

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 776 Session of  
2003

INTRODUCED BY HUGHES, SCHWARTZ AND ERICKSON, JUNE 6, 2003

REFERRED TO BANKING AND INSURANCE, JUNE 6, 2003

AN ACT

1 Amending the act of June 26, 2001 (P.L.755, No.77), entitled "An  
2 act establishing a special fund and account for money  
3 received by the Commonwealth from the Master Settlement  
4 Agreement with tobacco manufacturers; providing for home and  
5 community-based care, for tobacco use prevention and  
6 cessation efforts, for Commonwealth universal research  
7 enhancement, for hospital uncompensated care, for health  
8 investment insurance, for medical assistance for workers with  
9 disabilities, for regional biotechnology research centers,  
10 for the HealthLink Program, for community-based health care  
11 assistance programs, for PACE reinstatement and PACENET  
12 expansion, for medical education loan assistance and for  
13 percentage allocation and appropriation of moneys," defining  
14 "other insured adults"; and further providing for adult basic  
15 coverage insurance program.

16 The General Assembly of the Commonwealth of Pennsylvania  
17 hereby enacts as follows:

18 Section 1. Section 102 of the act of June 26, 2001 (P.L.755,  
19 No.77), known as the Tobacco Settlement Act, is amended by  
20 adding a definition to read:

21 Section 102. Definitions.

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

1 "Fund." The Tobacco Settlement Fund established in section  
2 303(a).

3 "Health Account." The Health Endowment Account for Long-Term  
4 Hope established in section 303(b).

5 "Health Venture Investment Account." The account established  
6 in section 303(c).

7 "Jurisdictional payment." A payment received by the  
8 Commonwealth resulting from a court retaining jurisdiction over  
9 the Escrow Agreement pursuant to section IX(b) of the Master  
10 Settlement Agreement.

11 "Master Settlement Agreement." The settlement agreement and  
12 related documents entered into on November 23, 1998, by the  
13 Commonwealth and leading United States tobacco product  
14 manufacturers approved by the Court of Common Pleas,  
15 Philadelphia County, on January 13, 1999.

16 "Other uninsured adults." An individual who is at least 19  
17 years of age but less than 65 years of age and whose household  
18 income exceeds 200% of the Federal poverty level at the time of  
19 eligibility determination.

20 "Strategic contribution payment." A payment received by the  
21 Commonwealth pursuant to section IX(c)(2) of the Master  
22 Settlement Agreement.

23 "Tobacco Settlement Fund." The Tobacco Settlement Fund  
24 established in section 303(a).

25 Section 2. Section 1303(b)(2) and (d) of the act are amended  
26 to read:

27 Section 1303. Adult basic coverage insurance program.

28 \* \* \*

29 (b) Eligible adult responsibilities.--An eligible adult  
30 seeking to purchase adult basic coverage insurance shall:

1           \* \* \*

2           (2) Pay to the department or its contractor an amount of  
3           [\$30 per month of coverage. Beginning January 1, 2003, the  
4           monthly payment amount shall be adjusted based on the annual  
5           change in the Consumer Price Index for the 12 preceding  
6           months for which data is available. Notification of any  
7           change in the monthly payment amount shall be provided to  
8           eligible adults participating in the program.]:

9           (i) Thirty dollars per month, when the eligible  
10          adult's household income is less than 200% of the Federal  
11          poverty level at the time of eligibility determination.  
12          Beginning January 1, 2003, the monthly payment amount  
13          shall be adjusted based on the annual change in the  
14          Consumer Price Index for the 12 preceding months for  
15          which data is available. Notification of any change in  
16          the monthly payment amount shall be provided to eligible  
17          adults participating in the program.

18          (ii) Fifty percent of the cost of coverage, when the  
19          eligible adult's household income exceeds 200% but is  
20          less than 250% of the Federal poverty level at the time  
21          of the eligibility determination.

22          (iii) Sixty-five percent of the cost of coverage,  
23          when the eligible adult's household income exceeds 250%  
24          but is less than 300% of the Federal poverty level at the  
25          time of the eligibility determination.

26          (iv) The cost of coverage actually incurred by the  
27          department or its contractor, when the eligible adult's  
28          household income exceeds 300% of the Federal poverty  
29          level at the time of the eligibility determination.

30          \* \* \*

1       (d) Potential waiting list.--The department shall maintain a  
2 waiting list of eligible adults and other uninsured adults who  
3 have applied for adult basic coverage insurance but who are not  
4 enrolled due to insufficient appropriations. An eligible adult  
5 on the waiting list may purchase the benefit package at the  
6 monthly per member premium cost negotiated by the department.

7       \* \* \*

8       Section 3. This act shall take effect in 60 days.