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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 665 Session of  
2009

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INTRODUCED BY J. EVANS, BAKER, BOYD, CAUSER, CLYMER, CUTLER,  
DENLINGER, EVERETT, FLECK, GODSHALL, HARPER, HELM, HENNESSEY,  
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PICKETT, RAPP, READSHAW, REICHLEY, ROAE, ROSS, SAYLOR,  
SIPTROTH, SONNEY, STERN, VULAKOVICH, WATSON AND GINGRICH,  
FEBRUARY 27, 2009

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REFERRED TO COMMITTEE ON INSURANCE, FEBRUARY 27, 2009

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AN ACT

1 Establishing the Community-Based Health Care Provider Assistance  
2 Program in the Department of Health; setting criteria for  
3 eligibility for and authorizing payments to community-based  
4 health care providers to assist in providing medically  
5 necessary care to Pennsylvanians; providing for powers and  
6 duties of the Department of Health; authorizing transfers  
7 from the Medical Care Availability and Reduction of Error  
8 (Mcare) Fund; and establishing the Community-Based Health  
9 Care Provider Assistance Fund.

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

12 Section 1. Short title.

13 This act shall be known and may be cited as the Community-  
14 Based Health Care Provider Assistance Act.

15 Section 2. Statement of purpose.

16 The General Assembly recognizes that there exists a great  
17 need for increased access to community-based health care  
18 services throughout this Commonwealth in order:

19 (1) to allow for individuals to establish medical homes

1 and obtain preventive care;

2 (2) to reduce the inappropriate use of emergency health  
3 care services by providing effective alternatives to such  
4 services;

5 (3) to reduce the burden of uncompensated care and the  
6 needs of the uninsured; and

7 (4) to improve maternal and child health.

8 Therefore, the General Assembly seeks to increase the  
9 availability of such community-based health care services by  
10 assisting in the expansion of community-based health care  
11 providers through the provision of additional resources and  
12 generally promoting their use as a cost-effective supplement to  
13 other providers of health care services.

14 Section 3. Definitions.

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

18 "Community-based health care provider." Any of the following  
19 nonprofit health care centers that provide primary health care  
20 services:

21 (1) A federally qualified health center as defined in  
22 section 1905(1)(2)(B) of the Social Security Act (49 Stat.  
23 620, 42 U.S.C. § 1396d(1)(2)(B)).

24 (2) A rural health clinic as defined in section 1861(aa)  
25 (2) of the Social Security Act (49 Stat. 620, 42 U.S.C. §  
26 1395x(aa)(2)), certified by Medicare.

27 (3) A freestanding hospital clinic that serves a  
28 federally designated health care professional shortage area.

29 (4) A free or partial-pay health clinic that provides  
30 services by volunteer medical providers.

1 "Department." The Department of Health of the Commonwealth.  
2 "Fund." The Community-Based Health Care Provider Assistance  
3 Fund establish under this act.

4 "Health care provider." A health care facility or health  
5 care practitioner as defined in the act of July 19, 1979 (P.L.  
6 130, No.48), known as the Health Care Facilities Act, a group  
7 practice or a community-based health care provider.

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

11 "Program." The Community-Based Health Care Provider  
12 Assistance Program established under this act.

13 Section 4. Community-Based Health Care Provider Assistance  
14 Program.

15 (a) Establishment.--The Community-Based Health Care Provider  
16 Assistance Program is established within the department to  
17 provide grants to community-based health care providers to:

18 (1) Improve the access to and quality of health care in  
19 this Commonwealth.

20 (2) Assist in covering the reasonable costs of providing  
21 health care services, outreach and care management  
22 opportunities to persons eligible to receive health care  
23 services from or through community-based health care  
24 providers.

25 (3) Improve access to medically necessary preventive,  
26 curative and palliative physical, dental and behavioral  
27 health care services offered by and through community-based  
28 health care providers, while reducing unnecessary or  
29 duplicative services.

30 (4) Reduce the unnecessary utilization of emergency

1 health care services by supporting the development and  
2 provision of effective alternatives offered by or through  
3 community-based health care providers.

4 (5) Improve the availability of quality health care  
5 services offered by or through community-based health care  
6 providers for women who are pregnant or who have recently  
7 given birth and their children.

8 (6) Promote the use of chronic care and disease  
9 management protocols offered by or through community-based  
10 health care providers in an effort to optimize both  
11 individual health outcomes and the use of health care  
12 resources.

13 (b) Administration.--The program shall be administered by  
14 the department and shall be funded by annual transfers as  
15 provided under this act to the fund to support community-based  
16 health care providers' provision of health care.

17 (c) Department responsibilities.--The department shall:

18 (1) Administer the program.

19 (2) Within 90 days of the effective date of this  
20 section, develop and provide an application form consistent  
21 with this act.

22 (3) Determine the eligibility of community-based health  
23 care providers for the assistance provided under this act,  
24 based upon its consideration of community health needs across  
25 this Commonwealth, revenue and cost data and other  
26 information provided by community-based health care providers  
27 and such other information as the department determines to be  
28 appropriate to ascertain the financial condition and needs of  
29 such programs and this Commonwealth.

30 (4) Establish a process to allocate funding as provided

1 under this act, to determine the optimal use of funds and to  
2 reallocate funds if acceptable requests for funding within a  
3 particular category are not received.

4 (5) Calculate and make grants to qualified community-  
5 based health care providers from the funds deposited in the  
6 fund for the purposes established under this act pursuant to  
7 this section.

8 (6) Provide an annual report to the chairman and  
9 minority chairman of the Public Health and Welfare Committee  
10 of the Senate and the chairman and minority chairman of the  
11 Health and Human Services Committee of the House of  
12 Representatives describing the operation of the program and  
13 detailing grants made, the names and addresses of the  
14 community-based health care providers receiving grants and  
15 such other information as may be determined by the department  
16 to be necessary or desirable.

17 (7) Audit grants awarded under this act to ensure that  
18 funds have been used in accordance with this act and the  
19 terms and standards adopted by the department.

20 (8) Provide ongoing assessment of the benefits and costs  
21 of the assistance provided under this act.

22 (d) Federal matching funds.--The department shall seek  
23 Federal matching funds under medical assistance, as well as  
24 grants and funding from other sources, to supplement amounts  
25 made available under this act to the extent permitted by law.

26 (e) Limitations on payments by department.--Payments to  
27 community-based health care providers for assistance under this  
28 act shall not exceed the amount of funds available in the fund  
29 for the program and any payment under this act shall not  
30 constitute an entitlement from the Commonwealth or a claim on

1 any other funds of the Commonwealth.

2 (f) Report.--A community-based health care provider that  
3 receives a grant under this act shall report at least annually  
4 to the department, which report shall include a description of:

5 (1) The community-based health care provider's efforts  
6 to improve access to and the delivery and management of  
7 health care services.

8 (2) The reduction of unnecessary and duplicative health  
9 care services.

10 (3) Changes in overall health indicators and in  
11 utilization of health care services among the communities and  
12 individuals served by the community-based health care  
13 providers, with particular emphasis on indicators including,  
14 but not limited to:

15 (i) The creation and maintenance of relationships  
16 between health care providers and individuals directed at  
17 establishing a medical home for such individuals and the  
18 provision of preventive and chronic care management  
19 services.

20 (ii) Prenatal and postpartum care.

21 (iii) The care of newborns and infants.

22 (iv) Such other matters as may be specified by the  
23 department.

24 (4) An accounting of the expenditure of funds from the  
25 grant and all funds received from other sources.

26 Section 5. Grants to community-based health care providers.

27 (a) Allocation of funds.--The department shall provide  
28 grants to community-based health care providers on the basis of  
29 the process established under this section.

30 (b) Grant award methodology.--

1           (1) The department shall develop a methodology to  
2 determine grant amounts to be awarded under this act based  
3 upon an assessment by the department of community need for  
4 the services to be supported by funding available to  
5 community-based health care providers and the needs of  
6 community-based health care providers applying for such  
7 assistance.

8           (2) During each of the first three years of the program,  
9 the department shall use its best efforts to make grants as  
10 follows, subject to reallocation as provided under subsection  
11 (f):

12           (i) (A) Twelve million dollars for expansion of  
13 current community-based health care providers and  
14 development of new community-based health care  
15 providers.

16           (B) Amounts provided under this subparagraph, in  
17 addition to funds provided for the costs of expansion  
18 and development, may be used by the department to  
19 make planning grants to community-based health care  
20 providers not to exceed more than \$25,000 for any  
21 single community-based health care provider.

22           (C) In making grants under this subparagraph,  
23 the department shall give first priority to  
24 applications that seek to use grant proceeds for  
25 machinery, equipment and reasonably necessary  
26 renovation of existing facilities rather than new  
27 construction. All reasonable actions should be taken  
28 to optimize the use of the funding provided under  
29 this act and avoid unnecessary construction costs.

30           (ii) Five million dollars for improvements in

1 prenatal, obstetric, postpartum and newborn care provided  
2 by or through community-based health care providers,  
3 which amount during the initial three-year period shall  
4 include grants for at least one new mobile clinic serving  
5 primarily rural areas and one new mobile clinic serving  
6 primarily urban areas.

7 (iii) Five million dollars for services intended to  
8 reduce unnecessary emergency room utilization and to  
9 expand capacity and services offered by or through  
10 existing community-based health care providers.

11 (c) Program adjustment.--

12 (1) The department shall provide a report to the  
13 chairman and minority chairman of the Public Health and  
14 Welfare Committee of the Senate and the chairman and minority  
15 chairman of the Health and Human Services Committee of the  
16 House of Representatives no later than July 1, 2011, that  
17 includes an assessment of the effectiveness of the initial  
18 phase of the program and describes any changes in the  
19 allocation of funds described in subsection (b) that the  
20 department intends to make beginning in the fourth year of  
21 the program.

22 (2) The department shall develop the program changes  
23 anticipated by this subsection and included in the report  
24 required under paragraph (1) after consultation with and  
25 receiving input from community-based health care providers,  
26 consumers and others with an interest in the provision of  
27 community-based health care.

28 (3) The department, after determining program changes,  
29 shall make necessary revisions in program requirements and  
30 procedures and provide notice to prospective applicants, such

1 that grants can be awarded on a timely basis beginning in the  
2 fourth year of the program.

3 (d) Additional information.--In addition to the application,  
4 an applicant must provide:

5 (1) A feasibility study of the proposed uses of funds to  
6 be provided under the grant.

7 (2) A business or financial plan that describes the  
8 long-term sustainability, financial cost to the applicant and  
9 the proposed benefits of the work to be accomplished pursuant  
10 to the grant.

11 (3) A strategic plan and schedule for the development  
12 and implementation of the work to be accomplished pursuant to  
13 the grant.

14 (e) Limitation.--The total amount of grants under the  
15 program to any single community-based health care provider shall  
16 not exceed \$2,000,000, and no grant shall be for a term in  
17 excess of five years.

18 (f) Reallocation of funds.--The department shall reallocate  
19 funds among the categories described in subsection (b) if  
20 sufficient requests are not received by the department that  
21 comply with this act or the requirements of the department.

22 Section 6. Community-Based Health Care Provider Assistance  
23 Fund.

24 (a) Establishment.--The Community-Based Health Care Provider  
25 Assistance Fund is established in the State Treasury.

26 (b) Funding sources.--The fund shall be funded by:

27 (1) Transfers or appropriations to the fund.

28 (2) Money received from the Federal Government or other  
29 sources.

30 (3) Money required to be deposited in the fund pursuant

1 to other provisions under this act or any other law.

2 (4) Investment earnings from the fund, net of investment  
3 costs.

4 (c) Nonlapse.--The money in the fund is appropriated on a  
5 continuing basis to the department and shall not lapse at the  
6 end of any fiscal year.

7 Section 7. Transfers to fund.

8 The sum of \$22,000,000 shall be transferred annually from the  
9 Health Care Provider Retention Account established under section  
10 1112 of the act of March 20, 2002 (P.L.154, No.13), known as the  
11 Medical Care Availability and Reduction of Error (Mcare) Act, to  
12 the Community-Based Health Care Provider Assistance Fund for the  
13 purpose of carrying out the provisions of this act, the first  
14 such transfer to occur within 30 days of the effective date of  
15 this section.

16 Section 8. Effective date.

17 This act shall take effect July 1, 2009, or immediately,  
18 whichever is later.