

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 1322

**PRINTER NO.** 2628

**AMOUNT**

See Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

June 10, 2015

**PRIME SPONSOR**

Representative Kaufer

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 1322 amends the Public Welfare Code.

**Keystone Education Yields Success:**

This program allows eligible individuals who are receiving benefits through TANF (Temporary Assistance for Needy Families) or SNAP (Supplemental Nutrition Assistance Program) to enroll and pursue a certificate or degree through an approved program in either:

- One of the Commonwealth's community colleges,
- A career or technical school registered with the Department of Education or
- A university within the Pennsylvania State System of Higher Education

Approved programs will be those that assist the recipient in securing a job with a family-sustaining wage.

KEYS recipients will be permitted to count their class time and other time spent on class requirements toward the TANF work requirement for twenty-four months. Recipients may also be granted extensions for six-month periods provided the recipient:

- Is enrolled in a program that will lead to a high-priority occupation;
- Maintains a 2.0 grade point average; and
- Makes satisfactory progress toward completing the program which includes completing:
  - All required developmental coursework and
  - Eight credits per semester

A recipient who, without good cause, fails to comply with the conditions of the KEYS program shall be terminated.

The KEYS program will not be an entitlement, services shall only be available to the extent that there is available funding.

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## **Nursing Homes:**

Moves the four medical assistance (MA) day-one incentive payments to qualified non-public nursing homes from the fiscal code to the welfare code for the fiscal year 2015-2016.

Modifies language on the certified public expenditures of public nursing homes to allow intergovernmental transfers to fund supplemental payments.

## **Hospital Related:**

The amendment:

- Extends the hospital assessment until 2018 and includes observation services as a reimbursable outpatient service. The department will specify the amount of the observation services rates in the Pennsylvania Bulletin and the rates will be effective for services on or after July 1, 2016.
- Excludes cancer treatment centers from the assessment calculation.
- Changes the definition of net inpatient revenue to allow for a more recent base year to apply the assessment percentage.
- Increases the percentage of net inpatient revenue calculated in the assessment from 3.22% to 3.71% to ensure the Commonwealth's receipt of \$220,000,000 for three years.
- Provides for the calculation of an assessment in the case of hospital sales, mergers or consolidations

## **Managed Care Organizations:**

The previous Article VIII-F pertaining to Medicaid Managed Care Organization Assessments is repealed and a new article VIII-I is inserted pertaining to the assessment.

The amendment extends the assessment to all managed care organizations and assesses them on a per member per month basis at a fixed rate of \$13.48. This replaces the gross receipts tax previously applied to Medicaid managed care plans which is now prohibited by the federal government.

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### **County Child Welfare:**

In case of another budget impasse, the amendment allows the department to make the final fourth quarter payment to the counties. The language also provides that child welfare reimbursement payments will be appropriated over two fiscal years. Additionally, it extends the requirement that providers of out-of-home placement services submit documentation of costs to the department.

### **Subsidized Child Care:**

Changes the calculation of the child care subsidy copayment, expands the income limit to remain eligible for subsidized services and creates copayment reduction incentives for increased working hours and increased family income. Implementation of the modification is subject to the availability of funding.

### **Child Care Facilities:**

Family child day care homes would be defined and licensed instead of registered. This change ensures that the Child Care Development Block Grant is maintained and the Commonwealth is not subjected to financial penalties.

Criminal and administrative penalties are tiered and enhanced for child care facilities operating without a license.

### **Kinship Care:**

Definitions of sibling and successor permanent legal custodian are added to comply with federal directives.

### **Miscellaneous Provisions:**

Changes the name of the Public Welfare Code to the Human Services Code.

Eliminates the requirement that counties submit a methadone mileage biennial report to the department.

Ensures the residency verification for general assistance applicants follows the electronic process.

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### **FISCAL IMPACT:**

The Keystone Education Yields Success program will have no fiscal impact to the Commonwealth. Services will only be provided if there is funding available.

The medical assistance (MA) day-one incentive payments to qualified non-public nursing homes for fiscal year 2015-2016 are budgeted at \$8 million.

The hospital assessment revenue for the Commonwealth is \$220 million for the next three fiscal years (2015-2016, 2016-2017 and 2017-2018).

The previous Medicaid managed care gross receipt tax was found non-complaint with federal regulations and will be disallowed; therefore, broadening the tax to include private managed care insurers ensures the continuation of \$550 million in federal funds that is derived from the managed care tax.

The County Child Welfare provisions to allow for the change of budgeting for payments over two years saves the Commonwealth \$172 million with no impact to the counties. The out-of-home provider documentation extension has no negative impact on the General Fund; however, this section of the bill is necessary to ensure the continuation of \$30.8 million in Federal Title IV-E funding.

The expansion of the subsidized child care program will have no fiscal impact to the Commonwealth. Services will only be provided if there is funding available.

The child care facilities, kinship care and miscellaneous provisions will have no fiscal impact to the Commonwealth.