

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 5

**PRINTER'S NO.** 715

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

January 18, 2013

**PRIME SPONSOR**

Senator Erickson

**HISTORY OF BILL**

Referred to PUBLIC HEALTH AND WELFARE, Jan. 18, 2013

Reported as committed, Feb. 4, 2013

First consideration, Feb. 4, 2013

Re-committed to PUBLIC HEALTH AND WELFARE, Feb. 6, 2013 (49-0)

Re-reported as amended, March 12, 2013

Second consideration, March 13, 2013

Re-referred to APPROPRIATIONS, March 13, 2013

Re-reported as amended, March 18, 2013

**DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 5 establishes an Act establishing the Community-Based Health Care Program and the Mobile Prenatal and Natal Care Demonstration Project in the Department of Health.

The bill defines "community-based health care 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 that meets either of 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 with a majority of that population having an income 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;
  - c. a hospital health clinic;
  - d. a free or partial-pay health clinic that provides services by volunteer and non-volunteer health care providers; and

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- e. a nurse-managed health care clinic that is managed by advanced practice registered nurses and is associated with a nursing education program, a federally qualified health center or an independent nonprofit health or social services agency.

Permits the department 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

Provides for the following methodology for allocation of grant awards:

1. Not more than 50% for the expansion of an existing or the development of a new community-based health care clinic using established criteria;
2. Not more than 25% for improvements in prenatal, obstetric, postpartum and newborn care;
3. Not More than 20% for improved access and services intended to reduce unnecessary emergency room utilization;
4. Not more than 5% for the establishment of collaborative relationships; and
5. Not more than 15% may be awarded to applicants within any one city, town, borough or township of the Commonwealth

No more than 25% of the grants awarded shall go to federally qualified health centers or look-alikes.

Funds shall be distributed in a manner that improves access and expands services in all geographic regions of the Commonwealth.

A grant shall require a matching commitment of 25% of the grant, which can be in the form of cash or equivalent in-kind services.

Permits the department to seek any available federal funds, as well as any available grants and funding from other sources, to supplement amounts available.

Provides for powers and duties of the department.

Requires an annual report on the awarding of grants.

Permits the department to audit grants.

Requires the department to establish and maintain an online database of community-based health care clinics.

Permits the Department of Public Welfare to administer the program as it relates to hospital health clinics.

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Permits DPW to 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.

Permits DPW to maximize federal funds.

Provides a payment calculation for hospital health clinics as follows:

- 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.

The bill also established the Mobile Prenatal and Natal Care Demonstration Project for hospital or health care provider grants for costs associated with establishing a mobile unit to provide prenatal, obstetric, postpartum and newborn care.

The department may approve four applications and award grants (not more than \$100,000) to:

- one applicant which seeks to provide services in an urban setting;
- one in a suburban setting;
- one in a rural setting; and
- one to an underserved area which is most likely to benefit from a mobile clinic.

Requires a report that contains the following information:

- Grantee Names;
- Amount of each grant awarded;
- Use of each grant by each grantee;
- Summary of how each grant expanded access to health services, including a comparison of the infant mortality and low birth weight in the community for the year immediately preceding the grant award and the rates for the year in which the grant was awarded;
- The types of services and the amount spent on each type of service provided by each grantee;
- Any recommendations for changes to the program.

This act will take effect in 90 days.

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### **FISCAL IMPACT:**

Grants to community-based health care clinics and to the Mobile Prenatal and Natal Care Demonstration Project under this Act would not exceed the amount of funds available for the program. In addition, any payments made under the provisions of this Act would not constitute an entitlement from the Commonwealth or a claim on any other funds of the Commonwealth. Therefore, it is determined that the enactment of this legislation would have no adverse fiscal impact on Commonwealth funds in the FY 2012-2013. Funding for FY 2013-2014 would be determined as part of the normal budget negotiation process. The Governor's proposed budget for FY 2013-2014 does include funding of \$4 million for the community-based health care clinics program but does not provide any funding for the Mobile Prenatal and Natal Care Demonstration Project.