
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1099 Session of
2003

INTRODUCED BY DeLUCA, BEBKO-JONES, BELARDI, BROWNE, COY, CURRY,
DERMODY, DeWEESE, DONATUCCI, FABRIZIO, FREEMAN, GEIST,
GEORGE, GRUCELA, HARHAI, HORSEY, JAMES, LaGROTTA, LAUGHLIN,
LEVDANSKY, McCALL, PALLONE, PETRARCA, PISTELLA, RAYMOND,
READSHAW, ROBERTS, ROEBUCK, ROONEY, SHANER, SOLOBAY,
TANGRETTI, WALKO, WASHINGTON, YOUNGBLOOD AND YUDICHAK,
APRIL 8, 2003

REFERRED TO COMMITTEE ON AGING AND OLDER ADULT SERVICES,
APRIL 8, 2003

AN ACT

1 Providing for assistance to the elderly in purchasing Medicare
2 supplement and Medicare HMO policies; conferring powers and
3 imposing duties on the Department of Aging; providing for the
4 use of tobacco litigation Master Settlement Agreement funds;
5 and establishing the Elder Health Care Subsidy Fund.

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

8 Section 1. Short title.

9 This act shall be known and may be cited as the Elder Health
10 Care Subsidy Act.

11 Section 2. Definitions.

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

15 "Department." The Department of Aging of the Commonwealth.

16 "Eligible claimant." A resident of this Commonwealth for no

1 less than 90 days, who is 65 years of age and over, whose annual
2 income is less than the maximum annual income and who is not
3 otherwise qualified for public assistance under the act of June
4 13, 1967 (P.L.31, No.21), known as the Public Welfare Code.

5 "Fund." The Elder Health Care Subsidy Fund established in
6 section 6.

7 "Income." All income from whatever source derived,
8 including, but not limited to, salaries, wages, bonuses,
9 commissions, income from self-employment, alimony, support
10 money, cash public assistance and relief, the gross amount of
11 any pensions or annuities, including railroad retirement
12 benefits, all benefits received under the Social Security Act
13 (49 Stat. 620, 42 U.S.C. § 301 et. seq.), except Medicare
14 benefits, all benefits received under State unemployment
15 insurance laws and veterans' disability payments, all interest
16 received from the Federal Government or any state government or
17 any instrumentality or political subdivision thereof, realized
18 capital gains, rentals, workmen's compensation and the gross
19 amount of loss of time insurance benefits, life insurance
20 benefits and proceeds, except the first \$5,000 of the total of
21 death benefits payments, and gifts of cash or property, other
22 than transfers by gift between members of a household, in excess
23 of a total value of \$300, but shall not include surplus food or
24 other relief in kind supplied by a government agency or property
25 tax rebate.

26 "Master Settlement Agreement." The settlement agreement and
27 related documents entered into on November 23, 1998, by the
28 Commonwealth and leading United States tobacco product
29 manufacturers in the action entitled Commonwealth v. Philip
30 Morris, et al., April Term, 1997, No. 2443, Philadelphia County,

1 January 13, 1999.

2 "Medicare HMO." A health maintenance organization that has a
3 contract with the Medicare program to provide all hospital and
4 other health benefits which the Medicare program provides.

5 "Medicare supplement policy." Medicare supplement policies
6 subject to section 1882 of the Social Security Act (49 Stat.
7 620, 42 U.S.C. § 1395ss).

8 "Program." The Elder Health Care Subsidy Program established
9 in section 3.

10 Section 3. Elder Health Care Subsidy Program.

11 (a) Program established.--There is hereby established within
12 the department a program to be known as the Elder Health Care
13 Subsidy Program.

14 (b) Eligibility.--A claimant with an annual income of not
15 more than \$16,000 in the case of a single person and not more
16 than \$19,200 in the case of the combined income of persons
17 married to each other shall be eligible for reimbursement of the
18 purchase costs of a Medicare supplement or Medicare HMO policy.
19 A person may, in reporting income to the department, round the
20 amount of each source of income and the income total to the
21 nearest whole dollar, whereby any amount which is less than 50¢
22 is eliminated.

23 (c) Program description.--The program shall consist of
24 payments to reimburse eligible claimants for the purchase costs
25 of Medicare supplement or Medicare HMO policies. Each year that
26 a claimant makes a premium payment of \$500 or more the claimant
27 is eligible for reimbursement in the amount of \$300.

28 Section 4. Determination of eligibility.

29 The department shall adopt regulations relating to the
30 determination of eligibility of prospective claimants, program

1 administration and the determination and elimination of program
2 abuse. To this end, the department shall establish a compliance
3 unit staffed sufficiently to fulfill this responsibility. The
4 department shall have the power to declare ineligible any
5 claimant who abuses or misuses the program. The department shall
6 have the power to investigate cases of suspected recipient
7 fraud.

8 Section 5. Income verification.

9 (a) Procedure.--The department shall annually verify the
10 income of eligible claimants. The department shall verify the
11 income of eligible claimants by requiring income documentation
12 from the claimants. An application for reimbursement under the
13 program shall constitute a waiver to the department of all
14 relevant confidentiality requirements relating to the claimant's
15 Pennsylvania State income tax information in the possession of
16 the Department of Revenue. The Department of Revenue shall
17 provide the department with the necessary income information
18 shown on the claimant's Pennsylvania State income tax return
19 solely for income verification purposes.

20 (b) Information confidential.--It shall be unlawful for any
21 officer, agent or employee of the department to divulge or make
22 known in any manner whatsoever any information gained through
23 access to the Department of Revenue information except for
24 official income verification purposes under this act.

25 (c) Penalty.--A person who violates this act commits a
26 misdemeanor and shall, upon conviction, be sentenced to pay a
27 fine of not more than \$1,000 or to imprisonment for not more
28 than one year, or both, together with the cost of prosecution,
29 and, if the offender is an officer or employee of the
30 Commonwealth, he shall be dismissed from office or discharged

1 from employment.

2 Section 6. Elder Health Care Subsidy Fund.

3 (a) Establishment of fund.--There is established in the
4 State Treasury the Elder Health Care Subsidy Fund.

5 (b) Funding.--Moneys received by the Commonwealth under the
6 Master Settlement Agreement sufficient to meet estimated
7 expenditures under subsection (d) shall be deposited into the
8 fund.

9 (c) Appropriation.--All moneys in the fund are hereby
10 appropriated to the department subject to annual approval by the
11 Governor and may be expended only for the purposes authorized
12 under this act.

13 (d) Expenditures from account.--The department shall
14 annually submit to the Governor for approval or disapproval
15 estimates of the amount of moneys to be expended from the fund.
16 The State Treasurer shall not honor any requisition for
17 expenditure of any moneys in excess of the amount approved by
18 the Governor.

19 (e) Interest earnings.--All interest earnings attributable
20 to moneys in the fund shall be deposited in the fund.

21 Section 7. Effective date.

22 This act shall take effect in 60 days.