

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 5

Session of
2008

INTRODUCED BY ERICKSON, BAKER, CORMAN, M. WHITE, RAFFERTY,
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FOLMER, GREENLEAF, GORDNER, SCARNATI, ARMSTRONG AND PILEGGI,
JUNE 24, 2008

SENATOR ARMSTRONG, APPROPRIATIONS, RE-REPORTED AS AMENDED,
SEPTEMBER 23, 2008

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.

4 TABLE OF CONTENTS

5 Chapter 1. Health Care Assistance

6 Subchapter A. Preliminary Provisions

7 Section 101. Short title.

8 Section 102. Definitions.

9 Subchapter B. Community-Based Health Care (CHC)

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

11 Section 112. Powers and duties of department.

12 Section 113. Hospital health clinics.

13 Section 114. Community-Based Health Care (CHC) Fund.

14 Subchapter C. Tax Credit

15 Section 121. Scope of subchapter.

16 Section 122. Definitions.

1 Section 123. Establishment of program.

2 Section 124. Application.

3 Section 125. Tax credit.

4 Section 126. Limitations.

5 Section 127. Report.

6 Chapter 51. Miscellaneous Provisions

7 Section 5101. Appropriations.

8 Section 5102. Effective date.

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

11 CHAPTER 1

12 HEALTH CARE ASSISTANCE

13 SUBCHAPTER A

14 PRELIMINARY PROVISIONS

15 Section 101. Short title.

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

18 Section 102. Definitions.

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

22 "Chronic care and disease management." A model of care that
23 includes the following:

24 (1) The provision of effective health management through
25 support and information that also promotes patient self-care
26 for patients with chronic conditions.

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

29 (3) The coordination of care and use of reasonably
30 accessible and updated patient information that encourages

1 follow-up care as a standard procedure.

2 (4) The tracking of clinical information for individual
3 and general patient populations to guide treatment and
4 effectively anticipate community health care problems.

5 "Community-based health care clinic." A nonprofit health
6 care center located in this Commonwealth that provides
7 comprehensive ~~primary~~ HEALTH care services without regard for a <—
8 patient's ability to pay and that:

9 (1) meets either of the following criteria:

10 (i) serves a federally designated medically
11 underserved area, a medically underserved population or a
12 health professional shortage area; or

13 (ii) serves a patient population with a majority of
14 that population having an income less than 200% of the
15 Federal poverty income guidelines; and

16 (2) includes any of the following:

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

21 (ii) A rural health clinic as defined in section
22 1861(aa)(2) of the Social Security Act (49 Stat. 620, 42
23 U.S.C. § 1395x(aa)(2)), certified by Medicare.

24 (iii) A hospital health clinic.

25 (iv) A free or partial-pay health clinic that
26 provides services by volunteer and nonvolunteer health
27 care providers.

28 (v) A nurse-managed health care clinic that is
29 managed by advanced practice nurses and is associated
30 with a nursing education program, a federally qualified

1 health center or an independent nonprofit health or
2 social services agency.

3 "Department." Except as provided under section 122, the
4 Department of Health of the Commonwealth.

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

6 "Health care provider." A health care provider licensed to
7 practice a component of the healing arts by a licensing board
8 within the Department of State who provides health care services
9 at a community-based health care clinic.

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

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

16 "Patient." A natural person receiving health care from a
17 health care provider at a community-based health care clinic.

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

19 SUBCHAPTER B

20 COMMUNITY-BASED HEALTH CARE (CHC)

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

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

25 (1) Expand and improve health care access and services,
26 such as preventive care, chronic care and disease management,
27 prenatal, obstetric, postpartum and newborn care, dental
28 treatment, behavioral health and pharmacy services.

29 (2) Reduce unnecessary utilization of hospital emergency
30 services by providing an effective alternative health care

1 delivery system.

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

5 (b) Grant award methodology.--A methodology for the
6 allocation of grant awards shall be developed by the department
7 based on the following distribution:

8 (1) Fifty percent for the expansion of an existing or
9 the development of a new community-based health care clinic
10 using criteria that include:

11 (i) The actual and projected number of total
12 patients, new patients and patient visits for all
13 patients served or to be served, specifically delineating
14 the number of low-income and uninsured patients, who fall
15 below 200% of the Federal poverty income guidelines.

16 (ii) The addition or expansion of ancillary health
17 care services, such as dental, behavioral health and
18 pharmacy.

19 (iii) The development or enhancement of preventive
20 and chronic care and disease management techniques.

21 (2) Twenty-five percent for improvements in prenatal,
22 obstetric, postpartum and newborn care.

23 (3) Twenty percent for improved access and services, <—
24 INCLUDING PATIENT TRANSPORTATION, intended to reduce
25 unnecessary emergency room utilization.

26 (4) Five percent for the establishment of collaborative
27 relationships among community-based health care clinics,
28 hospitals and other health care providers.

29 (c) Limitation.--No more than ~~15%~~ 25% of the grants awarded <—
30 under subsection (b) shall go to federally qualified health

1 centers or Federally qualified health center look-alikes.

2 (d) Distribution.--Funds shall be distributed in a manner
3 that improves access and expands services in all geographic
4 areas of this Commonwealth.

5 (e) Reallocation.--The department shall reallocate funds
6 among the categories described in subsection (b) if sufficient
7 grant requests are not received to use all the funds available
8 in a specific category.

9 (f) Amount of grants.--A grant under this subsection shall
10 not exceed \$500,000, and shall require a matching commitment of
11 25% of the grant, which can be in the form of cash or equivalent
12 in-kind services.

13 (g) Federal funds.--The department shall seek any available
14 Federal funds, as well as any available grants and funding from
15 other sources, to supplement amounts made available under this
16 subchapter to the extent permitted by law.

17 Section 112. Powers and duties of department.

18 The department shall have the following powers and duties:

19 (1) To administer the program.

20 (2) To develop an allocation methodology pursuant to
21 section 111(b).

22 (3) Within 90 days of the effective date of this
23 section, to develop and provide a grant application form
24 consistent with this act. The department shall provide
25 applications for grants under this section to all known
26 community-based health care clinics. A grant under this
27 section may be extended over two State fiscal years at the
28 request of the community-based health care clinic.

29 (4) To calculate and make grants to qualified community-
30 based health care clinics.

1 (5) To provide an annual report no later than November
2 30 to the chair and minority chair of the Public Health and
3 Welfare Committee of the Senate and the chair and minority
4 chair of the Health and Human Services Committee of the House
5 of Representatives. The report shall include ACCOUNTABILITY <—
6 MEASURES FOR all of the following:

7 (i) The total dollar amount for each grant awarded,
8 listing the type of community-based health care clinic
9 and the name of the grantee.

10 (ii) A summary of the use of the grant by each
11 grantee.

12 (iii) A summary of how each grant expanded access
13 and services in accordance with the criteria set forth in
14 section 111(a) and (b), INCLUDING A SPECIFIC <—
15 DOCUMENTATION OF LOW-INCOME AND UNINSURED PATIENTS
16 SERVED, and the total amount of funds allocated in each
17 distribution category under section 111(b).

18 (iv) The impact of the grant on improving the
19 delivery and quality of health care in the community.

20 (v) An accountability assessment of the benefits of
21 the assistance provided under this subchapter and any
22 recommendations for changes to the program.

23 The report shall be made available for public inspection and
24 posted on the department's publicly accessible Internet
25 website.

26 (6) To audit grants awarded under this subchapter to
27 ensure that funds have been used in accordance with this
28 subchapter and the terms and standards adopted by the
29 department.

30 (7) To establish and maintain an online database of

community-based health care clinics.

(8) To establish a toll-free telephone number for individuals to obtain information about community-based health care clinics.

Section 113. Hospital health clinics.

(a) Program.--The Department of Public Welfare shall be responsible for administering the program as it relates to hospital health clinics in accordance with the requirements of this act and shall have the following additional duties:

(1) To develop an application and collect such data and information as may be necessary to determine the eligibility of hospital health clinics for payments under this section using the criteria set forth in section 111(a) and (b).

(2) To review an application and make a final determination regarding a hospital health clinic's eligibility for funding within 90 days of receipt.

(3) To make payments to hospital health clinics in accordance with the payment calculation set forth in subsection (e).

(b) Submission of application.--In order to qualify for funding pursuant to this section, a hospital health clinic shall submit the required application to the Department of Public Welfare no later than 90 days after the effective date of this act.

(c) Funding.--

(1) For fiscal year 2009-2010 and each year thereafter, upon Federal approval of an amendment to the Medicaid State plan, the Department of Public Welfare shall annually distribute any available funds obtained under this act for hospital health clinics through disproportionate share

1 payments to hospitals to provide financial assistance that
2 will assure readily available and coordinated comprehensive
3 ~~primary~~ health care to the citizens of this Commonwealth. <—

4 (2) The Secretary of Public Welfare shall determine the
5 funds available and make appropriate adjustments based on the
6 number of qualifying hospitals with hospital health clinics.

7 (d) Maximization.--The Department of Public Welfare shall
8 seek to maximize any Federal funds, including funds obtained
9 under Title XIX of the Social Security Act (49 Stat. 620, 42
10 U.S.C. § 1396 et seq.).

11 (e) Payment calculation.--

12 (1) Thirty percent of the total amount available shall
13 be allocated to eligible hospital health clinics of hospitals
14 located in counties of the first and second class. The total
15 amount available for each hospital health clinic at a
16 hospital in these counties shall be allocated on the basis of
17 each hospital's percentage of medical assistance and low-
18 income hospital health clinic visits compared to the total
19 number of medical assistance and low-income hospital health
20 clinic visits for all hospitals in these counties.

21 (2) Fifty percent of the total amount available shall be
22 allocated to eligible hospital health clinics of hospitals
23 located in counties of the third, fourth and fifth class. The
24 total amount available for each hospital health clinic at a
25 hospital in these counties shall be allocated on the basis of
26 each hospital's percentage of medical assistance and low-
27 income hospital health clinic visits compared to the total
28 number of medical assistance and low-income hospital health
29 clinic visits for all hospitals in these counties.

30 (3) Twenty percent of the total amount available shall

1 be allocated to eligible hospital health clinics of hospitals
2 located in counties of the sixth, seventh and eighth class.
3 The total amount available for each hospital health clinic at
4 a hospital in these counties shall be allocated on the basis
5 of each hospital's percentage of medical assistance and low-
6 income hospital health clinic visits compared to the total
7 number of medical assistance and low-income hospital health
8 clinic visits for all hospitals in these counties.

9 (4) Any hospital that has reached its disproportionate
10 share limit under Title XIX of the Social Security Act shall
11 receive its share of the State funds available under this
12 act.

13 (f) Definition.--As used in this section, the term "low-
14 income" means under 200% of the Federal poverty income
15 guidelines.

16 Section 114. Community-Based Health Care (CHC) Fund.

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

19 (b) Funding sources.--Funding sources for the fund shall
20 include all of the following:

21 (1) Transfers or appropriations to the fund.

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

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

26 (4) Investment earnings from the fund, net of investment
27 costs.

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

30 SUBCHAPTER C

TAX CREDIT

Section 121. Scope of subchapter.

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

Section 122. Definitions.

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

"Business firm." An entity authorized to do business in this Commonwealth and subject to taxes imposed under Article IV, VI, VII, VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

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

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

Section 123. Establishment of program.

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

Section 124. Application.

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

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

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

1 subsection (a).

2 Section 125. Tax credit.

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

11 (b) Expense.--All money received from business firms in
12 accordance with this subchapter shall be expended solely for
13 community-based health care clinics pursuant to Subchapter A.

14 Section 126. Limitations.

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

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

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

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

26 Section 127. Report.

27 (a) Delivery.--The department shall provide a report to the
28 chair and minority chair of the Appropriations Committee of the
29 Senate, the chair and minority chair of the Public Health and
30 Welfare Committee of the Senate, the chair and minority chair of

1 the Appropriations Committee of the House of Representatives and
2 the chair and minority chair of the Health and Human Services
3 Committee of the House of Representatives.

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

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

6 (2) The total amount of the contributions from all
7 business firms.

8 (3) The total number of additional persons served
9 through the program due to contributions from business firms,
10 by county.

11 CHAPTER 51

12 MISCELLANEOUS PROVISIONS

13 Section 5101. Appropriations.

14 (a) Department of Health.--The sum of \$35,000,000 from the
15 Community-Based Health Care (CHC) Fund is hereby appropriated to
16 the Department of Health for the fiscal year July 1, 2009, to
17 June 30, 2010, to carry out the provisions of Ch. 1 Subch. B,
18 with the exception of funding under section 113.

19 (b) Department of Public Welfare.--The sum of \$10,000,000
20 from the Community-Based Health Care (CHC) Fund is hereby
21 appropriated to the Department of Public Welfare for the fiscal
22 year July 1, 2009, to June 30, 2010, to carry out the provisions
23 of Ch. 1 Subch. B and the funding of hospital health clinics
24 under section 113.

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

1 Section 5102. Effective date.

2 This act shall take effect in 90 days.