

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 458 Session of
2001

INTRODUCED BY O'BRIEN, BELFANTI, CORRIGAN, COY, HERMAN,
LAUGHLIN, MICOZZIE, ORIE, PIPPY, PRESTON, READSHAW,
T. STEVENSON, STURLA, THOMAS, TIGUE, TRELLO AND YOUNGBLOOD,
FEBRUARY 2, 2001

REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES,
FEBRUARY 2, 2001

AN ACT

1 Establishing the Health Opportunities for Pennsylvanians
2 Enhancement Fund; designating the tobacco litigation Master
3 Settlement Agreement funds to be utilized for health-related
4 purposes; establishing an advisory board; providing for
5 tobacco litigation Master Settlement Agreement funds to be
6 utilized for medical research, study and investigation which
7 seeks to manage and ultimately cure tobacco-related illnesses
8 and diseases, and toward the funding, creation and
9 promulgation of programs which seek to aid individuals in the
10 cessation of smoking or attempt to prevent individuals from
11 ever beginning to use tobacco products; and improving the
12 delivery of health care services and containment of costs.

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 Health
17 Opportunities for Pennsylvanians Enhancement Fund Act.

18 Section 2. Declaration of policy.

19 The General Assembly finds and declares that the human
20 tragedy of tobacco-related disease is enormous in this
21 Commonwealth, that thousands of Pennsylvanians die each year

1 from tobacco-related illnesses and, because the immense
2 resources involved with treating such tobacco-related illnesses,
3 as well as providing for other health needs in this
4 Commonwealth, have created a significant and pressing strain on
5 this Commonwealth's hospitals and health care facilities, the
6 purpose of this act is to create a State fund with the proceeds
7 from the Commonwealth's settlement with the tobacco industry in
8 order to address the issues involving the dangers of tobacco use
9 and to address other vital health needs. Further purposes of
10 this act are to use a portion of the proceeds from the
11 Commonwealth's settlement with the tobacco industry in order to
12 help with the transformation of the Commonwealth's health care
13 delivery system into the new millennium and also to use these
14 funds toward medical research, study and investigation to manage
15 and ultimately cure tobacco-related illnesses and diseases, and
16 toward the funding, creation and promulgation of programs to aid
17 individuals in the cessation of smoking or attempt to prevent
18 individuals from ever beginning to use tobacco products.
19 Priority will be given to those initiatives that focus on
20 children and adolescent health education.

21 Section 3. Definitions.

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

25 "Advisory board." The Health Opportunities for
26 Pennsylvanians Enhancement Fund Advisory Board established to
27 advise the Governor and the General Assembly on use of the
28 settlement funds for health-related purposes.

29 "Health Opportunities for Pennsylvanians Enhancement Fund."
30 The fund which receives funds from the tobacco litigation Master

1 Settlement Agreement to be utilized for health-related purposes.
2 "Tobacco litigation Master Settlement Agreement." The Master
3 Settlement Agreement relating to tobacco litigation entered into
4 in 1998 by the Commonwealth and leading United States tobacco
5 product manufacturers.

6 Section 4. Establishment of fund.

7 (a) Establishment.--All settlement funds received by the
8 Commonwealth related to the settlement of the Commonwealth's
9 civil action against the parties of Philip Morris, Inc., R.J.
10 Reynolds Tobacco Company, Brown & Williamson Tobacco Corporation
11 and Lorillard Tobacco Company, or any successor to one of the
12 above-named settling parties, shall be deposited into a special
13 fund in the State Treasury to be known as the Health
14 Opportunities for Pennsylvanians Enhancement Fund, which is
15 hereby established.

16 (b) Trust funds.--All moneys deposited into the fund shall
17 be held in trust and shall not be considered general revenue of
18 the Commonwealth but shall be used only to effectuate the
19 purposes of this act as determined by the Governor with the
20 advice of the advisory board and shall be subject to audit by
21 the Auditor General.

22 (c) Additional deposits.--All interest, dividends and
23 capital gains earned from the deposit of moneys accumulated in
24 the fund shall be deposited in the fund for the same use.

25 (d) Appropriations required.--No moneys shall be expended
26 from the fund except upon appropriation of the General Assembly
27 made in accordance with law.

28 Section 5. Advisory board.

29 (a) Establishment of board.--There is hereby established an
30 advisory board of nine members to be known as the Health

1 Opportunities for Pennsylvanians Enhancement Fund Advisory
2 Board.

3 (b) Composition.--The board shall be composed of nine
4 individuals who possess significant experience, knowledge,
5 education, training, expertise or proficiency in the realm of
6 health care policy, management or administration. Membership of
7 the advisory board shall be as follows:

8 (1) four members, one each to be appointed by the
9 President pro tempore of the Senate, the Minority Leader of
10 the Senate, the Speaker of the House of Representatives and
11 the Minority Leader of the House of Representatives. These
12 members shall have experience in the areas of public health,
13 health care delivery or medical research;

14 (2) the Secretary of Health or his designee;

15 (3) the Insurance Commissioner or his designee; and

16 (4) three additional members to be appointed by the
17 Governor as follows:

18 (i) Two representatives of the public at large, one
19 of whom shall be appointed for a two-year term and the
20 other for a one-year term.

21 (ii) One member experienced in public health, health
22 care delivery or health care finance who will be
23 appointed for a one-year term.

24 (c) Terms.--Except where noted, members shall serve for
25 three-year terms. The Governor may reappoint board members for
26 successive terms, but no member of the advisory board shall
27 serve for more than a total of three terms. Advisory board
28 members shall remain in office until a successor is appointed
29 and qualified. Vacancies in the membership of the advisory board
30 shall be filled for the balance of the unexpired term in the

1 same manner as the original appointment.

2 (d) Chairman.--The Governor shall appoint the chairman from
3 one of the Governor's appointees.

4 (e) Meetings.--

5 (1) The advisory board shall be established and conduct
6 its first meeting no later than 60 days following the
7 effective date of this act. The purpose of the first meeting
8 shall be to develop a plan and funding priorities consistent
9 with this act and to ensure that the use of these funds
10 complement and do not duplicate any similar Federal or State
11 initiatives. This plan shall be completed and sent to the
12 Governor, the General Assembly and the State Treasurer by
13 December 31, 2001.

14 (2) After the first meeting required by paragraph (1),
15 the advisory board shall meet at least biannually to:

16 (i) Evaluate the status of prior fund disbursements.

17 (ii) Review education and awareness training
18 programs related to the risks of tobacco usage.

19 (iii) Recommend priorities for future expenditures
20 and disbursements from the fund.

21 (iv) Recommend further legislation that it deems
22 necessary to further the purposes of this act.

23 (v) Prepare an annual report for the Governor and
24 the General Assembly, including recommendations for
25 legislative action and regulatory change when needed and
26 appropriate.

27 (f) Expenses.--The Department of Health shall reimburse
28 members of the advisory board for all necessary and reasonable
29 travel and other expenses incurred in the performance of their
30 duties under this section.

1 (g) Staff support.--The Department of Health shall provide
2 staff support and assistance to the advisory board.

3 Section 6. Use and expenditure of funds.

4 Subject to section 4(d), the award and disbursement of moneys
5 in the fund shall be limited to the following purposes:

6 (1) Health care services for the uninsured.

7 (2) Medical research.

8 (3) Health promotion, preventive health and smoking
9 cessation programs.

10 (4) Improvement in health care delivery.

11 (5) Ensuring adequate long-term and hospice care
12 availability and affordability.

13 Section 7. Effective date.

14 This act shall take effect immediately.