
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 511 Session of
1999

INTRODUCED BY TRICH, MARKOSEK, TANGRETTI, COY, PRESTON, TRELLO,
VAN HORNE, YOUNGBLOOD, CURRY, McCALL, STABACK, ADOLPH,
ROBINSON, SURRA, JOSEPHS, L. I. COHEN AND WASHINGTON,
FEBRUARY 10, 1999

REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES,
FEBRUARY 10, 1999

AN ACT

1 Providing for the establishment of an adult health care
2 assistance program, imposing additional powers and duties on
3 the Department of Health, the Insurance Department and the
4 Department of Public Welfare; and making an appropriation.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Adult Health
9 Care Assistance Act.

10 Section 2. Definitions.

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

14 "Adult." Any resident of this Commonwealth who is 55 years
15 of age or older and meets the requirements of section 3(b).

16 "Department." The Department of Health of the Commonwealth.

17 "Genetic status." The presence of a physical condition in an

1 individual which is a result of an inherited trait.

2 "Grantee." An entity selected by the Department of Health to
3 receive a grant. The term includes an entity, and its
4 subsidiary, which is established under 40 Pa.C.S. Ch. 61
5 (relating to hospital plan corporations) or 63 (relating to
6 professional health services plan corporations); the act of May
7 17, 1921 (P.L.682, No.284), known as The Insurance Company Law
8 of 1921; or the act of December 29, 1972 (P.L.1701, No.364),
9 known as the Health Maintenance Organization Act.

10 "Group." A group for which a health insurance policy is
11 written in this Commonwealth.

12 "Health maintenance organization" or "HMO." An entity
13 organized and regulated under the act of December 29, 1972
14 (P.L.1701, No.364), known as the Health Maintenance Organization
15 Act.

16 "Health service corporation." A professional health service
17 corporation as defined in 40 Pa.C.S. § 6302 (relating to
18 definitions).

19 "Hospital." An institution having an organized medical staff
20 which is engaged primarily in providing to inpatients, by or
21 under the supervision of physicians, diagnostic and therapeutic
22 services for the care of injured, disabled, pregnant, diseased
23 or sick or mentally ill persons. The term includes facilities
24 for the diagnosis and treatment of disorders within the scope of
25 specific medical specialties. The term does not include
26 facilities caring exclusively for the mentally ill.

27 "Hospital plan corporation." A hospital plan corporation as
28 defined in 40 Pa.C.S. § 6101 (relating to definitions).

29 "Insurer." Any insurance company, association, reciprocal,
30 nonprofit hospital plan corporation, nonprofit professional

1 health service plan, health maintenance organization, fraternal
2 benefits society or a risk-bearing PPO or nonrisk-bearing PPO
3 not governed and regulated under the Employee Retirement Income
4 Security Act of 1974 (Public Law 93-406, 29 U.S.C. § 1001 et
5 seq.).

6 "MAAC." The Medical Assistance Advisory Committee.

7 "Managed care organization." A health maintenance
8 organization organized and regulated under the act of December
9 29, 1972 (P.L.1701, No.364), known as the Health Maintenance
10 Organization Act, or a risk-assuming preferred provider
11 organization or exclusive provider organization, organized and
12 regulated under the act of May 17, 1921 (P.L.682, No.284), known
13 as The Insurance Company Law of 1921.

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

17 "Mid-level health professional." A physician assistant,
18 certified registered nurse practitioner, nurse practitioner or a
19 certified nurse midwife.

20 "PPO." A preferred provider organization subject to the
21 provisions of section 630 of the act of May 17, 1921 (P.L.682,
22 No.284), known as The Insurance Company Law of 1921.

23 "Preexisting condition." A disease or physical condition for
24 which medical advice or treatment has been received prior to the
25 effective date of coverage.

26 "Secretary." The Secretary of Health.

27 "Subgroup." An employer covered under a contract issued to a
28 multiple employer trust or to an association.

29 "Terminate." Includes cancellation, nonrenewal and
30 rescission.

1 "Waiting period." A period of time after the effective date
2 of enrollment during which a health insurance plan excludes
3 coverage for the diagnosis or treatment of one or more medical
4 conditions.

5 Section 3. Adult Health Care Assistance Program.

6 (a) Establishment.--The Department of Health, in cooperation
7 with the Insurance Department and the Department of Public
8 Welfare, shall develop, implement and administer a program which
9 provides health care assistance for qualified adults by
10 utilizing a system of grantees who will provide health care
11 insurance for qualified adults.

12 (b) Qualified adult.--Any adult resident of this
13 Commonwealth who meets all of the requirements of this
14 subsection shall be eligible and may apply to the department for
15 health care assistance under this act. The requirements are as
16 follows:

17 (1) The adult is 55 years of age or older.

18 (2) The adult does not qualify for Medicare coverage.

19 (3) The adult has income from earned and unearned
20 sources which is above the Medicare income eligibility level
21 but not in excess of the State average individual income
22 level.

23 (4) The adult has not canceled or terminated an existing
24 health care insurance contract, policy or plan.

25 Section 4. Allocation of Commonwealth funds.

26 (a) Allocation.--Annually the State Treasurer shall set
27 aside three-fourths of any payments derived from any damage
28 award or settlement resulting from litigation between the
29 Commonwealth and various defendant tobacco manufacturers.

30 (b) Appropriation.--All funds set aside under subsection (a)

1 are hereby appropriated on a continuing basis to the Department
2 of Health to implement and administer the provisions of this
3 act.

4 Section 5. Rules and regulations.

5 The Department of Health shall promulgate all rules and
6 regulations necessary to implement the provisions of this act.

7 Section 6. Effective date.

8 This act shall take effect January 1, 2000.