

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1824 Session of
2007

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MUSTIO, STERN, BAKER, BROOKS, CAPPELLI, CAUSER, CLYMER,
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RUBLEY, DECEMBER 6, 2007

REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES,
DECEMBER 6, 2007

AN ACT

1 Establishing the Community-Based Health Care Provider Assistance
2 Program in the Department of Health; setting criteria for
3 eligibility for and authorizing payments to community-based
4 health care providers to assist in providing medically
5 necessary care to Pennsylvanians; providing for powers and
6 duties of the Department of Health; authorizing transfers
7 from the Medical Care Availability and Reduction of Error
8 (Mcare) Fund; and establishing the Community-Based Health
9 Care Provider Assistance Fund.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Short title.

13 This act shall be known and may be cited as the Community-
14 Based Health Care Provider Assistance Act.

15 Section 2. Statement of purpose.

16 The General Assembly recognizes that there exists a great
17 need for increased access to community-based health care
18 services throughout this Commonwealth in order:

19 (1) to allow for individuals to establish medical homes
20 and obtain preventive care;

1 (2) to reduce the inappropriate use of emergency health
2 care services by providing effective alternatives to such
3 services;

4 (3) to reduce the burden of uncompensated care and the
5 needs of the uninsured; and

6 (4) to improve maternal and child health.

7 Therefore, the General Assembly seeks to increase the
8 availability of such community-based health care services by
9 assisting in the expansion of community-based health care
10 providers through the provision of additional resources and
11 generally promoting their use as a cost-effective supplement to
12 other providers of health care services.

13 Section 3. Definitions.

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

17 "Community-based health care provider." Any of the following
18 nonprofit health care centers that provide primary health care
19 services:

20 (1) A federally qualified health center as defined in
21 section 1905(1)(2)(B) of the Social Security Act (49 Stat.
22 620, 42 U.S.C. § 1396d(1)(2)(B)).

23 (2) A rural health clinic as defined in section
24 1861(aa)(2) of the Social Security Act (49 Stat. 620, 42
25 U.S.C. § 1395x(aa)(2)), certified by Medicare.

26 (3) A freestanding hospital clinic that serves a
27 federally designated health care professional shortage area.

28 (4) A free or partial-pay health clinic that provides
29 services by volunteer medical providers.

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

1 "Fund." The Community-Based Health Care Provider Assistance
2 Fund establish under this act.

3 "Health care provider." A health care facility or health
4 care practitioner as defined in the act of July 19, 1979
5 (P.L.130, No.48), known as the Health Care Facilities Act, a
6 group practice or a community-based health care provider.

7 "Medical assistance." A State program of medical assistance
8 established under Article IV(f) of the act of June 13, 1967
9 (P.L.31, No.21), known as the Public Welfare Code.

10 "Program." The Community-Based Health Care Provider
11 Assistance Program established under this act.

12 Section 4. Community-Based Health Care Provider Assistance
13 Program.

14 (a) Establishment.--The Community-Based Health Care Provider
15 Assistance Program is established within the department to
16 provide grants to community-based health care providers to:

17 (1) Improve the access to and quality of health care in
18 this Commonwealth.

19 (2) Assist in covering the reasonable costs of providing
20 health care services, outreach and care management
21 opportunities to persons eligible to receive health care
22 services from or through community-based health care
23 providers.

24 (3) Improve access to medically necessary preventive,
25 curative and palliative physical, dental and behavioral
26 health care services offered by and through community-based
27 health care providers, while reducing unnecessary or
28 duplicative services.

29 (4) Reduce the unnecessary utilization of emergency
30 health care services by supporting the development and

1 provision of effective alternatives offered by or through
2 community-based health care providers.

3 (5) Improve the availability of quality health care
4 services offered by or through community-based health care
5 providers for women who are pregnant or who have recently
6 given birth and their children.

7 (6) Promote the use of chronic care and disease
8 management protocols offered by or through community-based
9 health care providers in an effort to optimize both
10 individual health outcomes and the use of health care
11 resources.

12 (b) Administration.--The program shall be administered by
13 the department and shall be funded by annual transfers as
14 provided under this act to the fund to support community-based
15 health care providers' provision of health care.

16 (c) Department responsibilities.--The department shall:

17 (1) Administer the program.

18 (2) Within 90 days of the effective date of this
19 section, develop and provide an application form consistent
20 with this act.

21 (3) Determine the eligibility of community-based health
22 care providers for the assistance provided under this act,
23 based upon its consideration of community health needs across
24 this Commonwealth, revenue and cost data and other
25 information provided by community-based health care providers
26 and such other information as the department determines to be
27 appropriate to ascertain the financial condition and needs of
28 such programs and this Commonwealth.

29 (4) Establish a process to allocate funding as provided
30 under this act, to determine the optimal use of funds and to

1 reallocate funds if acceptable requests for funding within a
2 particular category are not received.

3 (5) Calculate and make grants to qualified community-
4 based health care providers from the funds deposited in the
5 fund for the purposes established under this act pursuant to
6 this section.

7 (6) Provide an annual report to the chairman and
8 minority chairman of the Public Health and Welfare Committee
9 of the Senate and the chairman and minority chairman of the
10 Health and Human Services Committee of the House of
11 Representatives describing the operation of the program and
12 detailing grants made, the names and addresses of the
13 community-based health care providers receiving grants and
14 such other information as may be determined by the department
15 to be necessary or desirable.

16 (7) Audit grants awarded under this act to ensure that
17 funds have been used in accordance with this act and the
18 terms and standards adopted by the department.

19 (8) Provide ongoing assessment of the benefits and costs
20 of the assistance provided under this act.

21 (d) Federal matching funds.--The department shall seek
22 Federal matching funds under medical assistance, as well as
23 grants and funding from other sources, to supplement amounts
24 made available under this act to the extent permitted by law.

25 (e) Limitations on payments by department.--Payments to
26 community-based health care providers for assistance under this
27 act shall not exceed the amount of funds available in the fund
28 for the program and any payment under this act shall not
29 constitute an entitlement from the Commonwealth or a claim on
30 any other funds of the Commonwealth.

1 (f) Report.--A community-based health care provider that
2 receives a grant under this act shall report at least annually
3 to the department, which report shall include a description of:

4 (1) The community-based health care provider's efforts
5 to improve access to and the delivery and management of
6 health care services.

7 (2) The reduction of unnecessary and duplicative health
8 care services.

9 (3) Changes in overall health indicators and in
10 utilization of health care services among the communities and
11 individuals served by the community-based health care
12 providers, with particular emphasis on indicators including,
13 but not limited to:

14 (i) The creation and maintenance of relationships
15 between health care providers and individuals directed at
16 establishing a medical home for such individuals and the
17 provision of preventive and chronic care management
18 services.

19 (ii) Prenatal and postpartum care.

20 (iii) The care of newborns and infants.

21 (iv) Such other matters as may be specified by the
22 department.

23 (4) An accounting of the expenditure of funds from the
24 grant and all funds received from other sources.

25 Section 5. Grants to community-based health care providers.

26 (a) Allocation of funds.--The department shall provide
27 grants to community-based health care providers on the basis of
28 the process established under this section.

29 (b) Grant award methodology.--

30 (1) The department shall develop a methodology to

1 determine grant amounts to be awarded under this act based
2 upon an assessment by the department of community need for
3 the services to be supported by funding available to
4 community-based health care providers and the needs of
5 community-based health care providers applying for such
6 assistance.

7 (2) During each of the first three years of the program,
8 the department shall use its best efforts to make grants as
9 follows, subject to reallocation as provided under subsection
10 (f):

11 (i) (A) Twelve million dollars for expansion of
12 current community-based health care providers and
13 development of new community-based health care
14 providers.

15 (B) Amounts provided under this subparagraph, in
16 addition to funds provided for the costs of expansion
17 and development, may be used by the department to
18 make planning grants to community-based health care
19 providers not to exceed more than \$25,000 for any
20 single community-based health care provider.

21 (C) In making grants under this subparagraph,
22 the department shall give first priority to
23 applications that seek to use grant proceeds for
24 machinery, equipment and reasonably necessary
25 renovation of existing facilities rather than new
26 construction. All reasonable actions should be taken
27 to optimize the use of the funding provided under
28 this act and avoid unnecessary construction costs.

29 (ii) Five million dollars for improvements in
30 prenatal, obstetric, postpartum and newborn care provided

1 by or through community-based health care providers,
2 which amount during the initial three-year period shall
3 include grants for at least one new mobile clinic serving
4 primarily rural areas and one new mobile clinic serving
5 primarily urban areas.

6 (iii) Five million dollars for services intended to
7 reduce unnecessary emergency room utilization and to
8 expand capacity and services offered by or through
9 existing community-based health care providers.

10 (c) Program adjustment.--

11 (1) The department shall provide a report to the
12 chairman and minority chairman of the Public Health and
13 Welfare Committee of the Senate and the chairman and minority
14 chairman of the Health and Human Services Committee of the
15 House of Representatives no later than July 1, 2010, that
16 includes an assessment of the effectiveness of the initial
17 phase of the program and describes any changes in the
18 allocation of funds described in subsection (b) that the
19 department intends to make beginning in the fourth year of
20 the program.

21 (2) The Department shall develop the program changes
22 anticipated by this subsection and included in the report
23 required under paragraph (1) after consultation with and
24 receiving input from community-based health care providers,
25 consumers and others with an interest in the provision of
26 community-based health care.

27 (3) The department, after determining program changes,
28 shall make necessary revisions in program requirements and
29 procedures and provide notice to prospective applicants, such
30 that grants can be awarded on a timely basis beginning in the

fourth year of the program.

(d) Additional information.--In addition to the application, an applicant must provide:

(1) A feasibility study of the proposed uses of funds to be provided under the grant.

(2) A business or financial plan that describes the long-term sustainability, financial cost to the applicant and the proposed benefits of the work to be accomplished pursuant to the grant.

(3) A strategic plan and schedule for the development and implementation of the work to be accomplished pursuant to the grant.

(e) Limitation.--The total amount of grants under the program to any single community-based health care provider shall not exceed \$2,000,000 and no grant shall be for a term in excess of five years.

(f) Reallocation of funds.--The department shall reallocate funds among the categories described in subsection (b) if sufficient requests are not received by the department that comply with this act or the requirements of the department.

Section 6. Community-Based Health Care Provider Assistance Fund.

(a) Establishment.--The Community-Based Health Care Provider Assistance Fund is established in the State Treasury.

(b) Funding sources.--The fund shall be funded by:

(1) Transfers or appropriations to the fund.

(2) Money received from the Federal Government or other sources.

(3) Money required to be deposited in the fund pursuant to other provisions under this act or any other law.

1 (4) Investment earnings from the fund, net of investment
2 costs.

3 (c) Nonlapse.--The money in the fund is appropriated on a
4 continuing basis to the department and shall not lapse at the
5 end of any fiscal year.

6 Section 7. Transfers to fund.

7 The sum of \$22,000,000 shall be transferred annually from the
8 Health Care Provider Retention Account established under section
9 1112 of the act of March 20, 2002 (P.L.154, No.13), known as the
10 Medical Care Availability and Reduction of Error (Mcare) Act, to
11 the Community-Based Health Care Provider Assistance Fund for the
12 purpose of carrying out the provisions of this act, the first
13 such transfer to occur within 30 days of the effective date of
14 this section.

15 Section 8. Effective date.

16 This act shall take effect July 1, 2008, or immediately,
17 whichever is later.