

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2689 Session of
1998

INTRODUCED BY HERMAN, STURLA, BENNINGHOFF, DENT, C. WILLIAMS,
CORPORA, BISHOP, GEORGE, WAUGH, COY, M. COHEN, OLASZ,
GORDNER, RUBLEY, DALEY, HALUSKA, SERAFINI, GRUITZA,
E. Z. TAYLOR, GODSHALL, SHANER, TRELLO, READSHAW, DeLUCA,
ORIE, WALKO, VAN HORNE, BARRAR, YOUNGBLOOD, SEYFERT, WILT,
BARD, RAMOS, L. I. COHEN, STABACK, JAMES, FICHTER, HARHAI,
HENNESSEY, McCALL, TIGUE, MUNDY, MANDERINO, BELFANTI, PLATTS,
BOSCOLA, JOSEPHS, CAPPABIANCA AND LAUGHLIN, JUNE 9, 1998

REFERRED TO COMMITTEE ON FINANCE, JUNE 9, 1998

AN ACT

1 Amending the act of August 26, 1971 (P.L.351, No.91), entitled
2 "An act providing for a State Lottery and administration
3 thereof; authorizing the creation of a State Lottery
4 Commission; prescribing its powers and duties; disposition of
5 funds; violations and penalties therefor; exemption of prizes
6 from State and local taxation and making an appropriation,"
7 further defining "income"; and further providing for
8 determination of eligibility.

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

11 Section 1. The definition of "income" in section 502 of the
12 act of August 26, 1971 (P.L.351, No.91), known as the State
13 Lottery Law, added November 21, 1996 (P.L.741, No.134), is
14 amended to read:

15 Section 502. Definitions.

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

1 * * *

2 "Income." All income from whatever source derived,
3 including, but not limited to, salaries, wages, bonuses,
4 commissions, income from self-employment, alimony, support
5 money, cash public assistance and relief, the gross amount of
6 any pensions or annuities, including railroad retirement
7 benefits, all benefits received under the Social Security Act
8 (49 Stat. 620, 42 U.S.C. § 301 et. seq.) (except Medicare
9 benefits), all benefits received under State unemployment
10 insurance laws and veterans' disability payments, all interest
11 received from the Federal Government or any state government or
12 any instrumentality or political subdivision thereof, realized
13 capital gains, rentals, workmen's compensation and the gross
14 amount of loss of time insurance benefits, life insurance
15 benefits and proceeds, except the first \$5,000 of the total of
16 death benefits payments, and gifts of cash or property, other
17 than transfers by gift between members of a household, in excess
18 of a total value of \$300, but shall not include surplus food or
19 other relief in kind supplied by a government agency or property
20 tax rebate. All out-of-pocket medical costs and all costs of
21 prescription drugs shall be deducted from income under the
22 system established in section 503(b).

23 * * *

24 Section 2. Section 503 of the act, added November 21, 1996
25 (P.L.741, No.134), is amended to read:

26 Section 503. Determination of eligibility.

27 (a) General rule.--The department shall adopt regulations
28 relating to the determination of eligibility of prospective
29 claimants and providers, including dispensing physicians, and
30 the determination and elimination of program abuse. To this end,

1 the department shall establish a compliance unit staffed
2 sufficiently to fulfill this responsibility. The department
3 shall have the power to declare ineligible any claimant or
4 provider who abuses or misuses the established prescription
5 plan. The department shall have the power to investigate cases
6 of suspected provider or recipient fraud.

7 (b) System to determine eligibility.--The department shall
8 establish a system to provide for the eligibility of individuals
9 whose income exceeds the maximum annual income for PACE
10 eligibility or whose income exceeds PACENET eligibility under
11 section 519(b) but whose out-of-pocket medical or prescription
12 drug expenses, when deducted from the individual's income, would
13 reduce a claimant's income to the point of eligibility for PACE
14 or PACENET.

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