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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 922 Session of  
2009

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INTRODUCED BY KITCHEN, WASHINGTON, TARTAGLIONE, FONTANA, HUGHES,  
DINNIMAN AND WILLIAMS, JUNE 5, 2009

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REFERRED TO PUBLIC HEALTH AND WELFARE, JUNE 5, 2009

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AN ACT

1 Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An  
2 act to consolidate, editorially revise, and codify the public  
3 welfare laws of the Commonwealth," further providing for  
4 lifetime limit; further defining "exempt hospital"; and  
5 further providing for administration.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Section 441.4 of the act of June 13, 1967  
9 (P.L.31, No.21), known as the Public Welfare Code, added July 7,  
10 2005 (P.L.177, No.42), is amended to read:

11 Section 441.4. [Lifetime Limit] Reasonable Limits on  
12 Allowable Income Deductions for Medical Expenses When  
13 Determining Payment Toward the Cost of Long-Term Care  
14 Services.--(a) [Necessary medical or remedial care expenses  
15 recognized under Federal or State law but not paid for by the  
16 medical assistance program are allowable income deductions when  
17 determining a recipient's payment toward the cost of long-term  
18 care services. An allowable income deduction for unpaid medical  
19 expenses incurred prior to the authorization of medical

1 assistance eligibility and those medical expenses incurred for  
2 long-term care services after medical assistance is authorized  
3 shall be subject to a lifetime maximum of ten thousand dollars  
4 (\$10,000) unless application of the limit would result in undue  
5 hardship.] When determining a recipient's payment toward the  
6 cost of long-term care services, long-term care medical expenses  
7 incurred six months or more prior to application for medical  
8 assistance are disallowed as a deduction, and medical and  
9 remedial expenses that were incurred as a result of a transfer  
10 of assets penalty shall be limited to zero unless application of  
11 these limits would result in undue hardship.

12 (b) As used in this section, the term "undue hardship" shall  
13 mean that either:

14 (1) denial of medical assistance would deprive the  
15 individual of medical care and endanger the individual's health  
16 or life; or

17 (2) the individual or a financially dependent family member  
18 would be deprived of food, shelter or the necessities of life.

19 Section 2. The definition of "exempt hospital" in section  
20 801-E of the act, added July 4, 2008 (P.L.557, No.44), is  
21 amended to read:

22 Section 801-E. Definitions.

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

26 \* \* \*

27 "Exempt hospital." A hospital that the Secretary of Public  
28 Welfare has determined meets one of the following:

29 (1) Is excluded under 42 CFR 412.23(a), (b), (d), (e) and  
30 (f) (relating to excluded hospitals: classifications) as of

1 March 20, 2008, from reimbursement of certain Federal funds  
2 under the prospective payment system described by 42 CFR Pt. 412  
3 (relating to prospective payment systems for inpatient hospital  
4 services).

5 (2) Is a Federal veterans' affairs hospital.

6 (3) Is part of an institution with State-related status as  
7 that term is defined in 22 Pa. Code § 31.2 (relating to  
8 definitions) and provides over 100,000 days of care to medical  
9 assistance patients annually.

10 (4) Provides care, including inpatient hospital services, to  
11 all patients free of charge.

12 \* \* \*

13 Section 3. Section 804-E of the act, added July 4, 2008  
14 (P.L.557, No.44), is amended to read:

15 Section 804-E. Administration.

16 (a) Remittance.--Upon collection of the funds generated by  
17 the assessment authorized under this article, the municipality  
18 shall remit a portion of the funds to the Commonwealth for the  
19 purposes set forth under section 802-E, except that the  
20 municipality may retain funds in an amount necessary to  
21 reimburse it for its reasonable costs in the administration and  
22 collection of the assessment and to fund a portion of its costs  
23 of operating public health clinics as set forth in an agreement  
24 to be entered into between the municipality and the Commonwealth  
25 acting through the secretary.

26 (b) Establishment.--There is established a restricted  
27 account in the General Fund for the receipt and deposit of funds  
28 under subsection (a). Funds in the account are hereby  
29 appropriated to the department for purposes of making  
30 supplemental or increased medical assistance payments for

1 emergency department services to general acute care hospitals  
2 within the municipality and to maintain or increase other  
3 medical assistance payments to hospitals within the  
4 municipality, as specified in the Commonwealth's approved Title  
5 XIX State Plan.

6 Section 4. This act shall take effect immediately.