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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL**

**No. 5**

Session of  
2008

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INTRODUCED BY ERICKSON, BAKER, CORMAN, M. WHITE, RAFFERTY,  
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JUNE 24, 2008

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REFERRED TO PUBLIC HEALTH AND WELFARE, JUNE 24, 2008

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AN ACT

1 Establishing the Community-Based Health Care (CHC) Program in  
2 the Department of Health; providing for hospital health  
3 clinics and for a tax credit; and making an appropriation.

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

9 CHAPTER 1

10 HEALTH CARE ASSISTANCE

11 SUBCHAPTER A

12 PRELIMINARY PROVISIONS

13 Section 101. Short title.

14 This act shall be known and may be cited as the Community-  
15 Based Health Care (CHC) Act.

16 Section 102. Definitions.

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

20 "Chronic care model." A model that includes the following:

21 (1) The provision of support and information for  
22 patients with chronic conditions for the purpose of effective  
23 health management.

24 (2) The use of evidence-based medicine to ensure  
25 appropriate treatment decisions by health care providers.

26 (3) The coordination of care and use of centralized,  
27 updated patient information that encourages follow-up care as  
28 a standard procedure.

29 (4) The tracking of individual patient clinical  
30 information to guide treatment and effectively anticipate and

1 track health care problems.

2 "Community-based health care clinic." A nonprofit health  
3 care center that provides primary health care services primarily  
4 to low-income and uninsured individuals, including:

5 (1) A federally qualified health center as defined in  
6 section 1905(1)(2)(B) of the Social Security Act (49 Stat.  
7 620, 42 U.S.C. § 1396d(1)(2)(B)) or a federally qualified  
8 health center look-alike.

9 (2) A rural health clinic as defined in section  
10 1861(aa)(2) of the Social Security Act (49 Stat. 620, 42  
11 U.S.C. § 1395x(aa)(2)), certified by Medicare.

12 (3) A hospital health clinic as set forth under section  
13 112.

14 (4) A free or partial-pay health clinic that provides  
15 services by volunteer and nonvolunteer health care providers.

16 (5) A nurse-managed health care clinic that serves a  
17 federally designated medically underserved area or medically  
18 underserved population or is in a primary care health  
19 professional shortage area.

20 "Department." Except as provided under section 122, the  
21 Department of Health of the Commonwealth.

22 "Fund." The Community-Based Health Care (CHC) Fund.

23 "Health care provider." A health care provider licensed to  
24 practice a component of the healing arts by a licensing board  
25 within the Department of State who provides health care services  
26 at a community-based health care clinic.

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

30 "Nurse-managed health care clinic." A nurse practice

1 arrangement managed by advanced practice nurses that provides  
2 primary care and is associated with a school, college or  
3 department of nursing, a federally qualified health center or an  
4 independent nonprofit health or social services agency.

5 "Program." The Community-Based Health Care (CHC) Program.

6 SUBCHAPTER B

7 COMMUNITY-BASED HEALTH CARE (CHC)

8 Section 111. Community-Based Health Care (CHC) Program.

9 (a) Establishment.--The Community-Based Health Care (CHC)  
10 Program is established within the department to provide grants  
11 to community-based health care clinics to:

12 (1) Improve and expand access to quality primary care in  
13 medically underserved areas or to medically underserved  
14 populations in this Commonwealth.

15 (2) Assist in covering the reasonable costs of providing  
16 health care services through community-based health care  
17 clinics.

18 (3) Improve access to preventive, curative and  
19 palliative physical, dental and behavioral health care  
20 services offered by and through community-based health care  
21 clinics, while reducing unnecessary or duplicative services.

22 (4) Reduce the unnecessary utilization of hospital  
23 emergency services by supporting the development and  
24 provision of effective alternatives offered by or through  
25 community-based health care clinics.

26 (5) Improve the availability of quality health care  
27 services offered by or through community-based health care  
28 clinics for women who are pregnant or who have recently given  
29 birth.

30 (6) Promote the use of chronic care and disease

1 management protocols offered by or through community-based  
2 health care clinics.

3 (7) Encourage collaborative relationships among  
4 community-based health care clinics, hospitals and other  
5 health care providers.

6 (b) Administration.--The program shall be administered by  
7 the department and shall be funded by annual transfers as  
8 provided under this subchapter.

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

10 (1) Administer the program.

11 (2) Within 90 days of the effective date of this  
12 section, develop and provide an application form consistent  
13 with this subchapter. The department shall provide  
14 applications for grants under this section to all known  
15 community-based health care clinics. A grant under this  
16 section may be extended over two State fiscal years at the  
17 request of the community-based health care clinic.

18 (3) Establish a process to allocate funding based on all  
19 of the following:

20 (i) Number of patient visits to the community-based  
21 health care clinic.

22 (ii) Evidence of increased operating capacity.

23 (iii) Addition or expansion of ancillary health care  
24 services, such as dental, behavioral health and pharmacy.

25 (iv) The development or enhancement of preventative  
26 and chronic disease health care management techniques and  
27 community outreach.

28 (v) The establishment of collaborative relationships  
29 among community-based health care clinics, hospitals and  
30 other health care providers.

1 (4) Calculate and make grants to qualified community-  
2 based health care clinics.

3 (5) The department shall provide an annual report to the  
4 chair and minority chair of the Public Health and Welfare  
5 Committee of the Senate and the chair and minority chair of  
6 the Health and Human Services Committee of the House of  
7 Representatives. The report shall be due November 30. The  
8 report shall include a list of the total dollar amount for  
9 each grant awarded by grantee, a summary of the use of the  
10 grant by grantee, the impact of the grant on improving the  
11 delivery and quality of health care in the community and the  
12 total amount of funds spent. The report shall be made  
13 available for public inspection and posted on the  
14 department's publicly accessible Internet website.

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

18 (7) Provide assessment of the benefits and costs of the  
19 assistance provided under this subchapter.

20 (d) Grants for resources.--Grants shall be available to  
21 community-based health care clinics to increase access and  
22 improve health care services which will enhance the delivery and  
23 quality of health care by developing and expanding necessary  
24 community-based health care resources. A grant under this  
25 subsection shall not exceed \$500,000, which can be in the form  
26 of cash or equivalent in-kind services, and shall require a  
27 matching commitment of 25% of the grant.

28 (e) Federal matching funds.--The department shall seek any  
29 available Federal matching funds under medical assistance, as  
30 well as any available grants and funding from other sources, to

1 supplement amounts made available under this subchapter to the  
2 extent permitted by law.

3 (f) Limitations on payments by department.--Payments to  
4 community-based health care clinics for assistance under this  
5 subchapter shall not exceed the amount of funds available in the  
6 fund for the program and any payment under this subchapter shall  
7 not constitute an entitlement from the Commonwealth or a claim  
8 on any other funds of the Commonwealth.

9 (g) Report.--A community-based health care clinic that  
10 receives a grant under this subchapter shall report at least  
11 annually to the department. The report shall include a  
12 description of:

13 (1) The community-based health care clinic's efforts to  
14 improve access to and the delivery and management of health  
15 care services.

16 (2) The reduction of unnecessary and duplicative health  
17 care services.

18 (3) Changes in overall health indicators and in  
19 utilization of health care services among the communities and  
20 individuals served by the community-based health care  
21 clinics, with particular emphasis on indicators including:

22 (i) The creation and maintenance of relationships  
23 among community-based health care clinics, health care  
24 providers and individuals, which are directed at  
25 establishing a point of service for the individuals and  
26 the provision of preventive and chronic care management  
27 services.

28 (ii) Prenatal and postpartum care.

29 (iii) The care of newborns and infants.

30 (iv) Any other matters as may be specified by the

1 department.

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

4 Section 112. Hospital health clinics.

5 (a) Funding.--

6 (1) For fiscal year 2008-2009 and each year thereafter,  
7 upon Federal approval of an amendment to the Medicaid State  
8 plan, the Department of Public Welfare shall distribute  
9 annually from funds appropriated for this purpose  
10 disproportionate share payments to hospitals in this  
11 Commonwealth to provide financial assistance to assure  
12 readily available and coordinated primary health care of the  
13 highest quality to the citizens of this Commonwealth.

14 (2) For July 1, 2008, and annually thereafter, the  
15 Secretary of Public Welfare may evaluate the funds available  
16 and may make appropriate adjustments based on the number of  
17 qualifying hospitals.

18 (b) Maximization.--The Department of Public Welfare shall  
19 seek to maximize any Federal funds, including funds obtained  
20 under Title XIX of the Social Security Act (49 Stat. 620, 42  
21 U.S.C. § 1396 et seq.), available for burn care stabilization.

22 (c) Eligibility.--An entity located in this Commonwealth  
23 that is licensed as a hospital under the act of July 19, 1979  
24 (P.L.130, No.48), known as the Health Care Facilities Act, and  
25 which operates a nonprofit hospital clinic that serves a  
26 medically underserved area, serves a medically underserved  
27 population or is in a federally designated health professional  
28 shortage area shall be eligible to receive funds under this  
29 section.

30 (d) Payment calculation.--

1           (1) Fifteen percent of the total amount available shall  
2 be allocated to rural hospitals located in this Commonwealth  
3 as follows:

4           (i) Twenty-five percent of the total amount  
5 available for rural hospitals shall be allocated equally  
6 among each rural hospital.

7           (ii) Seventy-five percent of the total amount  
8 available for rural hospitals shall be allocated on the  
9 basis of each hospital's percentage of medical assistance  
10 hospital outpatient clinic visits compared to the  
11 Statewide total number of medical assistance hospital  
12 outpatient clinic visits for all rural hospitals.

13           (2) Eighty-five percent of the total amount available  
14 shall be allocated to qualified nonrural hospitals located in  
15 this Commonwealth as follows:

16           (i) Twenty-five percent of the total amount  
17 available for nonrural hospitals shall be allocated  
18 equally among each nonrural hospital.

19           (ii) Seventy-five percent of the total amount  
20 available for nonrural hospitals shall be allocated on  
21 the basis of each hospital's percentage of medical  
22 assistance hospital outpatient clinic visits compared to  
23 the Statewide total number of medical assistance hospital  
24 outpatient clinic visits for all nonrural hospitals.

25           (3) Any hospital that has reached its disproportionate  
26 share limit under Title XIX of the Social Security Act shall  
27 receive its share of the State funds available under this  
28 act.

29           (e) Definitions.--For the purpose of this section, a "rural  
30 hospital" is a hospital that is located in a geographic area not

1 located in a Core-Based Statistical Area (CBSAs) established by  
2 the United States Office of Management and Budget.

3 Section 113. Community-Based Health Care (CHC) Fund.

4 (a) Establishment.--The Community-Based Health Care (CHC)  
5 Fund is established in the State Treasury.

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

7 (1) Transfers or appropriations to the fund.

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

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

12 (4) Investment earnings from the fund, net of investment  
13 costs.

14 (c) Use.--The department shall utilize the fund to carry out  
15 the program.

16 (d) Nonlapse.--The money in the fund is appropriated on a  
17 continuing basis to the department and shall not lapse at the  
18 end of any fiscal year.

19 SUBCHAPTER C

20 TAX CREDIT

21 Section 121. Scope of subchapter.

22 This subchapter deals with the community-based health care  
23 clinic tax credit.

24 Section 122. Definitions.

25 The following words and phrases when used in this subchapter  
26 shall have the meanings given to them in this section unless the  
27 context clearly indicates otherwise:

28 "Business firm." An entity authorized to do business in this  
29 Commonwealth and subject to taxes imposed under Article IV, VI,  
30 VII, VII-A, VIII, VIII-A, IX or XV of the act of March 4, 1971

1 (P.L.6, No.2), known as the Tax Reform Code of 1971.

2 "Contribution." A donation of cash or personal property by  
3 the business firm to the Commonwealth.

4 "Department." Notwithstanding section 102, the Department of  
5 Community and Economic Development of the Commonwealth.

6 Section 123. Establishment of program.

7 A community-based health care clinic tax credit program is  
8 hereby established in order to fund the Community-Based Health  
9 Care (CHC) Program.

10 Section 124. Application.

11 (a) Application.--A business firm shall apply to the  
12 department in a form and manner determined by the department for  
13 a tax credit under section 125.

14 (b) Availability of tax credits.--Tax credits under this  
15 subchapter shall be made available by the department on a first-  
16 come, first-served basis within the limitations established  
17 under section 126.

18 (c) Contributions.--A contribution shall be made no later  
19 than 60 days following the approval of an application under  
20 subsection (a).

21 Section 125. Tax credit.

22 (a) Grant.--The Department of Revenue shall grant a tax  
23 credit against any tax due under Article IV, VI, VII, VII-A,  
24 VIII, VIII-A, IX or XV of the act of March 4, 1971 (P.L.6,  
25 No.2), known as the Tax Reform Code of 1971, to a business firm  
26 that has applied for, been approved for and made a contribution.  
27 In the taxable year in which the contribution is made, the  
28 credit shall not exceed 75% of the total amount contributed by  
29 the business firm. The credit shall not exceed \$100,000 annually  
30 per business firm.

1 (b) Expense.--All money received from business firms in  
2 accordance with this subchapter shall be expended solely for  
3 community-based health care clinics pursuant to Subchapter A.  
4 Section 126. Limitations.

5 (a) Amount.--The total aggregate amount of all tax credits  
6 approved under this subchapter shall not exceed \$5,000,000 in a  
7 fiscal year.

8 (b) Activities.--No tax credit shall be approved for  
9 activities that are a part of a business firm's normal course of  
10 business.

11 (c) Tax liability.--A tax credit granted for any one taxable  
12 year may not exceed the tax liability of a business firm.

13 (d) Use.--A tax credit not used in the taxable year the  
14 contribution was made may not be carried forward or carried back  
15 and is not refundable or transferable.

16 Section 127. Report.

17 (a) Delivery.--The department shall provide a report to the  
18 chair and minority chair of the Appropriations Committee of the  
19 Senate, the chair and minority chair of the Public Health and  
20 Welfare Committee of the Senate, the chair and minority chair of  
21 the Appropriations Committee of the House of Representatives and  
22 the chair and minority chair of the Health and Human Services  
23 Committee of the House of Representatives.

24 (b) Substance.--The report shall include:

25 (1) The total amount of the tax credits awarded.

26 (2) The total amount of the contributions from all  
27 business firms.

28 (3) The total number of additional persons served  
29 through the program due to contributions from business firms,  
30 by county.

CHAPTER 51

MISCELLANEOUS PROVISIONS

Section 5101. Appropriation.

The sum of \$45,000,000 is hereby appropriated to the Department of Health for deposit into the Community-Based Health Care (CHC) Fund for the fiscal year July 1, 2008, to June 30, 2009, to carry out the provisions of Ch. 1 Subch. B. This appropriation is subject to section 113(d).

Section 5102. Effective date.

This act shall take effect in 90 days.