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26 The General Assembly of the Commonwealth of Pennsylvania
27 hereby enacts as follows:

28 CHAPTER 1

29 GENERAL PROVISIONS

- 30 Section 101. Short title.

1 This act shall be known and may be cited as the Health Care
2 Access Act.

3 Section 102. Legislative findings and intent.

4 (a) Findings.--The General Assembly finds as follows:

5 (1) The uninsured health care population of this
6 Commonwealth is over 1,000,000 persons, and many thousands
7 more lack adequate insurance coverage. Approximately two-
8 thirds of the uninsured are employed or dependents of
9 employed persons.

10 (2) Over one-third of the uninsured health care
11 population is children. Uninsured children are of particular
12 concern because of their need for ongoing preventive and
13 primary care. Measures not taken to care for uninsured
14 children now may result in higher human and financial costs
15 later. Access to timely and appropriate care is particularly
16 serious for women who receive late or no prenatal care which
17 increases the risk of low birth weights and infant morbidity
18 and mortality.

19 (3) Many uninsured and underinsured individuals lack
20 ready access to timely and appropriate primary and preventive
21 care. As a result, they often delay or forego health care,
22 with the resulting increased risk of developing complications
23 and more advanced stages of illness which are more expensive
24 to treat. This tendency of the medically indigent to delay
25 care and to seek ambulatory care in the more costly hospital-
26 based settings also causes inefficiencies in the health care
27 system.

28 (4) Health markets have been distorted through cost
29 shifts for the uncompensated health care costs of uninsured
30 citizens of this Commonwealth which have caused decreased

1 competitive capacity on the part of those health care
2 providers who serve the poor and increased costs of other
3 health care payors.

4 (5) Cost containment efforts and increased competition
5 have and will inhibit the traditional method of funding care
6 for uninsured citizens of this Commonwealth through cost
7 shifting.

8 (6) A small proportion of the health care population
9 opts not to purchase health insurance for reasons other than
10 inability to pay. When large health care expenses are
11 incurred, these individuals find it difficult to pay those
12 amounts, which in turn forces an undesirable cost shift to
13 other less improvident individuals.

14 (b) Declaration of intent.--It is the intent of the General
15 Assembly and the purpose of this act to:

16 (1) Ensure access to timely and appropriate health care
17 for the medically indigent citizens of this Commonwealth by
18 providing for cost-effective, comprehensive health coverage
19 for low-income citizens of this Commonwealth who are unable
20 to afford coverage or obtain it through their employment.

21 (2) Provide incentives for employers to provide health
22 insurance coverage for their employees and their uninsured
23 dependents by providing for more affordable group coverage.

24 (3) Promote the efficient use of health services by
25 assuring that care is being provided at an appropriate stage,
26 early enough to avert the need for more expensive treatment.

27 Section 103. Definitions.

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

1 "Agency." The Pennsylvania Higher Education Assistance
2 Agency.

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

4 "Financially vulnerable employer." An employer determined by
5 the fund to be in danger of insolvency or to be greatly hindered
6 in developing capital required for necessary expansion because
7 of requirements for the purchase of health insurance. Employers
8 whose business has been in existence for less than three years
9 and whose present business is not a continuation or extension of
10 an existing business, whose health insurance costs exceed 5% of
11 gross revenue, or whose health insurance costs exceed 10% of net
12 income and who have less than seven employees shall be deemed to
13 be financially vulnerable.

14 "Fund." The Pennsylvania Health Insurance Fund established
15 by this act.

16 "Hospital." An institution having an organized medical staff
17 which is engaged primarily in providing to inpatients, by or
18 under the supervision of physicians, diagnostic and therapeutic
19 services for the care of injured, disabled, pregnant, diseased
20 or sick or mentally ill persons. The term includes facilities
21 for the diagnosis and treatment of disorders within the scope of
22 specific medical specialties, including facilities which provide
23 care and treatment exclusively for the mentally ill and drug or
24 alcohol inpatient detoxification or rehabilitative care. The
25 term does not include inpatient nonhospital activity as
26 described in 28 Pa. Code § 701.1 (relating to general
27 definitions), publicly owned inpatient facilities or skilled or
28 intermediate care nursing facilities.

29 "Medical assistance." The State program of medical
30 assistance established under the act of June 13, 1967 (P.L.31,

1 No.21), known as the Public Welfare Code.

2 "Medicaid." The Federal medical assistance program
3 established under Title XIX of the Social Security Act (Public
4 Law 74-271, 42 U.S.C. § 301 et seq.).

5 "Medically indigent." Individuals who cannot pay for their
6 care because they are above the medical assistance eligibility
7 levels and have no or inadequate health insurance or other
8 financial resources with which to pay for their health care.

9 "Medically underserved area." A geographic area or
10 population group determined by the department to have a shortage
11 of health manpower and to meet the general qualifications
12 criteria of the National Health Service Corps Loan Repayment
13 Program established by section 338B of the Public Health Service
14 Act (58 Stat. 682, 42 U.S.C. § 201 et seq.).

15 "Preexisting medical conditions exclusion." An exclusion of
16 insurance benefits based on physical or medical conditions
17 existing prior to date of enrollment and usually based on a
18 finding that a person either did or should have sought medical
19 care for the condition.

20 "Primary care physician." A general practitioner of
21 medicine, a family practitioner as defined by the American Board
22 of Medical Specialties, a general practitioner as defined by the
23 Board of General Practice and Surgery of the American
24 Osteopathic Association or a general pediatrician or a general
25 internist or obstetrician-gynecologist as defined by the
26 American Board of Medical Specialties or the American
27 Osteopathic Association's respective boards.

28 "Qualified health insurance plan."

29 (1) A health insurance plan that provides the following
30 benefits or their actuarial equivalent for a person, his

1 spouse and dependents:

2 (i) Maternal and child care, including prenatal,
3 postnatal and preventive health care for children and
4 adolescents, in accordance with child health supervision
5 guidelines of the American Academy of Pediatrics.

6 (ii) Immunizations in accordance with guidelines
7 determined by the department to conform with the
8 standards of the Advisory Committee on Immunization
9 Practices of the United States Public Health Service.

10 (iii) Periodic examinations to detect and prevent
11 serious illness in accordance with the guidelines of the
12 American College of Physicians and the American Academy
13 of Family Physicians.

14 (iv) Semiprivate hospital room and board with
15 related basic services.

16 (v) Services of physician in and out of hospital.

17 (vi) Services of other health care professionals in
18 and out of hospital.

19 (vii) Mental health and substance abuse diagnosis
20 and treatment services to cover inpatient, outpatient,
21 outreach and partial hospitalization.

22 (viii) Short-term home care and/or SNF care.

23 (ix) Hospice care in the home in case of terminal
24 illness.

25 The Department of Insurance shall, by regulation, further
26 define the benefit package and shall define actuarially
27 equivalent benefit packages to meet the needs of
28 differing employee groups. A qualified plan shall not
29 require copayments or deductibles for prenatal care,
30 preventive health care for children and adolescents or

1 for immunizations. A qualified plan shall not exclude
2 preexisting medical conditions.

3 (2) The following persons shall be deemed to have
4 qualified health insurance plans: any person who chooses not
5 to have health insurance because of bona fide religious
6 belief; any person eligible for Medicaid or Medicare
7 coverage; any person who chooses not to have his own health
8 insurance because duplicative coverage is available from a
9 policy of the person's spouse or other person. The following
10 persons also shall be deemed to have a qualified plan: those
11 employed or self-employed by any single employer for less
12 than 26 hours per week in 1991, less than 20 hours per week
13 in 1992 and less than 18 hours per week thereafter, and those
14 self-employed persons whose coverage includes at least 45
15 days of hospital inpatient treatment, 21 days of mental
16 health and drug abuse treatment in addition to emergency,
17 pregnancy and newborn care and whose deductible does not
18 exceed \$400.

19 "Spend-down." The qualifying procedure for the Pennsylvania
20 Medical Assistance Program set forth in 55 Pa. Code Ch. 181
21 (relating to income provisions for categorically needy nonmoney
22 payment (NMP-MA) and medically needs only (MNO-MA) medical
23 assistance (MA)).

24 CHAPTER 3

25 HEALTH INSURANCE COVERAGE REQUIREMENTS

26 Section 301. General.

27 Each employer doing business in this Commonwealth shall
28 provide for his employees resident in this Commonwealth and
29 their dependents a qualified health plan in accordance with this
30 act.

1 Section 302. Limitations on employer contribution.

2 The employer's contribution to the cost of a qualified health
3 plan need not exceed 80% of the cost of that plan nor exceed
4 9.9% of the employer's gross wage base. Financially vulnerable
5 employers need make no contribution. Employer, as used in this
6 section, does not include self-employed persons.

7 Section 303. Limitation on employee contribution.

8 The employee's contribution to the cost of a qualified health
9 plan shall not exceed 20%. An employee whose gross wages are
10 less than 125% of poverty shall make no contribution; at 150% of
11 poverty, the contribution shall not exceed 7%; at 175% of
12 poverty, and up to 200% of poverty, the contribution shall not
13 exceed 14%. Above 200% of poverty, the employee's contribution
14 to the cost of a qualified health plan shall not exceed 20%.
15 Employee, as used in this section, does not include self-
16 employed persons.

17 Section 304. Limitation on self-employed person's contribution.

18 A self-employed person whose net earnings are less than 125%
19 of poverty shall make no contribution to the cost of a qualified
20 health plan; at 150% of poverty, his contribution shall be one-
21 third; at 175% of poverty, his contribution shall be two-thirds;
22 and above 200% of poverty, he shall pay the full cost.

23 Section 305. Multiple employer trusts.

24 (a) Availability to certain employers.--All insurers writing
25 health insurance in this Commonwealth shall offer multiple
26 employer trusts as an option to employers with less than 11
27 employees seeking health insurance coverage.

28 (b) Regulations.--The Insurance Department shall publish
29 regulations governing multiple employer trusts for the purpose
30 of encouraging their use, preventing abuses and encouraging the

1 development of appropriate reinsurance mechanisms.

2 Section 306. Preexisting medical conditions.

3 No health insurance policy may deny coverage for an enrollee
4 for a preexisting condition nor deny coverage generally on the
5 basis the enrollee has a preexisting condition nor use waivers
6 or riders of any kind to exclude, limit or reduce coverage or
7 benefits for a specifically named or described preexisting
8 disease or physical or mental condition.

9 CHAPTER 5

10 HEALTH INSURANCE PAYROLL TAX

11 Section 501. Imposition of tax.

12 A payroll tax is imposed on wages in this Commonwealth paid
13 by an employer to each employee and on net earnings from self
14 employment for each taxable year commencing in 1991.

15 Section 502. Rate.

16 The rate of tax shall be that rate necessary to fund the
17 fund.

18 Section 503. Credits.

19 Commencing in 1991, an employer or self-employed person shall
20 receive a tax credit equal to the payroll tax imposed for each
21 employee or self-employed person with a qualified health
22 insurance plan.

23 CHAPTER 7

24 PENNSYLVANIA HEALTH INSURANCE FUND

25 Section 701. Establishment.

26 There is hereby created a separate account within the State
27 Treasury to be known as the Pennsylvania Health Insurance Fund.
28 The fund shall be administered by the Department of Revenue.

29 Section 702. Purpose.

30 The fund shall be expended for the purpose of assisting

1 employers, employees or self-employed persons who have
2 contributed to the purchase of qualified health plans as
3 required by sections 301 through 304 up to the limits provided
4 in those sections. The fund shall provide the difference between
5 the contributed amount and the cost of purchasing a qualified
6 health plan.

7 Section 703. Composition.

8 The fund shall consist of all payroll taxes collected under
9 Chapter 5, all property and securities acquired by the use of
10 moneys belonging to the fund and all interest thereon, less
11 withdrawals for reasonable administrative expenses. A prudent
12 level of reserve funds shall be maintained.

13 Section 704. Trust.

14 Moneys deposited in the fund are imposed with a trust for the
15 benefit of self-employed persons and employees and are not
16 subject to appropriation.

17 CHAPTER 9

18 MEDICAID EXPANSION

19 Section 901. Persons eligible for medical assistance.

20 (a) General rule.--In addition to those persons described in
21 section 441.1(1) and (2) of the act of June 13, 1967 (P.L.31,
22 No.21), known as the Public Welfare Code, the following persons
23 shall also be eligible for medical assistance under that act:

24 (1) Medically needy persons, whose income eligibility
25 levels shall be no lower than 133.3% of the highest Aid To
26 Families with Dependent Children grant paid in this
27 Commonwealth.

28 (2) Pregnant women and infants whose family income is at
29 or less than 185% of the federally determined poverty level.

30 (3) Children under eight years of age whose family income

1 is less than 100% of the federally determined poverty level.

2 (4) All individuals or classes of individuals for which
3 Federal matching Medicaid funds are available now or in the
4 future to the maximum level for which matching funds are
5 available.

6 (b) Additional eligibility.--For purposes of this section and
7 section 441.1 of the Public Welfare Code, all recipients
8 (including medically needy recipients) and recipients of the
9 State blind pension shall be entitled to all the medical
10 assistance benefits available to persons deemed categorically
11 needy as provided for in section 441.1(1) of the Public Welfare
12 Code. The Healthy Horizon Program resource level shall be
13 increased to the maximum amount for which Federal matching funds
14 are available.

15 Section 902. Physician fees.

16 Physician and provider fees under the Medicaid program shall
17 be set by the Department of Public Welfare, at least annually,
18 at levels that are sufficient to enlist enough providers so that
19 care and services are available to Medicaid recipients at least
20 to the extent that such care and services are available to the
21 general population within each county. The Department of Public
22 Welfare shall study provider participation and patient access
23 and shall report annually to the General Assembly on its
24 findings and recommendations. The report shall also be
25 distributed by the Department of Public Welfare to consumer and
26 provider groups.

27 Section 903. Hospital payments.

28 Payments to hospitals under the Medicaid program shall be set
29 by the Department of Public Welfare at a level sufficient to pay
30 the costs of the delivery of those services by the hospital. The

1 Department of Public Welfare may make a finding after notice and
2 hearing that a hospital is not run efficiently and in such case
3 may pay the cost that would have been incurred if the hospital
4 had been run efficiently.

5 Section 904. Standing.

6 Medicaid recipients, physicians and hospitals shall have
7 standing to challenge Department of Public Welfare findings
8 under sections 902 and 903. The Department of Public Welfare
9 shall be upheld if its determinations are supported by the
10 preponderance of the evidence.

11 Section 905. Medicaid outreach.

12 The Department of Public Welfare shall establish and
13 administer an outreach program to enroll people who are eligible
14 for Medicaid but have not enrolled. The program shall include
15 the following:

16 (1) Placing caseworkers in hospitals which serve a large
17 Medicaid population to take onsite applications for Medicaid.

18 (2) Providing Statewide training to hospital staff on
19 Medicaid spend-down and other eligibility procedures.

20 (3) Developing a program of public service announcements
21 to be aired on television and radio on a regular Statewide
22 basis, advising citizens of:

23 (i) expanded Medicaid eligibility for pregnant
24 women, infants, the elderly, the disabled and persons
25 with acquired immune deficiency syndrome (AIDS); and

26 (ii) general eligibility requirements, spend-down,
27 expedited issuance of medical assistance cards and how
28 and where to apply.

29 (4) Developing pamphlets and informational services for
30 Medicaid providers to help providers inform patients about

1 medical assistance options and eligibility.

2 (5) Providing the General Assembly and the public with
3 an annual report for each fiscal year, detailing the outreach
4 and enrollment efforts taken by each county assistance office
5 and reporting by county on the number of citizens enrolled in
6 the Medicaid and the projected Medicaid-eligible population
7 of each county.

8 CHAPTER 11

9 HEALTH MANPOWER

10 Section 1101. Health Care Professional Loan Repayment Program.

11 The department shall establish the Health Care Professional
12 Loan Repayment Program in order to improve the delivery of
13 health services in medically underserved areas. The program
14 shall be established in accordance with the provisions of
15 section 338H of the Public Health Service Act (58 Stat. 682, 42
16 U.S.C. § 201 et seq.) and, consistent with that act, shall
17 provide for the repayment of government and commercial loans for
18 the tuition and education-related expenses of primary-care
19 physicians who agree to and complete service for a designated
20 period of time in a medically underserved area.

21 Section 1102. Eligibility.

22 The department shall develop eligibility criteria and
23 conditions for primary-care physicians who seek to participate
24 in the program. The eligibility criteria and conditions shall
25 meet the specific qualifications criteria established by the
26 Secretary of Health and Human Services in administering section
27 338H of the Public Health Service Act (58 Stat. 682, 42 U.S.C. §
28 201 et seq.).

29 Section 1103. Application and administration.

30 The department shall submit an application to the Secretary

1 of Health and Human Services for a grant to fund the Health Care
2 Professional Loan Repayment Program within the limits of funds
3 available under section 338H of the Public Health Service Act
4 (58 Stat. 682, 42 U.S.C. § 201 et seq.). The department shall
5 administer the program and may prescribe such application forms
6 and promulgate regulations necessary to carry out the provisions
7 of this act with respect to loan repayment criteria and
8 conditions.

9 CHAPTER 13

10 HEALTH CARE LOW-INTEREST LOAN PROGRAM

11 Section 1301. Fund.

12 There is hereby created a fund within the State Treasury to
13 be known as the Health Care Low-Interest Loan Fund. The Health
14 Care Low-Interest Loan Fund shall be a continuing fund in which
15 may be deposited moneys received from repayment of principal on
16 loans from the fund and payments of interest and other fees and
17 charges with respect to loans made pursuant to this chapter,
18 insurance premiums and charges assessed and collected by the
19 agency on loans made from the fund, appropriations made to the
20 fund by the General Assembly, proceeds of the sale of notes,
21 bonds or other indebtedness to the extent and in the manner
22 provided in a resolution properly adopted by the agency and
23 other moneys received from any other source for the purpose of
24 the fund. Except as otherwise provided in a contract with
25 bondholders, all appropriations and payments made into the
26 Health Care Low-Interest Loan Fund are hereby appropriated to
27 the agency and may be applied and reapplied as the agency shall
28 direct subject to the purpose of the fund and shall not be
29 subject to lapsing.

30 Section 1302. Purpose.

1 The purpose of the Health Care Low-Interest Loan Fund shall
2 be to provide low-interest loans to individuals to pay health
3 care costs.

4 Section 1303. Administration.

5 The Health Care Low-Interest Loan Fund shall be administered
6 by the agency as a special fund. The agency may adopt such
7 regulations as to qualifications of recipients and other matters
8 as are reasonably necessary to carry out the purposes of the
9 fund.

10 CHAPTER 15

11 MISCELLANEOUS PROVISIONS

12 Section 1501. Repeals.

13 (a) Specific.--Section 441.1(3) of the act of June 13, 1967
14 (P.L.31, No.21), known as the Public Welfare Code, is repealed.

15 (b) General.--All other acts and parts of acts are repealed
16 insofar as they are inconsistent with this act.

17 Section 1502. Effective date.

18 This act shall take effect in 90 days.