

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2837 Session of
1980

INTRODUCED BY DiCARLO, BARBER, OLIVER, ZORD AND KLINGAMAN,
JULY 7, 1980

REFERRED TO COMMITTEE ON HEALTH AND WELFARE, JULY 7, 1980

AN ACT

1 Amending the act of July 22, 1974 (P.L.610, No.207), entitled
2 "An act providing loans for the repair, reconstruction and
3 rehabilitation of nursing homes in order for them to comply
4 with State and Federal Safety Standards; empowering the
5 Governor, State Treasurer and Auditor General to issue
6 general obligation bonds for this purpose; creating the
7 Pennsylvania Nursing Home Loan Agency as a public corporation
8 and government instrumentality; and empowering this agency to
9 make loans and refinance loans to eligible nursing homes
10 according to provisions of this act and making an
11 appropriation," adding a legislative finding; further
12 defining "nursing home" and "reconstruction"; and further
13 providing for qualifications of applicants and loan
14 application requirements.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 Section 1. Section 102, the definitions of "nursing home"
18 and "reconstruction" in section 103, section 301 and subsection
19 (a) of section 302, act of July 22, 1974 (P.L.610, No.207),
20 known as the "Nursing Home Loan Agency Law," are amended to
21 read:

22 Section 102. Legislative Finding.--It is hereby determined
23 and declared as a matter of legislative finding that--

1 (1) because most nursing homes in the Commonwealth do not
2 presently comply with State and Federal Safety Standards
3 including the Life Safety Code; and

4 (2) because financing of these safety improvements is
5 apparently not presently available through private financing
6 under terms and conditions which would enable the improvements
7 to be made; and

8 (3) because of this and for this purpose the voters of the
9 Commonwealth approved by referendum on May 21, 1974 the
10 incurrence of a debt not to exceed one hundred million dollars
11 (\$100,000,000) through the sale of general obligation bonds by
12 the Commonwealth; and

13 (4) because of the need for financial assistance to
14 encourage discontinuance of unneeded hospital services and the
15 conversion of unneeded hospital services to nursing home
16 services needed by the community.

17 There exists a need to create what shall be known as the
18 Nursing Home Loan Agency to make such loans for safety
19 improvements according to provisions of this act.

20 Section 103. Definitions.--As used in this act unless
21 otherwise indicated:

22 * * *

23 "Nursing home" means any facility licensed or approved or
24 which is reasonably expected to be licensed or approved as a
25 nursing home by the Department of Public Welfare under the act
26 of June 13, 1967 (P.L.31, No.21), known as the "Public Welfare
27 Code."

28 "Reconstruction" means the rebuilding or replacement of an
29 existing nursing home structure or a portion thereof, whether on
30 the same or a nearby site, when it is impracticable or

1 uneconomic to repair or rehabilitate such structure or portion
2 thereof and which does not increase the bed capacity, and in
3 areas in need of nursing home services the conversion of an
4 existing structure or a portion thereof formerly used to provide
5 inpatient hospital services, to a nursing home. This shall not
6 include any loan of moneys for site acquisition.

7 * * *

8 Section 301. Qualification of Applicants.--All nursing homes
9 [meeting applicable State and Federal regulations, with the
10 exception of Life Safety Code, for the acceptance of Medicaid
11 patients] shall be eligible to apply for loans from the Nursing
12 Home Loan Agency under provisions of this act.

13 Section 302. Loan Application Requirements.--(a) Prior to
14 the loaning of any funds to a nursing home by the Nursing Home
15 Loan Agency for purposes as provided for in this act, the
16 Nursing Home Loan Agency shall receive from such nursing home a
17 loan application which shall be on a form to be developed by the
18 agency and shall contain, without being limited to, the
19 following provisions:

20 (1) Evidence of compliance with all applicable regulations
21 of other State departments or agencies for acceptance of
22 Medicaid patients with the exception of the Life Safety Code, or
23 a reconstruction plan which is in compliance with all applicable
24 regulations of other State departments or agencies for
25 acceptance of medicaid patients.

26 (2) An approved plan of correction of Life Safety Code
27 deficiencies or of compliance with Life Safety Code provisions
28 by the Department of Labor and Industry.

29 (3) Detailed cost estimates of proposed repairs,
30 rehabilitation or reconstruction.

1 (4) Evidence that the nursing home is financially unable to
2 come into compliance with State and Federal Safety Standards
3 without loan assistance from the agency.

4 (5) Evidence that there is a reasonable likelihood of loan
5 repayment including the applicant's willingness to enter into
6 such agreements, mortgages or other security instruments as the
7 agency may deem necessary to secure the loan.

8 * * *

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