

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1095 Session of
1989

INTRODUCED BY SAURMAN, J. L. WRIGHT, JOHNSON, MORRIS, RAYMOND,
SEMMELE, MARSICO, WASS, NAHILL, VEON, TIGUE, FOX, TRELLO, BUNT
AND WILSON, APRIL 10, 1989

REFERRED TO COMMITTEE ON HEALTH AND WELFARE, APRIL 10, 1989

AN ACT

1 Establishing the Medical Procedures Emergency Relief Committee;
2 empowering the committee to perform certain powers and
3 duties; and establishing the Uncompensated Medical Care Fund.

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13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Short title.

16 This act shall be known and may be cited as the Medical
17 Procedures Emergency Relief Act.

18 Section 2. Legislative findings and intent.

1 (a) Findings.--Access to affordable health care has become a
2 critical problem for a significant number of this Commonwealth's
3 citizenry. An estimated 35 million Americans under age 65 or 17%
4 of that population in the United States have no health
5 insurance.

6 (b) Intent.--The intent of this act is to assure access to
7 necessary medical care and organ transplants by establishing a
8 Medical Procedures Emergency Relief Fund.

9 Section 3. Definitions.

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

13 "Charge." The amount to be billed by a hospital for specific
14 goods or services provided to a patient.

15 "Committee." The Pennsylvania Medical Procedures Emergency
16 Relief Committee.

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

18 "Fund." The Medical Procedures Emergency Relief Fund
19 established under this act.

20 "Hospital." An institution licensed in this Commonwealth
21 which is primarily engaged in providing to inpatients, by or
22 under the supervision of physicians, diagnostic services and
23 therapeutic services for medical diagnoses, treatment and care
24 for injured, disabled or sick persons or rehabilitation services
25 for such persons. The term includes psychiatric hospitals.

26 "Medically indigent." The status of a person who has limited
27 or no health insurance benefits and who is ineligible for
28 medical assistance under the act of June 13, 1967 (P.L.31,
29 No.21), known as the Public Welfare Code, whose medical expenses
30 exceed 20% of the person's own income or family's annual income.

1 "Secretary." The Secretary of Health of the Commonwealth.

2 "Uncompensated care." Any uncollected charges, reduced to
3 actual allowable costs, associated with the provision of free
4 care, delivered to persons deemed medically indigent.

5 Section 4. Medical Procedures Emergency Relief Committee.

6 (a) Establishment.--The General Assembly hereby establishes
7 the Medical Procedures Emergency Relief Committee in the
8 department to ensure that necessary hospital care is available
9 to all citizens in this Commonwealth.

10 (b) Composition.--The committee shall consist of 15 members.
11 The Speaker of the House of Representatives and the Minority
12 Leader of the House of Representatives shall each appoint one
13 representative of the business and industry community and one
14 consumer representative. The Speaker shall appoint one hospital
15 administrator; the Minority Leader of the House of
16 Representatives shall appoint one nurse. The President pro
17 tempore of the Senate and the Minority Leader of the Senate
18 shall each appoint one representative of organized labor. The
19 President pro tempore of the Senate shall appoint one hospital
20 administrator and one nurse. The Minority Leader of the Senate
21 shall appoint one physician and one representative of the health
22 insurance industry. All appointees shall serve a three-year term
23 except that the first appointees shall draw lots staggering
24 their terms. The Secretaries of Health and Welfare and the
25 Insurance Commissioner shall each serve as voting members of the
26 committee during their term of office.

27 (c) Organization.--Within 30 days following the appointment
28 of the committee, the Secretary of Health shall convene an
29 organization meeting of the committee. A quorum shall be a
30 majority of the members of the committee. A chairman and other

1 officers deemed necessary by the committee shall be elected by
2 the committee.

3 (d) Meetings.--The committee shall meet at least quarterly.

4 (e) Staff.--The department shall provide staff and services
5 necessary to carry out the business of the committee subject to
6 annual appropriations from the General Assembly.

7 Section 5. Powers and duties of committee.

8 The committee shall have the following powers and duties:

9 (1) Establish, operate and monitor the Medical
10 Procedures Emergency Relief Fund.

11 (2) Audit information submitted by hospitals on
12 uncompensated care provided and eligibility of medically
13 indigent persons for financial assistance.

14 (3) Establish guidelines and approve credit and
15 collection policies of hospitals applying for compensation
16 from the fund.

17 Section 6. Uncompensated medical care.

18 (a) Fund.--An Uncompensated Medical Care Fund is established
19 to insure that medically indigent persons who are not eligible
20 for medical assistance under the act of June 13, 1967 (P.L.31,
21 No.21), known as the Public Welfare Code, have reasonable access
22 to necessary inpatient hospital care and organ transplants.

23 (b) Funding.--In addition to the tax imposed by section
24 302.2 of the act of March 4, 1971 (P.L.6, No.2), known as the
25 Tax Reform Code of 1971, there shall be imposed an additional \$2
26 surcharge applied to each taxpayer filing a personal income tax
27 form. The surcharge shall be collected by the Department of
28 Revenue. The money collected shall be deposited in the
29 Uncompensated Medical Care Fund. Moneys in the fund shall be
30 held in a separate account in the State Treasury. All moneys

1 collected and any interest earned shall be available to the
2 department to pay for uncompensated care pursuant to the
3 provisions of this act.

4 (c) Administration.--The committee shall administer the
5 fund, and all moneys in the fund are hereby appropriated to the
6 committee on a continuing basis to carry out the purposes of
7 this section. The committee may contract with a qualified vendor
8 or other governmental agency to administer the fund.

9 (d) Distribution.--The committee shall equitably distribute
10 the fund to provide financial relief to hospitals that provide
11 uncompensated health care to medically indigent persons. The
12 committee shall review the hospital's total financial resources
13 when reviewing an application for relief from the fund,
14 including the resources of affiliated or related corporations
15 and endowment or other trust funds.

16 (e) Eligibility.--Any hospital applying for distribution
17 from the fund shall be required to file and comply with a credit
18 and collection policy that is acceptable to the committee. The
19 hospital must also provide appropriate certification that it has
20 met all obligations under the Hospital Survey and Construction
21 Act (60 Stat. 1040).

22 (f) Determination of eligibility.--The hospital shall be
23 responsible for determination and verification of eligibility of
24 each recipient of care. The hospital shall use and enforce an
25 ability-to-pay scale currently approved by the committee or a
26 copayment schedule currently approved by the committee before
27 applying for reimbursement pursuant to this act.

28 (g) Deadline.--By July 1, 1990, relative reimbursement to
29 hospitals shall reflect inpatient hospital services rendered to
30 the medically indigent.

1 (h) Limit on reimbursements.--Reimbursements to hospitals
2 shall be limited to the aggregate level of funding which will be
3 available from the fund for the care of the medically indigent.
4 Hospitals shall be reimbursed at a level not to exceed costs as
5 determined by Medicare and Medicaid cost reports. Medically
6 indigent patients shall be required to pay the hospital actual
7 costs of care up to 20% of the patient's family income. The fund
8 shall not pay for the patient's responsibility. The hospital
9 shall establish a reasonable payment schedule for the patient or
10 family.

11 (i) Application for indigency determination.--Every hospital
12 shall require that a medically indigent person who is to be
13 considered eligible for assistance under this act shall submit a
14 signed application therefor to the hospital.

15 (j) Authorization by applicant.--By signing the application,
16 the medically indigent person specifically authorizes the
17 committee to obtain records pertaining to eligibility from a
18 financial institution, or from any insurance company, or from
19 any wage and employment data available from the Department of
20 Labor and Industry.

21 (k) Penalty for nonuse of alternative services.--The
22 department shall not reimburse inpatient services which can be
23 performed less expensively in an accessible outpatient setting.

24 (l) Certain persons noneligible.--Hospital services to a
25 person who is employed but does not choose to participate in a
26 group medical insurance plan offered through his or her place of
27 employment shall not be eligible for reimbursement pursuant to
28 this act.

29 (m) Priority of payment sources.--All other means of payment
30 shall be exhausted before funds are utilized for reimbursement

1 under this act. The fund shall be the payor of last resort.

2 (n) Rulemaking.--The committee shall promulgate such rules
3 and regulations as are necessary to administer the program.

4 Section 7. Expiration.

5 This act shall expire six years from its effective date
6 unless extended by statute.

7 Section 8. Effective date.

8 This act shall take effect in 60 days.