

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1407 Session of
2017

INTRODUCED BY GROVE, MCGINNIS, GREINER, TOPPER, BARRAR, MILLARD,
KAUFFMAN, METZGAR, SANKEY, MILNE, RYAN, JAMES, COX, MARSICO,
SAYLOR, PHILLIPS-HILL, ROTHMAN, WHEELAND, B. MILLER, MOUL AND
GILLEN, MAY 19, 2017

REFERRED TO COMMITTEE ON HEALTH, MAY 19, 2017

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," in public assistance,
4 providing for work requirements, lifetime limits, copayments
5 and health savings accounts and for health savings accounts
6 for Medicaid enrollees.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. The act of June 13, 1967 (P.L.31, No.21), known
10 as the Human Services Code, is amended by adding sections to
11 read:

12 Section 441.10. Work Requirements, Lifetime Limits,
13 Copayments and Health Savings Accounts.--(a) No later than
14 March 1 of each year, the secretary shall apply to the Centers
15 for Medicare and Medicaid Services of the United States
16 Department of Health and Human Services for a waiver under
17 section 1315 of the Social Security Act (49 Stat. 620, 42 U.S.C.
18 § 1315) for the following purposes:

19 (1) Instituting a work requirement for a Medicaid enrollee

1 who is eighteen years of age or older and physically and
2 mentally capable of work. The work requirement shall require a
3 Medicaid enrollee to become employed, actively seek employment
4 as verified by the department or attend a job training program
5 in accordance with the following:

6 (i) In the case of a Medicaid enrollee who is employed or
7 attending job training programs in order to maintain enrollment
8 in the Medicaid program, the Medicaid enrollee shall work twenty
9 hours a week or complete twelve job training program-related
10 activities a month.

11 (ii) A Medicaid enrollee who complies with the work
12 requirement under subparagraph (i) may have Medicaid premiums or
13 cost-sharing reduced or other incentives beginning in year two
14 of employment.

15 (iii) A Medicaid enrollee who has failed to comply with the
16 work requirement under subparagraph (i) shall relinquish
17 Medicaid program eligibility for the following time periods:

18 (A) Three months beginning in year two of employment.

19 (B) Six months beginning after the time period under clause
20 (A) expires.

21 (C) Nine months beginning after the time period under clause
22 (B) expires.

23 (iv) The time period when a Medicaid enrollee has failed to
24 comply with the work requirement under this paragraph shall
25 count toward the lifetime limit of Medicaid benefits as
26 specified under paragraph (5).

27 (2) Requiring an able-bodied Medicaid enrollee who is
28 eighteen years of age or older to verify on a biannual basis or
29 by request of the department the Medicaid enrollee's family
30 income or the Medicaid enrollee's compliance with the provisions

1 under paragraph (1) for the purpose of determining the Medicaid
2 enrollee's eligibility.

3 (3) Banning an individual from enrolling in a Medicaid
4 program if the individual has failed to comply with paragraphs
5 (1) and (2).

6 (4) Exempting a Medicaid enrollee from the requirements
7 under paragraphs (1) and (2) under any of the following
8 conditions:

9 (i) The Medicaid enrollee is attending high school as a
10 full-time student.

11 (ii) The Medicaid enrollee is currently receiving temporary
12 or permanent long-term disability benefits.

13 (iii) The Medicaid enrollee is an individual twenty years of
14 age or younger or sixty-five years of age or older.

15 (iv) The Medicaid enrollee is a pregnant woman.

16 (v) The Medicaid enrollee receives Supplemental Security
17 Income (SSI) benefits.

18 (vi) The Medicaid enrollee resides in a mental health
19 institution or correctional institution.

20 (vii) The Medicaid enrollee is experiencing a crisis,
21 serious medical condition or temporary condition that prevents
22 the Medicaid enrollee from actively seeking employment, such as
23 domestic violence or substance use treatment.

24 (5) Setting a lifetime limit of five years of Medicaid
25 benefits, unless the Medicaid enrollee meets any of the
26 following conditions:

27 (i) The Medicaid enrollee is pregnant and has shown a work
28 history in the time period between pregnancies.

29 (ii) The Medicaid enrollee is eighteen years of age or older
30 and attending high school as a full-time student.

1 (iii) The Medicaid enrollee is employed full time and meets
2 the income eligibility requirements for Medicaid and pays future
3 deductibles from an individual enrollee's Medicaid health
4 savings account under section 441.11.

5 (6) Developing and imposing meaningful copayments to be paid
6 from an individual Medicaid enrollee's health savings account
7 under section 441.11 of no less than sixty-five cents (65¢) and
8 not more than four dollars (\$4) per copayment based on an income
9 threshold established by the department for the purpose of
10 detering the nonemergency use of emergency services and the use
11 of ambulance services for nonemergency transportation or when
12 not medically necessary.

13 (7) Developing and executing health savings accounts for all
14 Medicaid enrollees.

15 (b) After the secretary submits a waiver request under
16 subsection (a), the secretary shall notify the Governor, the
17 General Assembly and the Independent Fiscal Office.

18 Section 441.11. Health Savings Accounts for Medicaid
19 enrollees.

20 (a) The department shall establish a Personal Wellness and
21 Responsibility Account as an individual health savings account
22 for Medicaid enrollees.

23 (b) A Medicaid enrollee shall contribute a predetermined
24 percent of the Medicaid enrollee's income into an individual
25 health savings account. The amount shall be at least two percent
26 of a Medicaid enrollee's annual gross income and not more than
27 five percent of the Medicaid enrollee's annual gross income. The
28 percent of the Medicaid enrollee's income shall be assessed by
29 the department on a graduated scale based on the Medicaid
30 enrollee's income between one hundred percent and two hundred

1 percent of the Federal poverty limit.

2 (c) The department shall provide cash incentives
3 to promote the use of accepted preventive care services in a
4 cost effective manner. The use of preventive care services may
5 not be subject to the Medicaid enrollee's deductible under the
6 health savings account.

7 (d) After a Medicaid enrollee pays the initial deductible
8 from the individual Medicaid enrollee's health savings account,
9 the Commonwealth shall make annual deposits into the health
10 savings account which may be utilized by the Medicaid enrollee
11 for any future deductibles. The amount of the Medicaid
12 enrollee's deductible shall be determined by the department and
13 based off the cost to administer the Commonwealth's Medicaid
14 program each fiscal year.

15 (e) The following apply:

16 (1) A Medicaid enrollee's employer may pay up to fifty
17 percent of the Medicaid enrollee's deductible allocated from the
18 individual Medicaid enrollee's health savings account.

19 (2) A nonprofit organization operating in conjunction with
20 the Medicaid program may pay up to seventy-five percent of the
21 Medicaid enrollee's deductible allocated from the individual
22 Medicaid enrollee's health savings account.

23 (3) A Medicaid enrollee may only use money deposited in the
24 individual Medicaid enrollee's health savings account for
25 authorized health care services under the Medicaid program.

26 (4) Money remaining within an individual Medicaid enrollee's
27 health savings account at the end of the year shall remain in
28 the health savings account to pay for the Medicaid enrollee's
29 health care expenses during the subsequent year.

30 (f) If a Medicaid enrollee is no longer eligible for medical

1 care under the State's plan under Title XIX of the Social
2 Security Act (49 Stat. 620, 42 U.S.C. § 1396 et seq.), the
3 department shall transfer all funds paid by the individual into
4 a health savings account.

5 (g) Payments allocated by the Commonwealth from an
6 individual Medicaid enrollee's health savings account to pay for
7 the Medicaid enrollee's deductibles shall not exceed three
8 hundred thousand dollars (\$300,000) annually or one million
9 dollars (\$1,000,000) during the Medicaid enrollee's lifetime.

10 Section 2. This act shall take effect in 60 days.