



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 33

PRINTERS NO. 2182

PRIME SPONSOR: Dunbar

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	See Fiscal Impact

SUMMARY: House Bill 33, Printer's Number 2182, amends the Human Services Code to: eliminate the general assistance cash benefit program; continue the medical assistance (MA) day-one incentive payment for nonpublic nursing homes; extend the Philadelphia Hospital assessment; and make definition changes in the Statewide Quality Care Assessment. This legislation is effective July 1, 2019 or immediately, whichever is later, except where noted below.

ANALYSIS:

General Assistance Cash Assistance Program

This legislation eliminates the 100% state-funded general assistance cash grant program on August 1, 2019. This program was previously eliminated on August 1, 2012 through Act 80 of 2012 that was declared unconstitutional on technical/procedural grounds by the Supreme Court of Pennsylvania on July 18, 2018.

Fiscal Impact - The elimination of the 100% state-funded general assistance cash grant program is projected to save \$53,500,000 in FY 2019-20. There was \$150,000,000 in state General Fund savings when the program was eliminated in FY 2012-13.

Nursing Facility Day One Incentive Payment

HB 33 continues the Medical Assistance Day One Incentive (MDOI) Payment to qualifying nonpublic nursing facilities with an overall occupancy rate of at least 85% and with a medical assistance occupancy rate of at least 65%.

Fiscal Impact - The MDOI payments for FY 2019-20 are budgeted at \$16,000,000.

Philadelphia Hospital Assessment

The authority for the Philadelphia hospital assessment expires on June 30, 2019. HB 33 reauthorizes the Philadelphia hospital assessment for an additional five years through June 30, 2024 and includes the following changes: updates the definitions of "high volume Medicaid hospital" and "net patient revenue"; allows for different assessment percentages for general acute

care hospitals and high volume Medicaid hospitals; and provides administrative provisions for calculating assessments when a hospital opens, closes, changes ownership or any other change that affects its status as a general acute care hospitals or high volume Medicaid hospitals.

Fiscal Impact - The extension of the Philadelphia Hospital Assessment will annually provide \$93,000,000 for the Philadelphia hospitals, as well as \$12,000,000 for the city of Philadelphia, and approximately \$60,000,000 for the General Fund to maintain the Medical Assistance Program.

Statewide Quality Care Assessment

HB 33 revises the definitions for “net inpatient revenue” and “net outpatient revenue” in the Statewide Quality Care Assessment, also referred to as the Statewide Hospital Assessment.

Fiscal Impact - There is no fiscal impact from revising definitions in the Statewide Quality Care Assessment.

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House Appropriations Committee (R)

DATE: June 18, 2019

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