



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 5

PRINTERS NO. 967

PRIME SPONSOR: Erickson

COST / (SAVINGS)

FUND	FY 2012/13	FY 2013/14
General Fund	\$0	See Fiscal Impact

SUMMARY: Senate Bill 5, Printer's Number 967, creates the Community-Based Health Care Program in the Department of Health. The effective date is 90 days upon enactment of the bill.

ANALYSIS: This legislation establishes the Community-Based Health Care (CHC) Program in the Department of Health to provide grants to community-based health care clinics.

The bill defines a CHC clinic as a nonprofit health care center located in the Commonwealth that provides comprehensive health care services without regard for a patient's ability to pay and meets the following criteria:

1. Serves a federally designated medically underserved area, a medically underserved population or a health professional shortage area; or
2. Serves a patient population wherein a majority have an income of less than 200% of the federal poverty income guidelines; and
3. Includes any of the following:
 - a. A federally qualified health center or a federally qualified health center look-alike;
 - b. A rural health clinic certified by Medicare;
 - c. A hospital health clinic;
 - d. A free or partial-pay health clinic that provides services by volunteer or non-volunteer providers; and
 - e. A nurse-managed clinic that is managed by a certified clinical nurse specialist, a certified registered nurse anesthetist, a certified registered nurse practitioner or a certified nurse midwife and is associated with a nursing education program, a federally qualified health center or an independent nonprofit health or social services agency.

The department is permitted to provide grants to:

1. Expand and improve health care access and services
2. Reduce unnecessary utilization of hospital emergency services
3. Encourage collaborative relationships

The bill provides for the following methodology for the allocation of grant awards:

1. No more than 50% for the expansion of an existing clinic or the development of new CHC clinics;
2. No more than 25% for improvements in prenatal, obstetric, postpartum and newborn care;
3. No more than 20% for improved access and services intended to reduce unnecessary emergency room utilization;

4. No more than 5% for the establishment of collaborative relationships among CHC clinics, hospitals and other health care providers; and
5. No more than 15% of the funds made available for the CHC program may be awarded to applicants within any one city, town, borough or township of this Commonwealth.

No more than 25% of the grants awarded can go to federally qualified health centers or look-alikes. Funds must be distributed by a method that improves access and expands services in all geographic regions of the Commonwealth. Further, the department is permitted to reallocate the funds among the categories if there aren't sufficient qualified grant requests received to use all of the funds available in a specific category.

A grant will require a matching commitment of 25%, which can be in the form of cash or equivalent in-kind services. The department is required to seek any available federal funds, as well as any available grants and funding from other sources, to supplement amounts available.

The bill provides for powers and duties of the department and requires an annual report on the awarding of grants to be submitted no later than November 30. The department is also required to audit the grants provided, as well as establish and maintain an online database of CHC clinics and a toll-free telephone number for individuals to receive information about the clinics.

The bill requires the Department of Public Welfare (DPW), in cooperation with the Department of Health; to administer the program as it relates to hospital health clinics. DPW will distribute available funds obtained for hospital clinics through disproportionate share payments to hospitals to provide financial assistance that will assure readily available and coordinated comprehensive health care. DPW is also required to maximize any federal funding available.

DPW will apply the following payment calculation:

- 30% to eligible hospital health clinics in counties of the first and second class.
- 50% to eligible hospital health clinics in counties of the third, fourth and fifth class.
- 20% to eligible hospital health clinics in counties of the sixth through eighth class.

FISCAL IMPACT: Grant payments made under the Community-Based Health Care Clinic Program are not permitted to exceed the amount of funds appropriated for the program. Further, a grant payment made under the provisions of this legislation does not constitute an entitlement from the Commonwealth or a claim on any other funds of the Commonwealth. Therefore, enactment of this legislation would have no adverse impact on Commonwealth funds in FY 2012-2013. Funding for FY 2013-2014 would be determined as part of the budget process. The Governor's proposed budget for FY 2013-2014 includes \$4 million in the Department of Health, designated as the Community-Based Health Care Subsidy.

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House Appropriations Committee (R)

DATE: May 3, 2013

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.