demonstration  
4 programs under subsection (b) or the employment initiatives  
5 demonstration program under subsection (c).

6 (b) The supported employment demonstration program  
7 recognizes that transitionally needy general assistance  
8 recipients can be productive assets of an employer's work force.  
9 While having some work skills, many clients have barriers which  
10 may initially result in poor attendance, less than optimum  
11 performance or difficulty in following directions. This can  
12 result in increased supervisory burdens for employers. This  
13 program shall utilize job coaches located at employers' worksite  
14 who shall work one-on-one with each client to ensure that  
15 attendance is maintained, that work assignments and training are  
16 understood, that work assignments are completed on time and  
17 correctly and that strong relationships are built among the  
18 client, coworkers and supervisor. Specifically:

19 (1) Grantees under this subsection shall develop competitive  
20 work opportunities for eligible clients. These work  
21 opportunities shall be in entry-level employment with private or  
22 nonprofit employers. Employers shall hire the clients and  
23 provide the same rate of pay and benefits as regular employees.

24 (2) Employers shall not receive financial reimbursement for  
25 hiring clients under this program since the presence of the job  
26 coach will ensure the employer that the work duties of the  
27 client will be carried out each day even if the job coach has to  
28 directly assist the client in performing them.

29 (3) Transitionally needy general assistance recipients shall  
30 be recruited who have the skills or aptitude for available

employment opportunities but who have barriers to employment  
that have previously made them incapable of being hired.

(4) Job coaches shall be assigned to each client and shall  
provide the ongoing support services necessary to permit the  
client to perform the job and shall guarantee to the employer  
that the work will be completed. If the client is unable to  
perform all or any part of the job, the job coach shall assist  
the client in the actual performance of the job until the  
client's skills reach acceptable levels. Job coaches shall meet  
frequently with the client's supervisor and other employer  
representatives to ensure employer satisfaction with the client.

(5) Job coaches shall gradually withdraw their day-to-day  
hands-on support of the client. This transitional phase shall be  
coordinated with the employer to ensure that productivity  
continues when the job coach is absent.

(6) Job coaches shall not work with any client under this  
program for more than one year.

(7) The demonstration program shall run for a minimum of two  
years.

(c) (1) The department shall establish an employment  
initiatives demonstration program which will assess  
transitionally needy recipients to determine their job  
readiness. Those who are determined to be job ready and capable  
of being hired shall be referred to a contracted agency for job  
search assistance and job placement services.

(2) The department shall provide for job search assistance  
and referral of transitionally needy general assistance  
recipients to contracted agencies under contract with the  
department. The department may provide for reasonable incentives  
and commissions to contracted agencies who successfully place

1 current general assistance recipients. Any incentives and  
2 commissions established under this subsection shall be based on  
3 job retention rates. In no case shall any incentive or  
4 commission continue for more than twenty-four months after the  
5 month the recipient received his last cash assistance grant.

6 (3) The demonstration program shall run for a minimum of two  
7 years.

8 (d) The department shall submit a separate independent  
9 evaluation to the General Assembly within six months of the  
10 completion of the programs under subsections (b) and (c) which  
11 shall include, but not be limited to, the following information:

12 (1) The number of persons served.

13 (2) The number of persons obtaining full-time employment.

14 (3) The number of clients who remain in full-time employment  
15 after ninety days, six months, one year and eighteen months.

16 (4) The average cost per participant.

17 (5) A comparison of the results of these demonstration  
18 programs with the results of the projects funded under the act  
19 of July 13, 1987 (P.L.342, No.65), known as the "Employment  
20 Opportunities Act."

21 (e) As used in this section:

22 "Competitive work" means work that is performed on a full-  
23 time basis averaging at least thirty hours per week for each pay  
24 period and for which an individual is compensated in accordance  
25 with the Fair Labor Standards Act of 1938 (52 Stat. 1060, 29  
26 U.S.C. § 201 et seq.).

27 "Ongoing support services" means continuous or periodic job  
28 skills training services provided at the worksite throughout the  
29 term of employment to enable the individual to perform the work.

30 "Supported employment" means competitive work in an

integrated work setting with ongoing support services for individuals with barriers to employment that have precluded their being hired to perform competitive work.

Section 405.5. Referral to Pennsylvania Conservation Corps.--The department shall refer all recipients of assistance who meet the criteria for consideration in the Pennsylvania Conservation Corps to the Job Center which is operated by the Department of Labor and Industry that is in the same area as the county assistance office in which the application for assistance is being made.

Section 408.2. Education Savings Accounts.--(a) Any individual or family receiving assistance under this act may establish an interest-bearing savings account at a bank for the purpose of paying for tuition, books and incidental expenses at any elementary, secondary or vocational school or any college or university. Any funds deposited in this account, and any interest earned thereon, shall be exempt from consideration, subject to Federal approval, in any calculations under any assistance program administered by the department for as long as the funds and interest remain on deposit in the account.

(b) Subject to Federal approval, any amounts withdrawn from the account for the purpose stated in subsection (a) shall be exempt from consideration in any calculations under any assistance program administered by the department. The department shall promulgate regulations to establish penalties for any amounts withdrawn from any accounts for any other purpose.

(c) Any tuition account establishing and any college savings bond purchased under the provisions of the act of April 3, 1992 (P.L.28, No.11), known as the "Tuition Account Program and

1 College Savings Bond Act," shall be deemed to meet the  
2 requirements of this section.

3 SECTION 414. ASSISTANCE RECIPIENT IDENTIFICATION PROGRAM.-- <—

4 (A) THERE IS HEREBY CREATED A PILOT PROGRAM WITHIN THE  
5 DEPARTMENT TO BE KNOWN AS THE WELFARE RECIPIENT IDENTIFICATION  
6 PROGRAM.

7 (B) THE PURPOSE OF THE PROGRAM IS TO ELIMINATE DUPLICATION  
8 OF ASSISTANCE TO RECIPIENTS.

9 (C) THE DEPARTMENT SHALL SELECT THREE COUNTIES IN THIS  
10 COMMONWEALTH REPRESENTING RURAL, SUBURBAN AND URBAN AREAS TO  
11 PARTICIPATE IN THIS PROGRAM.

12 (D) A PERSON CURRENTLY RECEIVING OR APPLYING FOR ASSISTANCE  
13 SHALL PARTICIPATE IN THE PROGRAM. THE PERSON SHALL BE  
14 FINGERPRINTED AND PHOTO IDENTIFIED.

15 (E) IT IS A VIOLATION FOR A PERSON IN THE PROGRAM TO ACQUIRE  
16 OR ATTEMPT TO ACQUIRE DUPLICATION OF ASSISTANCE.

17 (F) ABSENT A COURT ORDER, ONLY THE COMMONWEALTH SHALL HAVE  
18 ACCESS TO RECORDS UNDER THIS PROGRAM.

19 (G) THE DEPARTMENT SHALL MAKE A REPORT TO THE GENERAL  
20 ASSEMBLY ONE YEAR AFTER THE EFFECTIVE DATE OF THIS ACT. THE  
21 REPORT SHALL INCLUDE CASELOAD DATA BEFORE IMPLEMENTATION OF THIS  
22 SECTION AS WELL AS AFTER ONE YEAR FOR COMPARISON PURPOSES TO  
23 JUDGE THE PROGRAMS'S EFFECTIVENESS AT FRAUD DETERRENCE.

24 (H) AS USED IN THIS SECTION, "PROGRAM" SHALL MEAN THE  
25 ASSISTANCE RECIPIENT IDENTIFICATION PROGRAM.

26 (I) THIS SECTION SHALL EXPIRE ONE YEAR AFTER THE EFFECTIVE  
27 DATE OF THIS ACT.

28 Section 3. Sections 432.2(b) and 432.4 of the act, amended  
29 April 8, 1982 (P.L.231, No.75), are amended to read:

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

1 (b) As a condition of eligibility for assistance, all  
2 applicants and recipients of assistance shall cooperate with the  
3 department in providing and verifying information necessary for  
4 the department to determine initial or continued eligibility in  
5 accordance with the provisions of this act. An individual  
6 applying for assistance shall complete an application containing  
7 such information required to establish eligibility and amount of  
8 grant. The application shall include, but not be limited to, the  
9 following information:

10 (1) Names of all persons to receive aid[;]\_.

11 (2) Birth dates of all persons to receive aid[;]\_.

12 (3) Social security numbers of all persons to receive aid,  
13 or proof of application for such social security number[;]\_.

14 (4) Place of residence for all persons to receive aid[;]\_.

15 (5) The names of any legally responsible relative living in  
16 the home[;]\_.

17 (6) Any income or resources as defined in this act or in  
18 regulations promulgated pursuant to this act.

19 (7) For applicants for general assistance who are over the  
20 age of twenty-one, proof that they have been residents of this  
21 Commonwealth for at least thirty days preceding their  
22 application.

23 The department shall provide assistance as needed to complete  
24 the application and shall insure that all applicants or  
25 recipients have or promptly obtain a social security number.

26 \* \* \*

27 Section 432.4. Identification and Proof of Residence.--(a)  
28 All persons applying for assistance shall provide acceptable  
29 identification and proof of residence; the department shall by  
30 regulations specify what constitutes acceptable identification



1 and proof of residence. A person shall be deemed to be a  
2 resident when he or she documents his or her residency and that  
3 residency is verified by the department. Verification may  
4 include, but is not limited to the production of rent receipts,  
5 mortgage payment receipts, utility receipts, bank accounts or  
6 enrollment of children in local schools.

7 (b) For the purpose of determining eligibility for  
8 assistance, the continued absence of a recipient from the  
9 Commonwealth for a period of thirty days or longer shall be  
10 prima facie evidence of the intent of the recipient to have  
11 changed his residence to a place outside the Commonwealth.

12 (c) If a recipient is prevented by illness or other good  
13 cause from returning to the Commonwealth at the end of thirty  
14 days, and has not acted to establish residence elsewhere, he  
15 shall not be deemed to have lost his residence in the  
16 Commonwealth.

17 (d) When a recipient of aid to families with dependent  
18 children or general assistance is absent from the United States  
19 for a period in excess of thirty days, his aid shall thereafter  
20 be suspended whenever need cannot be determined for the ensuing  
21 period of his absence.

22 (e) Beginning no later than September 1, 1993, the  
23 department shall collect information on all general assistance  
24 applicants to determine how long they have been residents of  
25 this Commonwealth. The department shall reports its findings to  
26 the Governor and the General Assembly no later than December 31,  
27 1994. Based on its findings, the department may make  
28 recommendations to the Governor and the General Assembly on  
29 changes to the residency requirement for general assistance  
30 recipients.

Section 4. Section 432.7 of the act is amended by adding a subsection to read:

Section 432.7. Determination of Paternity and Enforcement of Support Obligations.--In accordance with a child support plan approved by the Federal Government, the department shall have the power and its duty shall be to:

\* \* \*

(j) Contract where cost effective and feasible with qualified persons to establish pilot projects throughout the Commonwealth to assist in the location of absent parents and in the collections of support payments which are in arrears, including medical support, for individuals receiving assistance under this act. The 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 recouped through the efforts of the project staff.

Section 5. Section 432.21 of the act, added April 8, 1982 (P.L.231, No.75), is amended to read:

Section 432.21. Requirement that Certain Federal Benefits be Primary Sources of Assistance.--(a) All recipients or applicants for assistance in this Commonwealth shall cooperate with the department in identifying the eligibility of such recipients or applicants for Federal Social Security Supplemental Security Income (SSI), Federal Social Security Retirement, Survivor's and Disability Income benefits (RSDI) or other Federal programs as the primary source of financial assistance for such persons. Any person who, without good cause, fails to cooperate with the department in an effort to establish such person's eligibility for SSI, RSDI or other Federal

benefits shall have his assistance terminated, or if he has not previously received assistance, shall thereby be rendered ineligible for such assistance for a period of sixty days by reason of his noncooperation.

(b) 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 these 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.

(c) The department shall institute steps to aid recipients or applicants for assistance who are users of mental health and mental retardation (MH/MR) and drug and alcohol treatment services, beginning with high users of services, to apply for and receive SSI and RSDI. In furtherance of this end, the department may offer incentives, financial and otherwise, to county MH/MR programs and/or providers of MH/MR and drug and alcohol treatment services, such as hospitals and community-based MH/MR centers, to assist their patients in applying for SSI and RSDI and to provide medical records and reports to support the applications.

~~[(b)]~~ (d) All applicants for or recipients of assistance shall reimburse the department for any public assistance grants made to them in months for which SSI, RSDI or other Federal benefits are awarded them, as a condition of eligibility for assistance.

Section 6. The act is amended by adding a section to read:

Section 432.22. Eligibility of Children.--The department

1 shall not categorize any child as eligible for general  
2 assistance unless the department has fully explored whether the  
3 child is eligible for aid to families with dependent children  
4 (AFDC). In furtherance of this end, the department shall do all  
5 of the following:

6 (1) 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 (2) Use the broadest possible criteria permitted under  
10 Federal law and regulations regarding eligibility for AFDC for  
11 unemployed parents (AFDC-U).

12 (3) 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, 1993,  
16 the department shall complete a review of all general assistance  
17 household cases that contain at least one child to determine  
18 whether the household can be converted to AFDC.

19 Section 7. Section 443.1 of the act is amended by adding a  
20 paragraph to read:

21 Section 443.1. Medical Assistance Payments for Institutional  
22 Care.--The following medical assistance payments shall be made  
23 in behalf of eligible persons whose institutional care is  
24 prescribed by physicians:

25 \* \* \*

26 (5) Hospitals shall provide medically necessary inpatient  
27 hospital services to persons who qualify for general assistance  
28 benefits under section 432(2) of this act as a condition of  
29 participation in the medical assistance program so long as  
30 payments for such services are available under Federal law as a

1 disproportionate share payment. The receipt of a  
2 disproportionate share payment shall be considered as full  
3 payment for inpatient hospital services provided to these  
4 clients. No other moneys shall be available to pay for these  
5 services if disproportionate share payments are made.

6 Section 8. Section 443.3 of the act, amended November 28,  
7 1973 (P.L.364, No.128), is amended to read:

8 Section 443.3. Other Medical Assistance Payments.--Payments  
9 on behalf of eligible persons shall be made for other services,  
10 as follows:

11 (1) Rates established by the department for outpatient  
12 services as specified by regulations of the department adopted  
13 under Title XIX of the Federal Social Security Act consisting of  
14 preventive, diagnostic, therapeutic, rehabilitative or  
15 palliative services; furnished by or under the direction of a  
16 physician, chiropractor or podiatrist, by a hospital or  
17 outpatient clinic which qualifies to participate under Title XIX  
18 of the Federal Social Security Act, to a patient to whom such  
19 hospital or outpatient clinic does not furnish room, board and  
20 professional services on a continuous, twenty-four hour a day  
21 basis. Hospitals and hospital clinics shall provide medically  
22 necessary outpatient hospital services to persons who qualify  
23 for general assistance benefits under section 432(2) of this act  
24 as a condition of participation in the medical assistance  
25 program so long as payments for such services are available  
26 under Federal law as a disproportionate share payment. The  
27 receipt of a disproportionate share payment shall be considered  
28 as full payment for outpatient hospital services provided to  
29 these clients. No other moneys shall be available to pay for  
30 these services if disproportionate share payments are made.

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

19       Section 9. Section 443.6(b) of the act is amended to read:

20       Section 443.6. Reimbursement for Certain Medical Assistance  
21 Items and Services.--\* \* \*

22       (b) Payment for the following medical assistance items and  
23 services shall be made only after prior authorization has been  
24 secured:

25       (1) Prostheses and orthoses.

26       (2) Purchase of appliances or equipment if the appliance or  
27 equipment costs more than one hundred dollars (\$100).

28       (3) Rental of medical appliances or equipment for a period  
29 in excess of three months.

30       (4) Oxygen and related equipment in the home unless a

1 physician states that the physical surroundings in the home are  
2 suitable for the use of oxygen and that the recipient is  
3 adequately prepared and able to use the equipment.

4 (5) Dental services as the department may provide, including  
5 but not necessarily limited to, dental prostheses and  
6 appliances, extractions related to dental prostheses and  
7 appliances, and other extractions as may be provided by  
8 department regulations.

9 (6) Orthopedic shoes or other supportive devices for the  
10 feet when such shoes or devices are prescribed by a physician  
11 for the purpose of correcting or otherwise treating  
12 abnormalities of the feet or legs which cause serious  
13 detrimental medical effects.

14 (7) Home health services.

15 \* \* \*

16 Section 10. The act is amended by adding sections to read:

17 Section 443.7. Provider Medicaid Fraud.--(a) By October 1,  
18 1993, and annually thereafter, the department shall issue a  
19 report to the General Assembly which outlines civil and criminal  
20 enforcement efforts and results during the previous fiscal year.  
21 The report shall provide statistics regarding provider civil  
22 enforcement actions, criminal prosecutions, provider restitution  
23 and provider penalties for the period. It shall also identify  
24 areas which have been most susceptible to fraud and abuse during  
25 the report period.

26 (b) The department shall provide a written notice that a  
27 claim has been submitted to selected recipients for whom a claim  
28 has been submitted for service. The written notices will  
29 represent a statistically valid sample of claims for each month.  
30 The department shall also send such notices for specifically

1 targeted services which may be susceptible to fraud and abuse.  
2 The notice shall clearly state "This is not a bill" and shall  
3 inform the recipient of any and all procedures to be followed if  
4 the recipient believes the claim to be fraudulent, false or to  
5 be a medically unnecessary or inadequate service or merchandise.

6 (c) The department may use a toll-free number for recipients  
7 to report suspected fraudulent, false or medically unnecessary  
8 or inadequate services or merchandise.

9 Section 443.8. Purchase of Private Insurance.--Subject to  
10 Federal approval, the department shall, as provided in Title XIX  
11 of the Social Security Act (49 Stat. 620, 42 U.S.C. § 301 et  
12 seq.), purchase private insurance with Medicaid funds under the  
13 most cost-effective option available.

14 Section 443.9. Purchase of Laboratory Services and Other  
15 Supplies and Equipment.--The department shall, where cost  
16 effective and feasible, enter into arrangements through a  
17 competitive bidding process or other means for the purchase of  
18 laboratory services, medical supplies and devices and durable  
19 medical equipment. The department may purchase laboratory  
20 services pursuant to this section only from laboratories that  
21 meet the applicable requirements of Titles XVIII and XIX of the  
22 Social Security Act (49 Stat. 620, 42 U.S.C. § 301 et seq.) and  
23 that have no more than seventy-five percent of their charges  
24 based on services to beneficiaries or recipients of Title XVIII  
25 or XIX. This section shall not apply to prepaid capitation  
26 programs.

27 Section 443.10. Mail-Order Prescription Drugs.--The  
28 department shall, where cost effective and feasible, enter into  
29 an arrangement through a competitive bid process or otherwise to  
30 provide prescription drugs to eligible recipients by mail order.



1 Participation by recipients shall be voluntary. This section  
2 shall not apply to prepaid capitation programs.

3 Section 454. Maximization of Federal Funds for Children's  
4 Nutrition.--(a) For the purpose of increasing Federal funding  
5 and facilitating health in children, preventing malnutrition,  
6 low birth weight and infant mortality and providing nutritious  
7 foods for infants, children, pregnant women and nursing mothers,  
8 the department may, subject to Federal approval, designate State  
9 supplemental Women, Infants and Children (WIC) benefits as a  
10 special need item for persons eligible for Federally funded  
11 categories of cash assistance.

12 (b) Special medical services shall MAY include, in addition <—  
13 to those services under section 443.3(2)(v) of this act,  
14 supplemental food prescribed by a physician for children,  
15 infants, pregnant women and nursing mothers that is available  
16 under the State supplemental WIC appropriation.

17 Section 455. Maximization of Federal Funds for Alcohol and  
18 Other Drug Dependency Treatment.--The department shall maximize  
19 Federal funds under the medical assistance program for alcohol  
20 and other drug dependency treatment now solely funded with State  
21 funds. Such efforts shall, at a minimum, include all of the  
22 following:

23 (1) Train Disability Advocacy Project workers in social  
24 security disability criteria for persons with alcoholism and  
25 other drug dependencies.

26 (2) Design a system to identify persons on general  
27 assistance who are alcohol or other drug dependent and refer  
28 those persons to specially trained Disability Advocacy Project  
29 workers.

30 (3) Transfer persons on general assistance who appear to

1 meet the social security disability criteria to Federal medical  
2 assistance and seek Federal match for the cost of the services  
3 provided to them.

4 Section 456. Maximization of Federal Funds for Residential  
5 Alcohol and Other Drug Dependency Treatment.--The WHERE COST <—  
6 EFFECTIVE FOR THE COMMONWEALTH, THE department shall maximize  
7 Federal funds under the medical assistance program for  
8 nonhospital residential alcohol and other drug dependency  
9 treatment now solely funded with State funds pursuant to  
10 sections 2334 and 2335 of the act of April 9, 1929 (P.L.177,  
11 No.175), known as "The Administrative Code of 1929." Such  
12 efforts shall, at a minimum, include all-of ASSESSING COST <—  
13 EFFECTIVENESS AND, WHERE APPROPRIATE, the following:

14 (1) Where cost effective, seek Federal match for Medicaid-  
15 eligible persons under twenty-one years of age treated in  
16 residential alcohol and other drug dependency treatment  
17 facilities that are accredited by the Joint Commission on  
18 Accreditation of Health Care Organizations.

19 (2) Seek Federal match for any individual eligible for  
20 medical assistance under Federal requirements being treated in a  
21 residential facility having fewer than seventeen treatment beds.

22 (3) Enter into negotiations with the Health Care Financing  
23 Administration regarding obtaining Federal match under medical  
24 assistance for other individuals receiving residential alcohol  
25 and other drug dependency treatment.

26 Section 457. Independent Disability Determinations.--The  
27 department shall develop a plan to increase the use of  
28 independent disability determinations for the purpose of  
29 maximizing Federal funds. These determinations shall be used for  
30 persons, including those with drug and alcohol dependencies, who

appear to meet the disability criteria under Title XIX of the  
Social Security Act (49 Stat. 620, 42 U.S.C. § 301 et seq.).

Section 11. Section 491 of the act, added April 18, 1982  
(P.L.231, No.75), is amended to read:

[Section 491. Employment Incentive Payments.--(a) Any  
corporation, bank, savings institution, company, insurance  
company, or mutual thrift institution employing persons, who  
prior to their employment were cash assistance recipients, shall  
be entitled to employment incentive payments to be provided as a  
credit against taxes imposed by Article IV, VII, VIII or IX of  
the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform  
Code of 1971," or by the act of June 22, 1964 (P.L.16, No.2),  
known as "The Mutual Thrift Institutions Tax Act," and any  
person, partnership or proprietorship employing such persons  
shall be entitled to payments to be provided as a credit against  
taxes imposed by Article III of the "Tax Reform Code of 1971."  
For the purposes of computing any tax liabilities against which  
the credit may be applied, deductions from taxable income shall  
be reduced by employment incentive payments. Employment  
incentive payments unused as a tax credit in any taxable year  
may be carried over against tax liabilities of the employer in  
the three immediately subsequent taxable years.

(b) An employment incentive payment may be claimed by an  
employer who hires any person who is receiving aid to families  
with dependent children or who is classified as chronically or  
transitionally needy at the time of employment except that  
payments shall not be provided for:

(1) The employment of any person who displaces any other  
individual from employment, except persons discharged for cause  
as certified by the Office of Employment Security.

1       (2) The employment of any person closely related, as defined  
2 by paragraphs (1) through (8) of section 152(a) of the Internal  
3 Revenue Code, to the taxpayer, or, if the taxpayer is a  
4 corporation, to an individual who owns, directly or indirectly  
5 more than fifty percent of the outstanding stock of the  
6 corporation, bank, savings institution, company, insurance  
7 company, or mutual thrift institution.

8       (3) The employment of an individual for whom the employer is  
9 simultaneously receiving Federally or State funded job training  
10 payments.

11       (c) (1) The employment incentive payment shall be the sum  
12 of thirty percent of the first six thousand dollars (\$6,000) of  
13 qualified first-year wages for such year, twenty percent of the  
14 first six thousand dollars (\$6,000) of qualified second year  
15 wages for such year and ten percent of the first six thousand  
16 dollars (\$6,000) of the qualified third year wages for such  
17 year.

18       (2) If the employer provides or pays for day care services  
19 for the children of the employee, the employer shall be eligible  
20 to receive an additional employment incentive payment of six  
21 hundred dollars (\$600) during the first year of employment, five  
22 hundred dollars (\$500) during the second year of employment, and  
23 four hundred dollars (\$400) during the third year of employment.

24       (3) Total employment incentive payments shall not exceed  
25 ninety percent of total taxes paid by the employer against which  
26 the incentive payments may be claimed as a credit. Qualified  
27 wages must be cash remuneration to the employee, including any  
28 amounts deducted or withheld.

29       (d) To be eligible for employment incentive payments, the  
30 employment must continue for at least one year unless the

1 employe voluntarily leaves the employment of the employer,  
2 becomes disabled or is terminated for cause. If the employe  
3 leaves his position voluntarily, becomes disabled, or is  
4 terminated for cause in less than one year, the employment  
5 incentive payment shall be reduced by the proportion of the year  
6 not worked. Employment initiated during the year may be claimed  
7 as an employment incentive payment in the subsequent year.

8 (e) The Department of Revenue, in cooperation with the  
9 Department of Public Welfare and the Department of Labor and  
10 Industry, shall administer the provisions of this section,  
11 promulgate appropriate rules, regulations and forms for that  
12 purpose and make such determinations as may be required.  
13 Determinations made with respect to the employment incentive  
14 payment provided in this section may be reviewed and appealed in  
15 the manner provided by law for other corporate or personal tax  
16 credits.

17 (f) The total amount of employment incentive payments  
18 authorized by this section shall not exceed twenty-five million  
19 dollars (\$25,000,000) in any fiscal year. To insure that credits  
20 are not claimed in excess of this amount, an employer may claim  
21 the incentive payments only upon presentation of an authorizing  
22 certificate. Certificates will be issued to the employe by the  
23 Department of Public Welfare upon presentation to the Department  
24 of Public Welfare of evidence of a qualifying offer of  
25 employment. The Department of Revenue shall advise the  
26 Department of Public Welfare of the total number of certificates  
27 which may be issued in each calendar quarter consistent with the  
28 limitation on total incentive payments. If an employe does not  
29 accept the job for which the certificate is authorized, the  
30 certificate shall be returned by the employe to the Department

1 of Public Welfare. If an employe terminates employment for any  
2 reason prior to the expiration of three years, the employer  
3 shall return the certificate, noting the date of the employe's  
4 hiring and termination, to the Department of Revenue. The  
5 Department of Public Welfare may issue certificates through the  
6 Office of Employment Security and may promulgate regulations to  
7 allocate certificates.

8 (g) Employment incentive payments shall not be available for  
9 employes hired after December 31, 1985, unless reenacted by the  
10 General Assembly. Not later than July 1, 1985, the Department of  
11 Public Welfare shall report to the General Assembly on the  
12 effectiveness of incentive payments to encourage the employment  
13 of cash assistance recipients and recommend whether the program  
14 should be continued. Credits may be claimed against taxes  
15 payable for tax years beginning January 1, 1982, and thereafter,  
16 and may be claimed for employes hired after the effective date  
17 of this section.]

18 Section 491. Employment Incentive Payments.--(a) Any  
19 corporation, bank, savings institution, company, insurance  
20 company, or mutual thrift institution employing persons, who  
21 prior to their employment were recipients of aid to families  
22 with dependent children or who are classified as chronically or  
23 transitionally needy, pursuant to section 432 of this act, shall  
24 be entitled to employment incentive payments to be provided as a  
25 credit against taxes imposed by Article IV, VII, VIII, IX or XV  
26 of the act of March 4, 1971 (P.L.6, No.2), known as the "Tax  
27 Reform Code of 1971," and any person, partnership or  
28 proprietorship employing such persons shall be entitled to  
29 payments to be provided as a credit against taxes imposed by  
30 Article III of the "Tax Reform Code of 1971." For the purposes

1 of computing any tax liabilities against which the credit may be  
2 applied, deductions from taxable income shall be reduced by  
3 employment incentive payments. Employment incentive payments  
4 unused as a tax credit in any taxable year may be carried over  
5 against tax liabilities of the employer in the three immediately  
6 subsequent taxable years.

7 (b) An employment incentive payment may be claimed by an  
8 employer who hires any person who is receiving aid to families  
9 with dependent children or who is classified as chronically or  
10 transitionally needy at the time of employment except that  
11 payments shall not be provided for:

12 (1) The employment of any person who displaces any other  
13 individual from employment, except persons discharged for cause  
14 as certified by the Office of Employment Security.

15 (2) The employment of any person closely related, as defined  
16 by paragraphs (1) through (8) of section 152(a) of the Internal  
17 Revenue Code, to the taxpayer, or, if the taxpayer is a  
18 corporation, to an individual who owns, directly or indirectly  
19 more than fifty percent of the outstanding stock of the  
20 corporation, bank, savings institution, company, insurance  
21 company, or mutual thrift institution.

22 (3) The employment of an individual for whom the employer is  
23 simultaneously receiving Federally or State funded job training  
24 payments.

25 (4) The employment of an individual as a domestic or other  
26 household employe in the home of the employer.

27 (c) (1) The employment incentive payment shall be the sum  
28 of thirty percent of the first six thousand dollars (\$6,000) of  
29 qualified first-year wages for such year, twenty percent of the  
30 first six thousand dollars (\$6,000) of qualified second year

1 wages for such year and ten percent of the first six thousand  
2 dollars (\$6,000) of the qualified third year wages for such  
3 year.

4 (2) If the employer provides or pays for day care services  
5 for the children of the employee, the employer shall be eligible  
6 to receive an additional employment incentive payment of six  
7 hundred dollars (\$600) during the first year of employment, five  
8 hundred dollars (\$500) during the second year of employment, and  
9 four hundred dollars (\$400) during the third year of employment.

10 (3) Total employment incentive payments shall not exceed  
11 ninety percent of total taxes paid by the employer against which  
12 the incentive payments may be claimed as a credit. Qualified  
13 wages must be cash remuneration to the employee, including any  
14 amounts deducted or withheld.

15 (d) To be eligible for employment incentive payments, the  
16 employment must continue for at least one year unless the  
17 employee voluntarily leaves the employment of the employer,  
18 becomes disabled or is terminated for cause. If the employee  
19 leaves his position voluntarily, becomes disabled, or is  
20 terminated for cause in less than one year, the employment  
21 incentive payment shall be reduced by the proportion of the year  
22 not worked. Employment initiated during the year may be claimed  
23 as an employment incentive payment in the subsequent year.

24 (e) The Department of Revenue, in cooperation with the  
25 Department of Public Welfare and the Department of Labor and  
26 Industry, shall administer the provisions of this section,  
27 promulgate appropriate rules, regulations and forms for that  
28 purpose and make such determinations as may be required.  
29 Determinations made with respect to the employment incentive  
30 payment provided in this section may be reviewed and appealed in



1 the manner provided by law for other corporate or personal tax  
2 credits. The Department of Public Welfare shall conduct a  
3 program of employer education to inform employers of the  
4 benefits available under this section as well as to inform them  
5 of any similar tax credits for hiring welfare recipients  
6 available under Federal law.

7 (f) The total amount of employment incentive payments  
8 authorized by this section shall not exceed twenty-five million  
9 dollars (\$25,000,000) in any fiscal year. To insure that credits  
10 are not claimed in excess of this amount, an employer may claim  
11 the incentive payments only upon presentation of an authorizing  
12 certificate. Certificates will be issued to the employer by the  
13 Department of Public Welfare upon presentation to the Department  
14 of Public Welfare of evidence of a qualifying offer of  
15 employment. If necessary to avoid certificate issuances in  
16 excess of the maximum authorized amount for any fiscal year, the  
17 Department of Revenue shall advise the Department of Public  
18 Welfare of the total number of certificates which may be issued  
19 in each calendar quarter. The Department of Public Welfare may  
20 issue certificates through the Office of Employment Security and  
21 may promulgate regulations to allocate certificates.

22 (g) Employment incentive payments shall not be available for  
23 employees hired after June 30, 1996, unless reenacted by the  
24 General Assembly. Not later than September 1 of each year, the  
25 Department of Public Welfare shall report to the General  
26 Assembly on the effectiveness of incentive payments to encourage  
27 the employment of cash assistance recipients and recommend  
28 whether changes are need in the program and whether the program  
29 should be continued. The report shall contain information,  
30 including the number of authorizing certificates issued by the

1 Department of Public Welfare, the number of authorizing  
2 certificates accepted by the Department of Revenue from  
3 employers as evidence of qualified hires, the number and dollar  
4 amounts of tax credits approved by the Department of Revenue in  
5 each tax year, the average hourly starting wage of employes  
6 hired and the category of assistance received previously by  
7 employes hired. The report shall also include an analysis of the  
8 types of businesses identified as either corporations or  
9 individuals or partnerships which have had tax credits approved  
10 by the Department of Revenue and the types of employment  
11 positions into which employes have been hired as indicated by  
12 Standard Occupational Classification Codes. The report shall  
13 describe outreach and publicity efforts by the Department of  
14 Public Welfare. The report shall contain similar information  
15 about the day care tax credit authorized in paragraph (2) of  
16 subsection (c). Credits may be claimed against taxes payable for  
17 tax years beginning January 1, 1989, and thereafter, and may be  
18 claimed for employes hired on or after January 1, 1989.

19 Section 12. Section 803 of the act, amended July 27, 1967  
20 (P.L.187, No.59), is amended to read:

21 Section 803. Business Enterprises; Equipment; Leases;  
22 Repayment.--(a) The department is hereby authorized to  
23 purchase, own, install, maintain, license and lease equipment,  
24 accessories and vending machines to be used for suitable  
25 business enterprises for or on behalf of the blind and to  
26 advance to deserving blind persons out of moneys in the  
27 employment fund for the blind, such reasonable amounts as may be  
28 considered proper to enable such blind persons to purchase the  
29 merchandise, equipment, stock and accessories necessary to put  
30 into operation a vending or refreshment stand or other suitable

1 business enterprises in some suitable location to be leased or  
2 arranged for by the department. Pennsylvania blind veterans of  
3 the world wars shall be given first preference for locations  
4 established, in accordance with the provisions of the Federal  
5 Randolph-Sheppard Act (20 U. S. C. A. Sec. 107, et seq.), and  
6 the rules and regulations pursuant thereto.

7 (b) Such business enterprises shall be approved by the  
8 department and supervised periodically by the department.

9 (c) The leases or permits for the installation and operation  
10 of any such stands or other suitable business enterprises shall  
11 be secured by the department in its own name.

12 (d) Any moneys advanced to a blind person under the  
13 authority of this act shall be repaid by such person in monthly  
14 installments, which shall in no case be less than two percent of  
15 the gross monthly sales made at the stand or business in  
16 question.

17 (e) Equipment and accessories purchased, owned, installed  
18 and maintained by the department may be leased to deserving  
19 blind persons for an amount not to exceed four percent of the  
20 gross monthly sales, except in those locations in which the  
21 gross monthly sales do not exceed one thousand dollars (\$1,000).  
22 Such rental in these locations shall not exceed one percent of  
23 the gross monthly sales. The department shall periodically  
24 regulate the rental fees charged to such blind persons in  
25 accordance with the regulations to be adopted by it, in such a  
26 manner as to achieve approximate equality of opportunity to such  
27 blind persons[, and to assure that the fund shall at no time  
28 exceed one hundred fifty thousand dollars (\$150,000)]. The  
29 department shall transmit all such repayments and rental fees  
30 into the State Treasury, where they shall be credited to the

1   Employment Fund for the Blind.

2       (f)   The department is authorized to receive and transmit to  
3   the State Treasury for credit to the Employment Fund for the  
4   Blind, all moneys heretofore or hereafter received by the  
5   Commonwealth on account of contracts between the Commonwealth,  
6   acting through the Department of [Property and Supplies] General  
7   Services and vending machine owners, whereby the Commonwealth is  
8   to receive a percentage of the profits from vending machines  
9   operated in State buildings, except for those vending machines  
10  in State buildings wherein a restaurant or cafeteria is operated  
11  by the Department of [Property and Supplies] General Services.

12       Section 13.   Section 1701-A of the act of March 4, 1971  
13  (P.L.6, No.2), known as the Tax Reform Code of 1971, is  
14  repealed.

15       Section 14.   The provisions of this act are severable. If any  
16  provision of this act or its application to any person or  
17  circumstance is held invalid, the invalidity shall not affect  
18  other provisions or applications of this act which can be given  
19  effect without the invalid provision or application.

20       Section 15.   This act shall take effect as follows:

21           (1)   The amendment of section 443.6 of the act shall take  
22   effect January 1, 1994.

23           (2)   The remainder of this act shall take effect July 1,  
24   1993, or immediately, whichever is later.