

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1824 Session of
2007

INTRODUCED BY J. EVANS, BOYD, WATSON, PICKETT, CUTLER, KILLION,
MUSTIO, STERN, BAKER, BROOKS, CAPPELLI, CAUSER, CLYMER,
DENLINGER, HARKINS, KENNEY, MACKERETH, NICKOL, ROSS, RUBLEY,
SAYLOR, PALLONE, SONNEY, SIPTROTH, READSHAW, MILNE, HELM,
MENSCH, EVERETT, HENNESSEY, HARHART, MCILVAINE SMITH, QUINN
AND HORNAMAN, DECEMBER 6, 2007

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 17, 2008

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 ~~(Meare) 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

1 and obtain preventive care;

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

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

7 (4) to improve maternal and child health.

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

14 Section 3. Definitions.

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

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

21 (1) A federally qualified health center as defined in
22 section 1905(1)(2)(B) of the Social Security Act (49 Stat.
23 620, 42 U.S.C. § 1396d(1)(2)(B)).

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

27 (3) A freestanding hospital clinic that serves a
28 ~~federally designated health care professional shortage area.~~ <—

29 FEDERALLY DESIGNATED: <—

30 (I) HEALTH CARE PROFESSIONAL SHORTAGE AREA;

1 (II) MEDICALLY UNDERSERVED AREA; OR

2 (III) MEDICALLY UNDERSERVED POPULATION.

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

5 (5) AN ENTITY MEETING THE REQUIREMENTS OF THE FEDERAL
6 GOVERNMENT TO BE RECOGNIZED AS A FEDERALLY QUALIFIED HEALTH
7 CENTER LOOK-ALIKE.

8 (6) A NURSE-MANAGED HEALTH CLINIC THAT SERVES A
9 FEDERALLY DESIGNATED:

10 (I) HEALTH CARE PROFESSIONAL SHORTAGE AREA;

11 (II) MEDICALLY UNDERSERVED AREA; OR

12 (III) MEDICALLY UNDERSERVED POPULATION.

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

14 "Fund." The Community-Based Health Care Provider Assistance
15 Fund establish under this act.

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

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

23 "NURSE-MANAGED HEALTH CLINIC." A NURSE PRACTICE ARRANGEMENT, <—
24 MANAGED BY ADVANCED PRACTICE NURSES, THAT PROVIDES PRIMARY CARE
25 AND IS ASSOCIATED WITH A SCHOOL, COLLEGE OR DEPARTMENT OF
26 NURSING, FEDERALLY QUALIFIED HEALTH CENTER OR AN INDEPENDENT
27 NONPROFIT HEALTH OR SOCIAL SERVICES AGENCY.

28 "Program." The Community-Based Health Care Provider
29 Assistance Program established under this act.

30 Section 4. Community-Based Health Care Provider Assistance

1 Program.

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

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

7 (2) Assist in covering the reasonable costs of providing
8 health care services, outreach and care management
9 opportunities to persons eligible to receive health care
10 services from or through community-based health care
11 providers.

12 (3) Improve access to medically necessary preventive,
13 curative and palliative physical, dental and behavioral
14 health care services offered by and through community-based
15 health care providers, while reducing unnecessary or
16 duplicative services.

17 (4) Reduce the unnecessary utilization of emergency
18 health care services by supporting the development and
19 provision of effective alternatives offered by or through
20 community-based health care providers.

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

25 (6) Promote the use of chronic care and disease
26 management protocols offered by or through community-based
27 health care providers in an effort to optimize both
28 individual health outcomes and the use of health care
29 resources.

30 (b) Administration.--The program shall be administered by

1 the department and shall be funded by annual transfers as
2 provided under this act to the fund to support community-based
3 health care providers' provision of health care.

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

5 (1) Administer the program.

6 (2) Within 90 days of the effective date of this
7 section, develop and provide an application form consistent
8 with this act.

9 (3) Determine the eligibility of community-based health
10 care providers for the assistance provided under this act,
11 based upon its consideration of community health needs across
12 this Commonwealth, revenue and cost data and other
13 information provided by community-based health care providers
14 and such other information as the department determines to be
15 appropriate to ascertain the financial condition and needs of
16 such programs and this Commonwealth.

17 (4) Establish a process to allocate funding as provided
18 under this act, to determine the optimal use of funds and to
19 reallocate funds if acceptable requests for funding within a
20 particular category are not received.

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

25 (6) Provide an annual report to the chairman and
26 minority chairman of the Public Health and Welfare Committee
27 of the Senate and the chairman and minority chairman of the
28 Health and Human Services Committee of the House of
29 Representatives describing the operation of the program and
30 detailing grants made, the names and addresses of the

1 community-based health care providers receiving grants and
2 such other information as may be determined by the department
3 to be necessary or desirable.

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

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

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

13 (e) Limitations on payments by department.--Payments to
14 community-based health care providers for assistance under this
15 act shall not exceed the amount of funds available in the fund
16 for the program and any payment under this act shall not
17 constitute an entitlement from the Commonwealth or a claim on
18 any other funds of the Commonwealth.

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

22 (1) The community-based health care provider's efforts
23 to improve access to and the delivery and management of
24 health care services.

25 (2) The reduction of unnecessary and duplicative health
26 care services.

27 (3) Changes in overall health indicators and in
28 utilization of health care services among the communities and
29 individuals served by the community-based health care
30 providers, with particular emphasis on indicators including,

but not limited to:

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

(ii) Prenatal and postpartum care.

(iii) The care of newborns and infants.

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

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

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

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

(b) Grant award methodology.--

(1) The department shall develop a methodology to determine grant amounts to be awarded under this act based upon an assessment by the department of community need for the services to be supported by funding available to community-based health care providers and the needs of community-based health care providers applying for such assistance.

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

(i) (A) ~~Twelve million dollars~~ FIFTY PERCENT for expansion of current community-based health care

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1 providers and development of new community-based
2 health care providers.

3 (B) Amounts provided under this subparagraph, in
4 addition to funds provided for the costs of expansion
5 and development, may be used by the department to
6 make planning grants to community-based health care
7 providers not to exceed more than \$25,000 for any
8 single community-based health care provider.

9 (C) In making grants under this subparagraph,
10 the department shall give first priority to
11 applications that seek to use grant proceeds for
12 machinery, equipment and reasonably necessary
13 renovation of existing facilities rather than new
14 construction. All reasonable actions should be taken
15 to optimize the use of the funding provided under
16 this act and avoid unnecessary construction costs.

17 (ii) ~~Five million dollars~~ TWENTY-FIVE PERCENT for <—
18 improvements in prenatal, obstetric, postpartum and
19 newborn care provided by or through community-based
20 health care providers, which amount during the initial
21 three-year period shall include grants for at least one
22 new mobile clinic serving primarily rural areas and one
23 new mobile clinic serving primarily urban areas.

24 (iii) ~~Five million dollars~~ TWENTY-FIVE PERCENT for <—
25 services intended to reduce unnecessary emergency room
26 utilization and to expand capacity and services offered
27 by or through existing community-based health care
28 providers.

29 (c) Program adjustment.--

30 (1) The department shall provide a report to the

1 chairman and minority chairman of the Public Health and
2 Welfare Committee of the Senate and the chairman and minority
3 chairman of the Health and Human Services Committee of the
4 House of Representatives no later than July 1, 2010, that
5 includes an assessment of the effectiveness of the initial
6 phase of the program and describes any changes in the
7 allocation of funds described in subsection (b) that the
8 department intends to make beginning in the fourth year of
9 the program.

10 (2) The Department shall develop the program changes
11 anticipated by this subsection and included in the report
12 required under paragraph (1) after consultation with and
13 receiving input from community-based health care providers,
14 consumers and others with an interest in the provision of
15 community-based health care.

16 (3) The department, after determining program changes,
17 shall make necessary revisions in program requirements and
18 procedures and provide notice to prospective applicants, such
19 that grants can be awarded on a timely basis beginning in the
20 fourth year of the program.

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

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

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

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

1 the grant.

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

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

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

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

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

15 (1) Transfers or appropriations to the fund.

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

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

20 (4) Investment earnings from the fund, net of investment
21 costs.

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

25 ~~Section 7. Transfers to fund.~~

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26 ~~The sum of \$22,000,000 shall be transferred annually from the~~
27 ~~Health Care Provider Retention Account established under section~~
28 ~~1112 of the act of March 20, 2002 (P.L.154, No.13), known as the~~
29 ~~Medical Care Availability and Reduction of Error (Mcare) Act, to~~
30 ~~the Community Based Health Care Provider Assistance Fund for the~~

1 ~~purpose of carrying out the provisions of this act, the first~~
2 ~~such transfer to occur within 30 days of the effective date of~~
3 ~~this section.~~

4 Section 8 7. Effective date.

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5 This act shall take effect July 1, 2008, or immediately,
6 whichever is later.