

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1514 Session of
2007

INTRODUCED BY MANDERINO, BELFANTI, BISHOP, BLACKWELL,
CALTAGIRONE, CARROLL, COHEN, CURRY, DePASQUALE, DIGIROLAMO,
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FLECK, GERBER, HORNAMAN, SIPTROTH, WAGNER AND CAUSER,
JUNE 7, 2007

AS REPORTED FROM COMMITTEE ON HEALTH AND HUMAN SERVICES, HOUSE
OF REPRESENTATIVES, AS AMENDED, OCTOBER 24, 2007

AN ACT

1 Providing for the availability of and access to HOSPITAL <—
2 obstetrical and neonatal care; establishing a funding
3 formula; requiring funded hospitals to provide notification <—
4 ~~upon closure~~ SERVICES; imposing powers and duties upon the <—
5 Department of Health, ~~the Insurance Commissioner and the~~ <—
6 Department of Public Welfare.; ~~and making an appropriation.~~ <—

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

9 Section 1. Short title.

10 This act shall be known and may be cited as the Access to
11 HOSPITAL Obstetrical and Neonatal Care SERVICES Act. <—

12 Section 2. Declaration of policy.

13 The General Assembly finds and declares as follows:

14 (1) It is the purpose of this act to ensure that

15 HOSPITAL obstetrical and neonatal care services are available <—

1 in this Commonwealth.

2 (2) Access to a full spectrum of HOSPITAL obstetrical <—
3 and neonatal care health services must be available across
4 this Commonwealth.

5 (3) Approximately one of every three births in this
6 Commonwealth is covered by medical assistance.

7 (4) To maintain this system, the Commonwealth shall
8 provide financial assistance.

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 "Department." The Department of Public Welfare of the
14 Commonwealth.

15 "Hospital." An entity located in this Commonwealth that is
16 licensed as a hospital under the act of July 19, 1979 (P.L.130,
17 No.48), known as the Health Care Facilities Act.

18 "Medical assistance." The program under Article IV(f) of the
19 act of June 13, 1967 (P.L.31, No.21), known as the Public
20 Welfare Code.

21 "Neonatal intensive care services." Neonatal intensive care
22 services provided by a hospital.

23 "Obstetrical services." Obstetrical services provided by a
24 hospital.

25 "Rural." Located in a county outside a Metropolitan
26 Statistical Area established by the United States Office of
27 Management and Budget.

28 "Secretary." The Secretary of Public Welfare of the
29 Commonwealth.

30 Section 4. Qualifications of hospitals.

1 (a) Eligibility.--The following are qualified under this
2 act:

3 (1) A rural hospital in this Commonwealth which meets
4 one of the following:

5 (i) Ranks in the top one-third of rural hospitals in
6 terms of volume of obstetrical cases covered by medical
7 assistance during the most recent fiscal year with
8 available data.

9 (ii) Has a percentage of its obstetrical cases
10 covered by medical assistance which is greater than 50%
11 of all obstetrical cases during the most recent fiscal
12 year with available data.

13 (iii) Is licensed by the Department of Health to
14 provide neonatal intensive care services.

15 (2) A nonrural hospital in this Commonwealth which meets
16 one of the following:

17 (i) ~~IS~~ RANKS in the top one-third of nonrural <—
18 hospitals in terms of volume of obstetrical cases covered
19 by medical assistance during the most recent fiscal year
20 with available data.

21 (ii) Has a percentage of obstetrical cases covered
22 by medical assistance which is greater than 50% of all
23 obstetrical cases during the most recent fiscal year with
24 available data.

25 (III) PROVIDES OBSTETRICAL CARE SERVICES AND IS <—
26 LOCATED WITHIN FIVE MILES OF ANY HOSPITAL THAT CLOSED ITS
27 OBSTETRICAL SERVICE DURING THE PREVIOUS THREE YEARS.

28 ~~(iii) IS~~ (IV) RANKS in the top one-third of <—
29 nonrural hospitals in terms of volume of neonatal
30 intensive care cases covered by medical assistance during

the most recent fiscal year with available data.

~~(iv)~~ (V) Has a percentage of neonatal intensive care cases covered by medical assistance which is greater than 50% of all neonatal intensive care cases during the most recent fiscal year with available data.

(b) ~~Initial submission of qualifications~~ NOTIFICATION.--The Department of Health shall notify the department of those hospitals which are determined to be eligible no later than 30 days after the effective date of this section. AFTER THE INITIAL NOTIFICATION UNDER THIS SUBSECTION, NOTICE SHALL BE PROVIDED TO THE DEPARTMENT AT LEAST 30 DAYS PRIOR TO THE BEGINNING OF THE FISCAL YEAR.

Section 5. Funding.

(a) Distribution.--

(1) For fiscal years beginning after June 30, 2007, upon Federal approval of an amendment to the medical assistance State plan, the department shall distribute annually from funds appropriated for this purpose disproportionate share payments to hospitals qualified under section 4 to provide financial assistance to assure readily available and coordinated obstetrical and neonatal intensive care of the highest quality to the citizens of this Commonwealth.

(2) On July 1, the secretary may evaluate the funds available and may make appropriate adjustments based on the number of qualified hospitals and changes in the additional costs required to provide obstetrical and neonatal intensive care services.

(b) ~~Funding~~ FEDERAL FUNDING.--The department shall seek to maximize Federal funds, including funds obtained pursuant to Title XIX of the Social Security Act (49 Stat. 620, 42 U.S.C. §

1 1396 et seq.), available for maternal and infant care.

2 (c) Payment calculation.--Payment to qualified hospitals
3 shall be allocated according to the following:

4 (1) Fifteen percent of the total amount available shall
5 be allocated to qualified rural hospitals as follows:

6 (i) Under this subparagraph, 52.5% of the allocation
7 under this paragraph is the amount available for
8 distribution to qualified rural hospitals obstetrical
9 cases covered by medical assistance. The distribution
10 shall be made under the following formula:

11 (A) For each hospital, determine the ratio of:

12 (I) the hospital's medical assistance
13 obstetrical cases; to

14 (II) all obstetrical cases for the hospital.

15 (B) For each hospital, multiply:

16 (I) the ratio under clause (A); by

17 (II) the number of the hospital's medical
18 assistance obstetrical cases.

19 (C) Add the products under clause (B) for all
20 hospitals.

21 (D) Divide:

22 (I) the amount available for distribution
23 under this subparagraph; by

24 (II) the sum under clause (C).

25 (E) Multiply:

26 (I) the quotient under clause (D); by

27 (II) the product under clause (B).

28 (ii) Under this subparagraph, 32.5% of the
29 allocation under this paragraph is the amount available
30 for distribution to qualified rural hospitals with

1 neonatal intensive-care cases covered by medical
2 assistance. The distribution shall be made under the
3 following formula:

4 (A) For each hospital, determine the ratio of:

5 (I) the hospital's medical assistance
6 neonatal intensive-care cases; to

7 (II) all neonatal intensive-care cases for
8 the hospital.

9 (B) for each hospital, multiply:

10 (I) the ratio under clause (A); by

11 (II) the number of the hospital's medical
12 assistance neonatal intensive-care cases.

13 (C) Add the products under clause (B) for all
14 hospitals.

15 (D) Divide:

16 (I) the amount available for distribution
17 under this subparagraph; by

18 (II) the sum under clause (C).

19 (E) Multiply:

20 (I) the quotient under clause (D); by

21 (II) the product under clause (B).

22 (iii) Fifteen percent of the allocation under this
23 paragraph shall be distributed equally among qualified
24 rural hospitals with obstetrical cases.

25 (iv) For calculations under this paragraph, each
26 hospital shall use both in-State and out-of-State cases.

27 (2) Eighty-five percent of the total amount available
28 shall be allocated to qualified nonrural hospitals as
29 follows:

30 (i) Under this subparagraph, 52.5% of the allocation

1 under this paragraph is the amount available for
2 distribution to qualified nonrural hospitals obstetrical
3 cases covered by medical assistance. The distribution
4 shall be made under the following formula:

5 (A) For each hospital, determine the ratio of:

6 (I) the hospital's medical assistance
7 obstetrical cases; to
8 (II) all obstetrical cases for the hospital.

9 (B) For each hospital, multiply:

10 (I) the ratio under clause (A); by
11 (II) the number of the hospital's medical
12 assistance obstetrical cases.

13 (C) Add the products under clause (B) for all
14 hospitals.

15 (D) Divide:

16 (I) the amount available for distribution
17 under this subparagraph; by
18 (II) the sum under clause (C).

19 (E) Multiply:

20 (I) the quotient under clause (D); by
21 (II) the product under clause (B).

22 (ii) Under this subparagraph, 32.5% of the
23 allocation under this paragraph is the amount available
24 for distribution to qualified nonrural hospitals with
25 neonatal intensive-care cases covered by medical
26 assistance. The distribution shall be made under the
27 following formula:

28 (A) For each hospital, determine the ratio of:

29 (I) the hospital's medical assistance
30 neonatal intensive-care cases; to

1 (II) all neonatal intensive-care cases for
2 the hospital.

3 (B) For each hospital, multiply:

4 (I) the ratio under clause (A); by

5 (II) the number of the hospital's medical
6 assistance neonatal intensive-care cases.

7 (C) Add the products under clause (B) for all
8 hospitals.

9 (D) Divide:

10 (I) the amount available for distribution
11 under this subparagraph; by

12 (II) the sum under clause (C).

13 (E) Multiply:

14 (I) the quotient under clause (D); by

15 (II) the product under clause (B).

16 (iii) Fifteen percent of the allocation under this
17 paragraph shall be distributed equally among qualified
18 nonrural hospitals with obstetrical cases.

19 (iv) For calculations under this paragraph, each
20 hospital shall use both in-State and out-of-State cases.

21 (3) A qualified hospital which has reached its
22 disproportionate share limit under Title XIX of the Social
23 Security Act shall receive its share of the State funds
24 available under this act.

25 SECTION 6. SERVICE REQUIREMENT.

<—

26 A QUALIFIED HOSPITAL THAT ACCEPTS ANY FUNDS PROVIDED UNDER
27 THIS ACT SHALL PROVIDE OBSTETRICAL SERVICES FOR THE ENTIRE
28 FISCAL YEAR IN WHICH ANY PAYMENTS ARE RECEIVED. FAILURE TO
29 COMPLY WITH THIS SECTION SHALL RESULT IN FORFEITURE OF THESE
30 FUNDS. ANY FORFEITED FUNDS SHALL BE REDISTRIBUTED AMONG THE

1 REMAINING QUALIFIED HOSPITALS.

2 Section 6 7. Reporting. <—

3 (a) Requirement.--By March 1, the department shall make an
4 annual report to the Public Health and Welfare Committee of the
5 Senate and the Health and Human Services Committee of the House
6 of Representatives on the hospitals funded under this act.

7 (b) Contents.--The report shall contain all of the
8 following:

9 (1) For each hospital receiving funds:

10 (i) identity;

11 (ii) amount received; and

12 (iii) number of obstetrical and neonatal intensive-
13 care cases.

14 (2) Recommendations for improvement under this act to
15 further promote the availability of obstetrical and neonatal
16 care to the citizens of this Commonwealth.

17 ~~Section 7. Notification of closure.~~ <—

18 ~~A hospital which receives funds under this act shall notify~~
19 ~~the department and the Department of Health of its intent to~~
20 ~~cease operation of its obstetrical or neonatal intensive care~~
21 ~~services no later than 60 days prior to closure.~~

22 ~~Section 8. Physician and nurse midwife services.~~

23 ~~(a) Secretary of Health.—~~

24 ~~(1) The Secretary of Health shall study the availability~~
25 ~~of obstetricians and nurse midwives to assure readily~~
26 ~~available and coordinated obstetrical care of the highest~~
27 ~~quality to the citizens of this Commonwealth.~~

28 ~~(2) The Secretary of Health shall make recommendations~~
29 ~~on improving the availability of obstetrical services.~~

30 ~~(b) Report.—~~

1 ~~(1) By December 1, 2007, the Secretary of Health, in~~
2 ~~cooperation with the secretary and Insurance Commissioner,~~
3 ~~shall make a report to all of the following:~~

4 ~~(i) Banking and Insurance Committee of the Senate.~~

5 ~~(ii) Public Health and Welfare Committee of the~~
6 ~~Senate.~~

7 ~~(iii) Health and Human Services Committee of the~~
8 ~~House of Representatives.~~

9 ~~(iv) The Insurance Committee of the House of~~
10 ~~Representatives.~~

11 ~~(2) The report shall contain all of the following:~~

12 ~~(i) Number of physicians and certified nurse~~
13 ~~midwives providing obstetrical services by county for the~~
14 ~~last five years.~~

15 ~~(ii) Number of births by county for the last five~~
16 ~~years.~~

17 ~~(iii) Fees paid for physician and nurse midwife~~
18 ~~services by the department.~~

19 ~~(iv) Fees paid for physician and nurse midwife~~
20 ~~services by other health care insurers or payors.~~

21 ~~Section 28.—Appropriation.~~

22 ~~(a) General fund.—The sum of \$15,000,000, or as much~~
23 ~~thereof as may be necessary, is hereby appropriated to the~~
24 ~~Department of Public Welfare for the fiscal year July 1, 2007,~~
25 ~~to June 30, 2008, to provide for medical assistance payments to~~
26 ~~qualifying hospitals covered under this act.~~

27 ~~(b) Supplement.—The sum of \$18,000,000 from Federal medical~~
28 ~~assistance amounts are appropriated to supplement the sum~~
29 ~~appropriated under subsection (a).~~

30 ~~Section 29.—Applicability.~~

1 ~~If section 5(a)(2) takes effect after July 1, 2007, section~~
2 ~~5(a)(2) shall apply retroactively to July 1, 2007.~~

3 ~~Section 30. Effective date.~~

4 ~~This act shall take effect as follows:~~

5 ~~(1) This section shall take effect immediately.~~

6 ~~(2) Section 6 shall take effect January 1, 2008.~~

7 ~~(3) The remainder of this act shall take effect July 1,~~
8 ~~2007, or immediately, whichever is later.~~

9 SECTION 29. RETROACTIVITY.

<—

10 SECTION 5(A)(2) SHALL APPLY RETROACTIVELY TO JULY 1, 2007.

11 SECTION 30. EFFECTIVE DATE.

12 THIS ACT SHALL TAKE EFFECT IMMEDIATELY.