

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1322 Session of
2015

INTRODUCED BY KAUFER, KNOWLES, ROZZI, MCGINNIS, CUTLER, BAKER,
BLOOM, ENGLISH, MILLARD, KAUFFMAN, TOOHL, DIAMOND, TOEPEL,
ACOSTA, PICKETT, MURT, HICKERNELL, WARD, GROVE, FEE, MILNE,
SAYLOR, HEFFLEY, A. HARRIS, KLUNK, D. COSTA, JOZWIAK, COX,
DAVIS, BOBACK, RADER, WARNER, SIMMONS, KRIEGER, PASHINSKI,
GABLER, GILLEN, SCHLEGEL CULVER, MULLERY, IRVIN, WHITE,
DeLUCA, BURNS, DUSH, ROAE AND MICCARELLI, JUNE 10, 2015

SENATOR VANCE, PUBLIC HEALTH AND WELFARE, IN SENATE, RE-REPORTED
AS AMENDED, DECEMBER 8, 2015

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," in public assistance,~~
4 ~~further providing for identification and proof of residence.~~
5 AMENDING THE ACT OF JUNE 13, 1967 (P.L.31, NO.21), ENTITLED "AN <--
6 ACT TO CONSOLIDATE, EDITORIALY REVISE, AND CODIFY THE PUBLIC
7 WELFARE LAWS OF THE COMMONWEALTH," AS FOLLOWS:
8 IN PUBLIC ASSISTANCE:
9 ESTABLISHING THE KEYSTONE EDUCATION YIELDS SUCCESS
10 PROGRAM; AND
11 FURTHER PROVIDING FOR COPAYMENTS FOR SUBSIDIZED CHILD
12 CARE, FOR IDENTIFICATION AND PROOF OF RESIDENCE, FOR
13 MEDICAL ASSISTANCE PAYMENTS FOR INSTITUTIONAL CARE, FOR
14 OTHER MEDICAL ASSISTANCE PAYMENTS, FOR MILEAGE
15 REIMBURSEMENT AND PARATRANSIT SERVICES FOR INDIVIDUALS
16 RECEIVING METHADONE TREATMENT.
17 IN CHILDREN AND YOUTH:
18 FURTHER PROVIDING FOR PAYMENTS TO COUNTIES FOR
19 SERVICES TO CHILDREN, FOR PROVIDER SUBMISSION AND FOR
20 LIMITS ON REIMBURSEMENT TO COUNTIES.
21 REPEALING PROVISIONS RELATING TO MEDICAID MANAGED CARE
22 ORGANIZATION ASSESSMENTS.
23 IN STATEWIDE QUALITY CARE ASSESSMENT:
24 FURTHER PROVIDING FOR DEFINITIONS, FOR

1 IMPLEMENTATION, FOR ADMINISTRATION, FOR RESTRICTED
2 ACCOUNT AND FOR EXPIRATION.
3 PROVIDING FOR MANAGED CARE ORGANIZATION ASSESSMENTS.
4 IN DEPARTMENTAL POWERS AND DUTIES AS TO SUPERVISION:
5 FURTHER PROVIDING FOR DEFINITIONS.
6 IN DEPARTMENTAL POWERS AND DUTIES AS TO LICENSING:
7 FURTHER PROVIDING FOR DEFINITIONS, FOR FEES, FOR
8 PROVISIONAL LICENSE AND FOR VIOLATION AND PENALTY; AND
9 REPEALING PROVISIONS RELATING TO REGISTRATION.
10 IN FAMILY FINDING AND KINSHIP CARE:
11 FURTHER PROVIDING FOR DEFINITIONS, FOR THE KINSHIP
12 CARE PROGRAM AND FOR PERMANENT LEGAL CUSTODIANSHIP
13 SUBSIDY AND REIMBURSEMENT.
14 MAKING A RELATED REPEAL.
15 PROVIDING FOR THE LICENSING OF FAMILY CHILD-CARE HOMES.

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

18 ~~Section 1. Section 432.4 of the act of June 13, 1967~~ <--
19 ~~(P.L.31, No.21), known as the Public Welfare Code, amended June~~
20 ~~16, 1994 (P.L.319, No.49) and May 16, 1996 (P.L.175, No.35), is~~
21 ~~amended to read:~~

22 SECTION 1. SECTION 101 OF THE ACT OF JUNE 13, 1967 (P.L.31, <--
23 NO.21), KNOWN AS THE PUBLIC WELFARE CODE, IS AMENDED TO READ:

24 SECTION 101. SHORT TITLE.--THIS ACT SHALL BE KNOWN AND MAY
25 BE CITED AS THE ["PUBLIC WELFARE CODE."] "HUMAN SERVICES CODE."

26 SECTION 2. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

27 SECTION 405.1B. ESTABLISHMENT OF KEYSTONE EDUCATION YIELDS
28 SUCCESS.--(A) THERE IS ESTABLISHED IN THE DEPARTMENT A PROGRAM
29 WHICH SHALL BE KNOWN AS KEYSTONE EDUCATION YIELDS SUCCESS
30 (KEYS). THE KEYS PROGRAM SHALL BE DESIGNED TO ENABLE AND TO
31 ASSIST ELIGIBLE INDIVIDUALS RECEIVING TANF OR SNAP BENEFITS TO
32 ENROLL IN AND PURSUE A CERTIFICATE OR DEGREE PROGRAM WITHIN ONE
33 OF THE COMMONWEALTH'S COMMUNITY COLLEGES, A CAREER OR TECHNICAL
34 SCHOOL REGISTERED WITH THE DEPARTMENT OF EDUCATION OR UNIVERSITY
35 WITHIN THE PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION.

36 (B) A KEYS RECIPIENT SHALL BE PERMITTED TO COUNT VOCATIONAL

1 EDUCATION, INCLUDING CLASS TIME, CLINICALS, LABS AND STUDY TIME
2 AS SET BY THE COMMUNITY COLLEGE, UNIVERSITY OR SCHOOL, TOWARD
3 THE RECIPIENT'S CORE TANF WORK REQUIREMENT FOR TWENTY-FOUR
4 MONTHS.

5 (C) IN ACCORDANCE WITH KEYS AND NOTWITHSTANDING SECTION
6 405.1, THE FOLLOWING REQUIREMENTS SHALL APPLY:

7 (1) A RECIPIENT SHALL BE ENROLLED IN AN APPROVED DEGREE OR
8 CERTIFICATE PROGRAM THAT WILL ASSIST THE RECIPIENT IN SECURING A
9 JOB THAT PAYS A FAMILY-SUSTAINING WAGE.

10 (2) A KEYS RECIPIENT MAY BE GRANTED EXTENSIONS FOR SIX-MONTH
11 PERIODS TO COMPLETE THE CERTIFICATE OR DEGREE PROGRAM, IF:

12 (I) THE RECIPIENT IS ENROLLED IN A PROGRAM THAT WILL LEAD TO
13 A HIGH-PRIORITY OCCUPATION, AS DEFINED IN SECTION 1301 OF THE
14 ACT OF DECEMBER 18, 2001 (P.L.949, NO.114), KNOWN AS THE
15 WORKFORCE DEVELOPMENT ACT, OR A PROGRAM THE COMMUNITY COLLEGE
16 HAS CERTIFIED MEETS THE SAME CRITERIA AS A HIGH-PRIORITY
17 OCCUPATION;

18 (II) THE RECIPIENT HAS MAINTAINED A 2.0 GRADE POINT AVERAGE;
19 AND

20 (III) THE RECIPIENT HAS MADE SATISFACTORY PROGRESS TOWARD
21 COMPLETING THE PROGRAM, INCLUDING, BUT NOT LIMITED TO,
22 COMPLETING ALL REQUIRED DEVELOPMENTAL COURSE WORK AND
23 SUCCESSFULLY COMPLETING AN AVERAGE OF EIGHT CREDITS PER
24 SEMESTER.

25 (D) A PERSON WHO, WITHOUT GOOD CAUSE, FAILS OR REFUSES TO
26 COMPLY WITH THE TERMS AND CONDITIONS OF THE KEYS PROGRAM SHALL
27 BE TERMINATED FROM THE PROGRAM.

28 (E) THE DEPARTMENT IS AUTHORIZED TO PROMULGATE REGULATIONS
29 TO IMPLEMENT THIS SECTION.

30 (F) THE DEPARTMENT SHALL IMPLEMENT THIS SECTION IN

1 CONFORMITY WITH FEDERAL LAW.

2 (G) NOTHING IN THIS SECTION SHALL CREATE OR PROVIDE AN
3 INDIVIDUAL WITH AN ENTITLEMENT TO SERVICES OR BENEFITS. SERVICES
4 UNDER THIS SECTION SHALL ONLY BE AVAILABLE TO INDIVIDUALS
5 ENROLLED IN THE KEYS PROGRAM TO THE EXTENT THAT FUNDS ARE
6 AVAILABLE.

7 SECTION 3. SECTION 408.3 OF THE ACT, ADDED JUNE 30, 2011
8 (P.L.89, NO.22), IS AMENDED TO READ:

9 SECTION 408.3. COPAYMENTS FOR SUBSIDIZED CHILD CARE.-- (A)
10 NOTWITHSTANDING ANY OTHER PROVISION OF LAW OR DEPARTMENTAL
11 REGULATION, THE PARENT OR CARETAKER OF A CHILD ENROLLED IN
12 SUBSIDIZED CHILD CARE SHALL PAY A COPAYMENT FOR THE SUBSIDIZED
13 CHILD CARE BASED ON A PERCENTAGE OF THE FAMILY'S ANNUAL INCOME
14 AS SPECIFIED IN A COPAYMENT SCHEDULE ESTABLISHED BY THE
15 DEPARTMENT PURSUANT TO THIS SECTION.

16 (B) THE DEPARTMENT SHALL PUBLISH A NOTICE SETTING FORTH THE
17 COPAYMENT SCHEDULE IN THE PENNSYLVANIA BULLETIN.

18 (C) IN ESTABLISHING THE COPAYMENT AMOUNTS PURSUANT TO THIS
19 SECTION, ALL OF THE FOLLOWING SHALL APPLY:

20 (1) COPAYMENTS SHALL BE [BASED UPON] ON A SLIDING [INCOME]
21 SCALE BASED ON A PERCENTAGE OF THE FAMILY'S ANNUAL INCOME TAKING
22 INTO ACCOUNT FEDERAL POVERTY INCOME GUIDELINES. COPAYMENTS SHALL
23 BE UPDATED ANNUALLY.

24 (2) AT THE DEPARTMENT'S DISCRETION, COPAYMENTS MAY BE
25 IMPOSED:

26 (I) FOR EACH CHILD ENROLLED IN SUBSIDIZED CHILD CARE;

27 (II) BASED UPON FAMILY SIZE; OR

28 (III) IN ACCORDANCE WITH BOTH SUBPARAGRAPHS (I) AND (II).

29 (3) COPAYMENT AMOUNTS SHALL BE A MINIMUM OF FIVE DOLLARS
30 (\$5) PER WEEK AND [MAY] SHALL INCREASE IN INCREMENTAL AMOUNTS, _____

1 BASED ON A PERCENTAGE OF THE FAMILY'S ANNUAL INCOME, AS
2 DETERMINED BY THE DEPARTMENT [TAKING INTO ACCOUNT ANNUAL FAMILY
3 INCOME].

4 (3.1) AT INITIAL APPLICATION, THE FAMILY'S ANNUAL INCOME MAY
5 NOT EXCEED TWO HUNDRED PERCENT OF THE FEDERAL POVERTY INCOME
6 GUIDELINES.

7 (3.2) AFTER AN INITIAL DETERMINATION OR REDETERMINATION OF
8 ELIGIBILITY, A CHILD SHALL CONTINUE TO BE ENROLLED IN SUBSIDIZED
9 CHILD CARE FOR TWELVE MONTHS REGARDLESS OF EITHER OF THE
10 FOLLOWING:

11 (I) A TEMPORARY CHANGE IN THE PARENT OR CARETAKER'S STATUS
12 AS WORKING OR ATTENDING A JOB TRAINING OR EDUCATIONAL PROGRAM.

13 (II) AN INCREASE IN THE FAMILY'S ANNUAL INCOME, IF THE
14 INCOME DOES NOT EXCEED EIGHTY-FIVE PERCENT OF THE STATE MEDIAN
15 INCOME FOR A FAMILY OF THE SAME SIZE.

16 (4) [A] SUBJECT TO SUBSECTION (E), A FAMILY'S ANNUAL
17 COPAYMENT UNDER EITHER PARAGRAPH (1) OR (2) SHALL NOT EXCEED:

18 (I) EIGHT PERCENT OF THE FAMILY'S ANNUAL INCOME IF THE
19 FAMILY'S ANNUAL INCOME IS ONE HUNDRED PERCENT OF THE FEDERAL
20 POVERTY INCOME GUIDELINE OR LESS; [OR]

21 (II) ELEVEN PERCENT OF THE FAMILY'S ANNUAL INCOME IF THE
22 FAMILY'S ANNUAL INCOME EXCEEDS ONE HUNDRED PERCENT OF THE
23 FEDERAL POVERTY INCOME GUIDELINE[.], BUT IS NOT MORE THAN TWO
24 HUNDRED FIFTY PERCENT OF THE FEDERAL POVERTY INCOME GUIDELINE;

25 (III) THIRTEEN PERCENT OF THE FAMILY'S ANNUAL INCOME IF THE
26 FAMILY'S ANNUAL INCOME EXCEEDS TWO HUNDRED FIFTY PERCENT OF THE
27 FEDERAL POVERTY INCOME GUIDELINE, BUT IS NOT MORE THAN TWO
28 HUNDRED SEVENTY-FIVE PERCENT OF THE FEDERAL POVERTY INCOME
29 GUIDELINE; OR

30 (IV) BEGINNING AFTER JULY 1, 2017, FIFTEEN PERCENT OF THE

1 FAMILY'S ANNUAL INCOME IF THE FAMILY'S ANNUAL INCOME EXCEEDS TWO
2 HUNDRED SEVENTY-FIVE PERCENT OF THE FEDERAL POVERTY INCOME
3 GUIDELINE, BUT IS NOT MORE THAN THREE HUNDRED PERCENT OF THE
4 FEDERAL POVERTY INCOME GUIDELINE OR EIGHTY-FIVE PERCENT OF THE
5 STATE MEDIAN INCOME, WHICHEVER IS LOWER.

6 (5) NOTWITHSTANDING THIS SUBSECTION, BEGINNING WITH STATE
7 FISCAL YEAR 2012-2013, THE DEPARTMENT MAY ADJUST THE ANNUAL
8 COPAYMENT PERCENTAGES SPECIFIED IN THIS SUBSECTION BY
9 PROMULGATION OF FINAL-OMITTED REGULATIONS UNDER SECTION 204 OF
10 THE ACT OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
11 "COMMONWEALTH DOCUMENTS LAW."

12 (6) SUBJECT TO SUBSECTION (E), AT A REDETERMINATION, AFTER
13 JUNE 30, 2017, A FAMILY THAT EXCEEDS THE MINIMUM WORK
14 REQUIREMENTS AS A RESULT OF EACH PARENT OR CARETAKER OR, IN THE
15 CASE OF A SINGLE PARENT HOUSEHOLD, AS A RESULT OF THE SOLE
16 PARENT OR CARETAKER, BY WORKING ADDITIONAL WAGE-EARNING HOURS
17 SHALL HAVE A REDUCED COPAYMENT, NOT TO BE LESS THAN THAT WHICH
18 IS SET FORTH UNDER PARAGRAPH (3). THIS PARAGRAPH SHALL APPLY
19 ONLY TO A FAMILY THAT, AFTER MUTUALLY QUALIFYING FOR AND
20 RECEIVING SUBSIDIZED CHILD CARE AND BEING CURRENT ON THE
21 REQUIRED COPAYMENTS AS SET FORTH IN THIS SUBSECTION, INCREASES
22 ITS AVERAGE WORK WEEK AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH
23 AND HAS INCREASED THE FAMILY'S ANNUAL INCOME AS A RESULT OF
24 WORKING ADDITIONAL WAGE-EARNING HOURS. THE COPAYMENT DEDUCTION
25 SHALL BE APPLIED AS FOLLOWS:

26 (I) FOR AN AVERAGE WORK WEEK OF AT LEAST TWENTY-FIVE WAGE-
27 EARNING HOURS PER PARENT OR CARETAKER, A THREE-QUARTERS OF ONE
28 PERCENT DEDUCTION FROM THE AMOUNT SET UNDER THIS SUBSECTION.

29 (II) FOR AN AVERAGE WORK WEEK OF AT LEAST THIRTY WAGE-
30 EARNING HOURS PER PARENT OR CARETAKER, A ONE AND ONE-HALF

1 PERCENT DEDUCTION FROM THE AMOUNT SET UNDER THIS SUBSECTION.

2 (III) FOR AN AVERAGE WORK WEEK OF AT LEAST THIRTY-FIVE WAGE-
3 EARNING HOURS PER PARENT OR CARETAKER, A TWO AND ONE-QUARTER
4 PERCENT DEDUCTION FROM THE AMOUNT SET UNDER THIS SUBSECTION.

5 (IV) FOR AN AVERAGE WORK WEEK OF AT LEAST FORTY WAGE-EARNING
6 HOURS PER PARENT OR CARETAKER, A THREE PERCENT DEDUCTION FROM
7 THE AMOUNT SET UNDER THIS SUBSECTION.

8 (7) AT ITS REDETERMINATION OF ELIGIBILITY, A PARENT OR
9 CARETAKER SHALL PROVIDE DOCUMENTATION OF ITS AVERAGE WORK WEEK
10 HOURS TO RECEIVE THE CHILD CARE COPAYMENT DEDUCTION. THE
11 DEPARTMENT SHALL APPLY THE COPAYMENT DEDUCTION AFTER RECEIVING
12 THE REQUIRED DOCUMENTATION.

13 (8) A FAMILY THAT HAS PREVIOUSLY QUALIFIED FOR A DEDUCTION
14 IN THE CHILD CARE COPAYMENT SHALL CONTINUE TO REMAIN ELIGIBLE
15 FOR THE COPAYMENT DEDUCTION IF:

16 (I) THE FAMILY'S ANNUAL INCOME DOES NOT EXCEED THREE HUNDRED
17 PERCENT OF THE FEDERAL POVERTY INCOME GUIDELINE OR EIGHTY-FIVE
18 PERCENT OF THE STATE MEDIAN INCOME, WHICHEVER IS LOWER;

19 (II) THE PARENT OR CARETAKER HAS BEEN IN COMPLIANCE WITH
20 PARAGRAPH (7);

21 (III) THE PARENT OR CARETAKER CONTINUES TO EXCEED THE
22 MINIMUM WORK REQUIREMENTS BY WORKING ADDITIONAL WAGE-EARNING
23 HOURS;

24 (IV) THE FAMILY'S ANNUAL INCOME HAS INCREASED AS A RESULT OF
25 WORKING ADDITIONAL WAGE-EARNING HOURS; AND

26 (V) THE PARENT OR CARETAKER IS CURRENT AND REMAINS CURRENT
27 WITH MAKING ITS COPAYMENT TO THE CHILD CARE PROVIDER.

28 (9) THE AVERAGE WORK WEEK OF A FAMILY SHALL BE CALCULATED BY
29 REVIEWING THE FAMILY'S INCOME STATEMENTS AND TAKING THE NUMBER
30 OF HOURS WORKED PER PARENT OVER A TWELVE-MONTH PERIOD AND

1 DIVIDING BY FIFTY-TWO.

2 (D) NOTWITHSTANDING SUBSECTION (A) OR (C), A PARENT OR
3 CARETAKER COPAYMENT MAY BE [WAIVED] ADJUSTED IN ACCORDANCE WITH
4 DEPARTMENT REGULATIONS.

5 (E) TO THE EXTENT THAT MONEY IS APPROPRIATED FOR THE
6 PURPOSE, THE DEPARTMENT SHALL INCREASE ELIGIBILITY UNDER
7 SUBSECTION (C) (4) FOR SUBSIDIZED CHILD CARE FROM TWO HUNDRED
8 THIRTY-FIVE PERCENT OF THE FEDERAL POVERTY INCOME GUIDELINE UP
9 TO THREE HUNDRED PERCENT OF THE FEDERAL POVERTY INCOME GUIDELINE
10 AND SHALL APPLY A COPAYMENT DEDUCTION UNDER SUBSECTION (C) (6).
11 THE DEPARTMENT SHALL NOT BE REQUIRED TO MAINTAIN ELIGIBILITY
12 ABOVE TWO HUNDRED THIRTY-FIVE PERCENT OF THE FEDERAL POVERTY
13 INCOME GUIDELINE OR APPLY A COPAYMENT DEDUCTION UNLESS FUNDING
14 IS APPROPRIATED BY THE GENERAL ASSEMBLY.

15 (F) AS USED IN THIS SECTION, "WAGE-EARNING HOURS" MEANS
16 HOURS FOR WHICH AN INDIVIDUAL IS FINANCIALLY COMPENSATED BY AN
17 EMPLOYER. THE TERM DOES NOT INCLUDE HOURS SPENT VOLUNTEERING, IN
18 EDUCATION OR IN JOB TRAINING, UNLESS THOSE HOURS ARE COMPENSATED
19 AS A CONDITION OF EMPLOYMENT.

20 SECTION 4. SECTION 432.4 OF THE ACT, AMENDED JUNE 16, 1994
21 (P.L.319, NO.49) AND MAY 16, 1996 (P.L.175, NO.35), IS AMENDED
22 TO READ:

23 Section 432.4. Identification and Proof of Residence.--(a)
24 All persons applying for assistance shall provide acceptable
25 identification and proof of residence[; the department shall by
26 regulations specify what constitutes acceptable identification
27 and proof of residence]. A person shall be deemed to be a
28 resident when he or she documents his or her residency and that
29 residency is verified by the department. Verification may
30 include, but is not limited to the production of rent receipts,

1 mortgage payment receipts, utility receipts, bank accounts or
2 enrollment of children in local schools. General assistance
3 applicants must establish that they have been residents of the
4 Commonwealth for at least twelve months immediately preceding
5 their application[.] and they are not receiving assistance from
6 any other state. General assistance applicants shall disclose,
7 in their application, all states in which they have resided and
8 in which they have collected a form of public assistance in the
9 last five years. The provisions of this subsection shall not
10 apply to General Assistance applicants who can establish that
11 they moved to this Commonwealth to escape an abusive living
12 situation. The department shall adopt rules governing the proof
13 required to establish that the applicant has moved to this
14 Commonwealth to escape an abusive living situation.

15 (a.1) When a general assistance applicant provides
16 information that the applicant ~~has collected~~ IS RECEIVING a form <--
17 of public assistance in another state, the Commonwealth shall <--
18 notify DEPARTMENT MAY NOT AUTHORIZE GENERAL ASSISTANCE UNTIL IT <--
19 RECEIVES VERIFICATION THAT THE PUBLIC ASSISTANCE IS SCHEDULED TO
20 CLOSE IN the other state of the change in residency of the <--
21 applicant.

22 (b) For the purpose of determining eligibility for
23 assistance, the continued absence of a recipient from the
24 Commonwealth for a period of thirty days or longer shall be
25 prima facie evidence of the intent of the recipient to have
26 changed his residence to a place outside the Commonwealth.

27 (c) If a recipient is prevented by illness or other good
28 cause from returning to the Commonwealth at the end of thirty
29 days, and has not acted to establish residence elsewhere, he
30 shall not be deemed to have lost his residence in the

1 Commonwealth.

2 (d) When a recipient of aid to families with dependent
3 children or general assistance is absent from the United States
4 for a period in excess of thirty days, his aid shall thereafter
5 be suspended whenever need cannot be determined for the ensuing
6 period of his absence.

7 (e) Beginning no later than September 1, 1994, the
8 department shall collect information on all general assistance
9 applicants to determine how long they have been residents of
10 this Commonwealth. The department shall report its findings to
11 the Governor and the General Assembly no later than December 31,
12 1995. Based on its findings, the department may make
13 recommendations to the Governor and the General Assembly on
14 changes to the residency requirement for general assistance
15 recipients.

16 ~~Section 2. This act shall take effect in 60 days.~~ <--

17 SECTION 5. SECTION 443.1(1.1) INTRODUCTORY PARAGRAPH AND <--
18 (I), (1.4) AND (6) OF THE ACT, AMENDED JUNE 30, 2007 (P.L.49,
19 NO.16) AND JULY 9, 2013 (P.L.369, NO.55), ARE AMENDED AND
20 PARAGRAPH (7) IS AMENDED BY ADDING A SUBPARAGRAPH TO READ:

21 SECTION 443.1. MEDICAL ASSISTANCE PAYMENTS FOR INSTITUTIONAL
22 CARE.--THE FOLLOWING MEDICAL ASSISTANCE PAYMENTS SHALL BE MADE
23 ON BEHALF OF ELIGIBLE PERSONS WHOSE INSTITUTIONAL CARE IS
24 PRESCRIBED BY PHYSICIANS:

25 * * *

26 (1.1) SUBJECT TO SECTION 813-G, FOR INPATIENT [ACUTE CARE]
27 HOSPITAL SERVICES PROVIDED DURING A FISCAL YEAR IN WHICH AN
28 ASSESSMENT IS IMPOSED UNDER ARTICLE VIII-G, PAYMENTS UNDER THE
29 MEDICAL ASSISTANCE FEE-FOR-SERVICE PROGRAM SHALL BE DETERMINED
30 IN ACCORDANCE WITH THE DEPARTMENT'S REGULATIONS, EXCEPT AS

1 FOLLOWS:

2 (I) IF THE COMMONWEALTH'S APPROVED TITLE XIX STATE PLAN FOR
3 INPATIENT HOSPITAL SERVICES IN EFFECT FOR THE PERIOD OF JULY 1,
4 2010, THROUGH JUNE 30, [2016] 2018, SPECIFIES A METHODOLOGY FOR
5 CALCULATING PAYMENTS THAT IS DIFFERENT FROM THE DEPARTMENT'S
6 REGULATIONS OR AUTHORIZES ADDITIONAL PAYMENTS NOT SPECIFIED IN
7 THE DEPARTMENT'S REGULATIONS, SUCH AS INPATIENT DISPROPORTIONATE
8 SHARE PAYMENTS AND DIRECT MEDICAL EDUCATION PAYMENTS, THE
9 DEPARTMENT SHALL FOLLOW THE METHODOLOGY OR MAKE THE ADDITIONAL
10 PAYMENTS AS SPECIFIED IN THE APPROVED TITLE XIX STATE PLAN.

11 * * *

12 (1.4) SUBJECT TO SECTION 813-G, FOR INPATIENT HOSPITAL
13 SERVICES PROVIDED UNDER THE PHYSICAL HEALTH MEDICAL ASSISTANCE
14 MANAGED CARE PROGRAM DURING STATE FISCAL YEARS 2012-2013, 2013-
15 2014, 2014-2015 [AND], 2015-2016, 2016-2017 AND 2017-2018, THE
16 FOLLOWING SHALL APPLY:

17 (A) THE DEPARTMENT MAY ADJUST ITS CAPITATION PAYMENTS TO
18 MEDICAL ASSISTANCE MANAGED CARE ORGANIZATIONS TO PROVIDE
19 ADDITIONAL FUNDS FOR INPATIENT AND OUTPATIENT HOSPITAL SERVICES.

20 (B) FOR AN OUT-OF-NETWORK INPATIENT DISCHARGE OF A RECIPIENT
21 ENROLLED IN A MEDICAL ASSISTANCE MANAGED CARE ORGANIZATION THAT
22 OCCURS IN STATE FISCAL YEAR 2012-2013, 2013-2014, 2014-2015
23 [OR], 2015-2016, 2016-2017 AND 2017-2018, THE MEDICAL ASSISTANCE
24 MANAGED CARE ORGANIZATION SHALL PAY, AND THE HOSPITAL SHALL
25 ACCEPT AS PAYMENT IN FULL, THE AMOUNT THAT THE DEPARTMENT'S FEE-
26 FOR-SERVICE PROGRAM WOULD HAVE PAID FOR THE DISCHARGE IF THE
27 RECIPIENT WAS ENROLLED IN THE DEPARTMENT'S FEE-FOR-SERVICE
28 PROGRAM.

29 (C) NOTHING IN THIS PARAGRAPH SHALL PROHIBIT AN INPATIENT
30 ACUTE CARE HOSPITAL AND A MEDICAL ASSISTANCE MANAGED CARE

1 ORGANIZATION FROM EXECUTING A NEW PARTICIPATION AGREEMENT OR
2 AMENDING AN EXISTING PARTICIPATION AGREEMENT ON OR AFTER JULY 1,
3 2013.

4 * * *

5 (6) FOR PUBLIC NURSING HOME CARE PROVIDED ON OR AFTER JULY
6 1, 2005, THE DEPARTMENT [SHALL] MAY RECOGNIZE THE COSTS INCURRED
7 BY COUNTY NURSING FACILITIES TO PROVIDE SERVICES TO ELIGIBLE
8 PERSONS AS MEDICAL ASSISTANCE PROGRAM EXPENDITURES TO THE EXTENT
9 THE COSTS QUALIFY FOR FEDERAL MATCHING FUNDS AND SO LONG AS THE
10 COSTS ARE ALLOWABLE AS DETERMINED BY THE DEPARTMENT AND REPORTED
11 AND CERTIFIED BY THE COUNTY NURSING FACILITIES IN A FORM AND
12 MANNER SPECIFIED BY THE DEPARTMENT. EXPENDITURES REPORTED AND
13 CERTIFIED BY COUNTY NURSING FACILITIES SHALL BE SUBJECT TO
14 PERIODIC REVIEW AND VERIFICATION BY THE DEPARTMENT OR THE
15 AUDITOR GENERAL. NOTWITHSTANDING THIS PARAGRAPH, COUNTY NURSING
16 FACILITIES SHALL BE PAID BASED UPON RATES DETERMINED IN
17 ACCORDANCE WITH PARAGRAPHS (5) AND (7).

18 (7) AFTER JUNE 30, 2007, PAYMENTS TO COUNTY AND NONPUBLIC
19 NURSING FACILITIES ENROLLED IN THE MEDICAL ASSISTANCE PROGRAM AS
20 PROVIDERS OF NURSING FACILITY SERVICES SHALL BE DETERMINED IN
21 ACCORDANCE WITH THE METHODOLOGIES FOR ESTABLISHING PAYMENT RATES
22 FOR COUNTY AND NONPUBLIC NURSING FACILITIES SPECIFIED IN THE
23 DEPARTMENT'S REGULATIONS AND THE COMMONWEALTH'S APPROVED TITLE
24 XIX STATE PLAN FOR NURSING FACILITY SERVICES IN EFFECT AFTER
25 JUNE 30, 2007. THE FOLLOWING SHALL APPLY:

26 * * *

27 (VI) SUBJECT TO FEDERAL APPROVAL OF SUCH AMENDMENTS AS MAY
28 BE NECESSARY TO THE COMMONWEALTH'S APPROVED TITLE XIX STATE
29 PLAN, FOR FISCAL YEAR 2015-2016, THE DEPARTMENT SHALL MAKE UP TO
30 FOUR MEDICAL ASSISTANCE DAY-ONE INCENTIVE PAYMENTS TO QUALIFIED

1 NONPUBLIC NURSING FACILITIES. THE DEPARTMENT SHALL DETERMINE THE
2 NONPUBLIC NURSING FACILITIES THAT QUALIFY FOR THE MEDICAL
3 ASSISTANCE DAY-ONE INCENTIVE PAYMENTS AND CALCULATE THE PAYMENTS
4 USING THE TOTAL PENNSYLVANIA MEDICAL ASSISTANCE (PA MA) DAYS AND
5 TOTAL RESIDENT DAYS AS REPORTED BY NONPUBLIC NURSING FACILITIES
6 UNDER ARTICLE VIII-A. THE DEPARTMENT'S DETERMINATION AND
7 CALCULATIONS UNDER THIS SUBPARAGRAPH SHALL BE BASED ON THE
8 NURSING FACILITY ASSESSMENT QUARTERLY RESIDENT DAY REPORTING
9 FORMS, AS DETERMINED BY THE DEPARTMENT. THE DEPARTMENT SHALL NOT
10 RETROACTIVELY REVISE A MEDICAL ASSISTANCE DAY-ONE INCENTIVE
11 PAYMENT AMOUNT BASED ON A NURSING FACILITY'S LATE SUBMISSION OR
12 REVISION OF THE DEPARTMENT'S REPORT AFTER THE DATES DESIGNATED
13 BY THE DEPARTMENT. THE DEPARTMENT, HOWEVER, MAY RECOUP PAYMENTS
14 BASED ON AN AUDIT OF A NURSING FACILITY'S REPORT. THE FOLLOWING
15 SHALL APPLY:

16 (A) A NONPUBLIC NURSING FACILITY SHALL MEET ALL OF THE
17 FOLLOWING CRITERIA TO QUALIFY FOR A MEDICAL ASSISTANCE DAY-ONE
18 INCENTIVE PAYMENT:

19 (I) THE NURSING FACILITY SHALL HAVE AN OVERALL OCCUPANCY
20 RATE OF AT LEAST EIGHTY-FIVE PERCENT DURING THE RESIDENT DAY
21 QUARTER. FOR PURPOSES OF DETERMINING A NURSING FACILITY'S
22 OVERALL OCCUPANCY RATE, A NURSING FACILITY'S TOTAL RESIDENT
23 DAYS, AS REPORTED BY THE FACILITY UNDER ARTICLE VIII-A, SHALL BE
24 DIVIDED BY THE PRODUCT OF THE FACILITY'S LICENSED BED CAPACITY,
25 AT THE END OF THE QUARTER, MULTIPLIED BY THE NUMBER OF CALENDAR
26 DAYS IN THE QUARTER.

27 (II) THE NURSING FACILITY SHALL HAVE A MEDICAL ASSISTANCE
28 OCCUPANCY RATE OF AT LEAST SIXTY-FIVE PERCENT DURING THE
29 RESIDENT DAY QUARTER. FOR PURPOSES OF DETERMINING A NURSING
30 FACILITY'S MEDICAL ASSISTANCE OCCUPANCY RATE, THE NURSING

1 FACILITY'S TOTAL PA MA DAYS SHALL BE DIVIDED BY THE NURSING
2 FACILITY'S TOTAL RESIDENT DAYS, AS REPORTED BY THE FACILITY
3 UNDER ARTICLE VIII-A.

4 (III) THE NURSING FACILITY SHALL BE A NONPUBLIC NURSING
5 FACILITY FOR A FULL RESIDENT DAY QUARTER PRIOR TO THE APPLICABLE
6 QUARTERLY REPORTING DUE DATES, AS DETERMINED BY THE DEPARTMENT.

7 (B) THE DEPARTMENT SHALL CALCULATE A QUALIFIED NONPUBLIC
8 NURSING FACILITY'S MEDICAL ASSISTANCE DAY-ONE INCENTIVE PAYMENT
9 AS FOLLOWS:

10 (I) THE TOTAL FUNDS APPROPRIATED FOR PAYMENTS UNDER THIS
11 SUBPARAGRAPH SHALL BE DIVIDED BY THE NUMBER OF PAYMENTS, AS
12 DETERMINED BY THE DEPARTMENT.

13 (II) TO ESTABLISH THE PER DIEM RATE FOR A PAYMENT, THE
14 AMOUNT UNDER SUBCLAUSE (I) SHALL BE DIVIDED BY THE TOTAL PA MA
15 DAYS, AS REPORTED BY ALL QUALIFYING NONPUBLIC NURSING FACILITIES
16 UNDER ARTICLE VIII-A FOR THAT PAYMENT.

17 (III) TO DETERMINE A QUALIFYING NONPUBLIC NURSING FACILITY'S
18 MEDICAL ASSISTANCE DAY-ONE INCENTIVE PAYMENT, THE PER DIEM RATE
19 CALCULATED FOR THE PAYMENT SHALL BE MULTIPLIED BY A NONPUBLIC
20 NURSING FACILITY'S TOTAL PA MA DAYS, AS REPORTED BY THE FACILITY
21 UNDER ARTICLE VIII-A FOR THE PAYMENT.

22 (C) FOR FISCAL YEAR 2015-2016, THE STATE FUNDS AVAILABLE FOR
23 THE NONPUBLIC NURSING FACILITY MEDICAL ASSISTANCE DAY-ONE
24 INCENTIVE PAYMENTS SHALL EQUAL EIGHT MILLION DOLLARS
25 (\$8,000,000).

26 SECTION 6. SECTION 443.3(A) OF THE ACT IS AMENDED BY A
27 PARAGRAPH TO READ:

28 SECTION 443.3. OTHER MEDICAL ASSISTANCE PAYMENTS.--(A)
29 PAYMENTS ON BEHALF OF ELIGIBLE PERSONS SHALL BE MADE FOR OTHER
30 SERVICES, AS FOLLOWS:

1 * * *

2 (1.1) RATES ESTABLISHED BY THE DEPARTMENT FOR OBSERVATION
3 SERVICES PROVIDED BY OR FURNISHED UNDER THE DIRECTION OF A
4 PHYSICIAN AND FURNISHED BY A HOSPITAL. PAYMENT FOR OBSERVATION
5 SERVICES SHALL BE MADE IN AN AMOUNT SPECIFIED BY THE DEPARTMENT
6 BY NOTICE IN THE PENNSYLVANIA BULLETIN AND SHALL BE EFFECTIVE
7 FOR DATES OF SERVICE ON OR AFTER JULY 1, 2016. PAYMENT FOR
8 OBSERVATION SERVICES SHALL BE SUBJECT TO CONDITIONS SPECIFIED IN
9 THE DEPARTMENT'S REGULATIONS, INCLUDING REGULATIONS ADOPTED BY
10 THE DEPARTMENT TO IMPLEMENT THIS PARAGRAPH. PENDING ADOPTION OF
11 REGULATIONS IMPLEMENTING THIS PARAGRAPH, THE CONDITIONS FOR
12 PAYMENT OF OBSERVATION SERVICES SHALL BE SPECIFIED IN A MEDICAL
13 ASSISTANCE BULLETIN.

14 * * *

15 SECTION 7. SECTION 443.11(D) OF THE ACT, ADDED DECEMBER 22,
16 2011 (P.L.561, NO.121), IS AMENDED TO READ:

17 SECTION 443.11. MILEAGE REIMBURSEMENT AND PARATRANSIT
18 SERVICES FOR INDIVIDUALS RECEIVING METHADONE TREATMENT.--* * *

19 [(D) THE DEPARTMENT SHALL ISSUE BIENNIAL REPORTS TO THE
20 GENERAL ASSEMBLY AND THE GOVERNOR DETAILING COSTS AND COST
21 SAVINGS RELATED TO IMPLEMENTING THE PROVISIONS OF THIS SECTION.
22 THE FIRST BIENNIAL REPORT SHALL BE ISSUED NOT LATER THAN ONE
23 YEAR FROM THE EFFECTIVE DATE OF THIS SECTION.]

24 SECTION 8. SECTION 472 OF THE ACT, AMENDED JULY 7, 2005
25 (P.L.177, NO.42), IS AMENDED TO READ:

26 SECTION 472. OTHER COMPUTATIONS AFFECTING COUNTIES.--TO
27 COMPUTE FOR EACH MONTH THE AMOUNT EXPENDED AS MEDICAL ASSISTANCE
28 FOR PUBLIC NURSING HOME CARE ON BEHALF OF PERSONS AT EACH PUBLIC
29 MEDICAL INSTITUTION OPERATED BY A COUNTY, COUNTY INSTITUTION
30 DISTRICT OR MUNICIPALITY AND THE AMOUNT EXPENDED IN EACH COUNTY

1 FOR AID TO FAMILIES WITH DEPENDENT CHILDREN ON BEHALF OF
2 CHILDREN IN FOSTER FAMILY HOMES OR CHILD-CARING INSTITUTIONS,
3 PLUS THE COST OF ADMINISTERING SUCH ASSISTANCE. FROM SUCH TOTAL
4 AMOUNT THE DEPARTMENT SHALL DEDUCT THE AMOUNT OF FEDERAL FUNDS
5 PROPERLY RECEIVED OR TO BE RECEIVED BY THE DEPARTMENT ON ACCOUNT
6 OF SUCH EXPENDITURES, AND SHALL CERTIFY THE REMAINDER INCREASED
7 OR DECREASED, AS THE CASE MAY BE, BY ANY AMOUNT BY WHICH THE SUM
8 CERTIFIED FOR ANY PREVIOUS MONTH DIFFERED FROM THE AMOUNT WHICH
9 SHOULD HAVE BEEN CERTIFIED FOR SUCH PREVIOUS MONTH, AND BY THE
10 PROPORTIONATE SHARE OF ANY REFUNDS OF SUCH ASSISTANCE, TO EACH
11 APPROPRIATE COUNTY, COUNTY INSTITUTION DISTRICT OR MUNICIPALITY.
12 THE AMOUNTS SO CERTIFIED SHALL BECOME OBLIGATIONS OF SUCH
13 COUNTIES, COUNTY INSTITUTION DISTRICTS OR MUNICIPALITIES TO BE
14 PAID TO THE DEPARTMENT FOR ASSISTANCE: PROVIDED, HOWEVER, THAT
15 FOR FISCAL YEAR 1979-80 AND THEREAFTER, THE OBLIGATIONS OF THE
16 COUNTIES SHALL BE THE AMOUNTS SO CERTIFIED REPRESENTING AID TO
17 DEPENDENT CHILDREN FOSTER CARE AS COMPUTED ABOVE PLUS ONE-TENTH
18 OF THE AMOUNT SO CERTIFIED ABOVE FOR PUBLIC NURSING HOME CARE:
19 AND PROVIDED FURTHER, THAT AS TO PUBLIC NURSING HOME CARE, FOR
20 FISCAL YEAR 2005-2006 AND THEREAFTER, THE OBLIGATIONS OF THE
21 COUNTIES SHALL BE THE AMOUNT SO CERTIFIED ABOVE, LESS NINE-
22 TENTHS OF THE NON-FEDERAL SHARE OF PAYMENTS MADE BY THE
23 DEPARTMENT DURING THE FISCAL YEAR TO COUNTY HOMES FOR PUBLIC
24 NURSING CARE AT RATES ESTABLISHED IN ACCORDANCE WITH SECTION
25 443.1(5) AND (7).

26 SECTION 9. SECTIONS 704.1(G) AND (G.2) AND 704.3(A) OF THE
27 ACT, AMENDED OR ADDED JULY 9, 2013 (P.L.369, NO.55), ARE AMENDED
28 TO READ:

29 SECTION 704.1. PAYMENTS TO COUNTIES FOR SERVICES TO
30 CHILDREN.--* * *

1 (G) [THE] EXCEPT AS PROVIDED BY AN EXECUTIVE APPROVAL OR
2 APPROPRIATION UNDER THE ACT OF APRIL 9, 1929 (P.L.343, NO.176),
3 KNOWN AS THE FISCAL CODE, AS AMENDED, THE DEPARTMENT SHALL
4 PROCESS PAYMENTS TO EACH COUNTY PURSUANT TO THIS ARTICLE FROM
5 FUNDS APPROPRIATED BY THE GENERAL ASSEMBLY [FOR EACH FISCAL
6 YEAR], WITHIN FIFTEEN DAYS OF PASSAGE OF THE GENERAL
7 APPROPRIATION BILL OR BY A DATE SPECIFIED UNDER PARAGRAPH (1),
8 (2), (3), (4) OR (5), WHICHEVER IS LATER. THE DEPARTMENT SHALL
9 PROCESS THE FOLLOWING APPLICABLE PAYMENTS TO THE COUNTY:

10 (1) BY JULY 15, TWENTY-FIVE PERCENT OF THE AMOUNT OF STATE
11 FUNDS ALLOCATED TO THE COUNTY UNDER SECTION 709.3.

12 (2) BY AUGUST 31, OR UPON APPROVAL BY THE DEPARTMENT OF THE
13 COUNTY'S FINAL CUMULATIVE REPORT FOR ITS EXPENDITURES FOR THE
14 PRIOR FISCAL YEAR, WHICHEVER IS LATER, TWENTY-FIVE PERCENT OF
15 THE AMOUNT OF STATE FUNDS ALLOCATED TO THE COUNTY UNDER SECTION
16 709.3, REDUCED BY THE AMOUNT OF AGGREGATE UNSPENT STATE FUNDS
17 PROVIDED TO THE COUNTY DURING THE PREVIOUS FISCAL YEAR.

18 (3) BY NOVEMBER 30, OR UPON APPROVAL BY THE DEPARTMENT OF
19 THE COUNTY'S REPORT FOR ITS EXPENDITURES FOR THE FIRST QUARTER
20 OF THE FISCAL YEAR, WHICHEVER IS LATER, TWENTY-FIVE PERCENT OF
21 THE AMOUNT OF STATE FUNDS ALLOCATED TO THE COUNTY UNDER SECTION
22 709.3, REDUCED BY THE AMOUNT OF UNSPENT STATE FUNDS ALREADY
23 PROVIDED TO THE COUNTY FOR THE FIRST QUARTER OF THE FISCAL YEAR.

24 (4) BY FEBRUARY 28, OR UPON APPROVAL BY THE DEPARTMENT OF
25 THE COUNTY'S REPORT FOR ITS EXPENDITURES FOR THE SECOND QUARTER
26 OF THE FISCAL YEAR, WHICHEVER IS LATER, TWELVE AND ONE-HALF
27 PERCENT OF THE AMOUNT OF STATE FUNDS ALLOCATED TO THE COUNTY
28 UNDER SECTION 709.3, ADJUSTED BY THE AMOUNT OF OVERSPENDING OR
29 UNDERSPENDING OF STATE FUNDS IN THE PREVIOUS QUARTERS, BUT NOT
30 TO EXCEED EIGHTY-SEVEN AND ONE-HALF PERCENT OF THE COUNTY'S

1 APPROVED STATE ALLOCATION.

2 (5) UPON APPROVAL BY THE DEPARTMENT OF THE COUNTY'S FINAL
3 CUMULATIVE REPORT FOR ITS EXPENDITURES FOR THE FISCAL YEAR,
4 TWELVE AND ONE-HALF PERCENT OF THE AMOUNT OF STATE FUNDS
5 ALLOCATED TO THE COUNTY UNDER SECTION 709.3, ADJUSTED BY THE
6 AMOUNT OF OVERSPENDING OR UNDERSPENDING OF STATE FUNDS IN THE
7 PREVIOUS QUARTERS.

8 * * *

9 (G.2) SERVICE CONTRACTS OR AGREEMENTS SHALL INCLUDE A TIMELY
10 PAYMENT PROVISION THAT REQUIRES COUNTIES TO MAKE PAYMENT TO
11 SERVICE PROVIDERS WITHIN THIRTY DAYS OF THE COUNTY'S RECEIPT OF
12 AN INVOICE UNDER BOTH OF THE FOLLOWING CONDITIONS:

13 (1) THE INVOICE SATISFIES THE COUNTY'S REQUIREMENTS FOR A
14 COMPLETE AND ACCURATE INVOICE.

15 (2) FUNDS HAVE BEEN APPROPRIATED TO THE DEPARTMENT OR
16 APPROVED BY THE GOVERNOR FOR PAYMENTS TO COUNTIES UNDER
17 SUBSECTION (G).

18 * * *

19 SECTION 704.3. PROVIDER SUBMISSIONS.--(A) FOR FISCAL [YEAR]
20 YEARS 2013-2014, 2014-2015 AND 2015-2016, A PROVIDER SHALL
21 SUBMIT DOCUMENTATION OF ITS COSTS OF PROVIDING SERVICES; AND THE
22 DEPARTMENT SHALL USE SUCH DOCUMENTATION, TO THE EXTENT
23 NECESSARY, TO SUPPORT THE DEPARTMENT'S CLAIM FOR FEDERAL FUNDING
24 AND FOR STATE REIMBURSEMENT FOR ALLOWABLE DIRECT AND INDIRECT
25 COSTS INCURRED IN THE PROVISION OF OUT-OF-HOME PLACEMENT
26 SERVICES.

27 * * *

28 SECTION 10. SECTION 709.3 OF THE ACT, ADDED AUGUST 5, 1991
29 (P.L.315, NO.30), IS AMENDED TO READ:

30 SECTION 709.3. LIMITS ON REIMBURSEMENTS TO COUNTIES.--(A)

1 REIMBURSEMENT FOR CHILD WELFARE SERVICES [MADE] BY THE
2 DEPARTMENT TO COUNTIES DURING A FISCAL YEAR PURSUANT TO SECTION
3 704.1 SHALL NOT EXCEED THE FUNDS APPROPRIATED [EACH FISCAL
4 YEAR].

5 (A.1) REIMBURSEMENT FOR CHILD WELFARE SERVICES PROVIDED IN A
6 FISCAL YEAR SHALL BE APPROPRIATED OVER TWO FISCAL YEARS.

7 (B) THE ALLOCATION FOR EACH COUNTY PURSUANT TO SECTION
8 704.1 (A) SHALL BE CALCULATED BY MULTIPLYING THE SUM OF THE
9 SOCIAL SECURITY ACT (PUBLIC LAW 74-271, 42 U.S.C. § 301 ET SEQ.)
10 TITLE IV-B FUNDS AND STATE FUNDS APPROPRIATED TO REIMBURSE
11 COUNTIES PURSUANT TO SECTION 704.1 (A) BY A FRACTION, THE
12 NUMERATOR OF WHICH IS THE AMOUNT DETERMINED FOR THAT COUNTY'S
13 CHILD WELFARE NEEDS-BASED BUDGET AND THE DENOMINATOR IS THE
14 AGGREGATE CHILD WELFARE NEEDS-BASED BUDGET.

15 (C) IF THE SUM OF THE AMOUNTS APPROPRIATED FOR REIMBURSEMENT
16 UNDER [SECTION 704.1 (A)] SUBSECTION (A) DURING THE FISCAL YEAR
17 IS NOT AT LEAST EQUIVALENT TO THE AGGREGATE CHILD WELFARE NEEDS-
18 BASED BUDGET FOR THAT FISCAL YEAR:

19 (1) EACH COUNTY SHALL BE PROVIDED A PROPORTIONATE SHARE
20 ALLOCATION OF THAT APPROPRIATION CALCULATED BY MULTIPLYING THE
21 SUM OF THE AMOUNTS APPROPRIATED FOR REIMBURSEMENT UNDER [SECTION
22 704.1 (A)] SUBSECTION (A) BY A FRACTION, THE NUMERATOR OF WHICH
23 IS THE AMOUNT DETERMINED FOR THAT COUNTY'S CHILD WELFARE NEEDS-
24 BASED BUDGET AND THE DENOMINATOR IS THE AGGREGATE CHILD WELFARE
25 NEEDS-BASED BUDGET.

26 (2) NOTWITHSTANDING SUBSECTION (A), A COUNTY SHALL BE
27 ALLOWED REIMBURSEMENT BEYOND ITS PROPORTIONATE SHARE ALLOCATION
28 FOR THAT FISCAL YEAR FOR EXPENDITURES MADE IN ACCORDANCE WITH AN
29 APPROVED PLAN AND NEEDS-BASED BUDGET, BUT NOT ABOVE THAT AMOUNT
30 DETERMINED TO BE ITS NEEDS-BASED BUDGET.

1 (C.1) THE DEPARTMENT SHALL REIMBURSE COUNTIES WITH FUNDS
2 APPROPRIATED IN THE FISCAL YEAR IN WHICH THE DEPARTMENT IS TO
3 MAKE THE REIMBURSEMENT PAYMENT FOR CHILD WELFARE SERVICES ON THE
4 EARLIEST DATE UNDER SECTION 704.1. THE AGGREGATE REIMBURSEMENT
5 FOR CHILD WELFARE SERVICES PROVIDED DURING A FISCAL YEAR SHALL
6 NOT EXCEED THE AMOUNT SPECIFIED AS THE AGGREGATE CHILD WELFARE
7 NEEDS-BASED BUDGET ALLOCATION BY THE GENERAL ASSEMBLY AS
8 NECESSARY TO FUND CHILD WELFARE SERVICES IN THE GENERAL
9 APPROPRIATION ACT FOR THAT FISCAL YEAR.

10 (D) FOR THE PURPOSE OF THIS SECTION, AN APPROPRIATION SHALL
11 BE CONSIDERED EQUIVALENT TO THE AGGREGATE CHILD WELFARE NEEDS IF
12 IT IS EQUIVALENT TO THE RESULT OBTAINED BY CALCULATING THE
13 AGGREGATE CHILD WELFARE NEEDS MINUS THE COUNTY SHARE OF YOUTH
14 DEVELOPMENT CENTER COSTS AND MINUS THE SOCIAL SECURITY ACT TITLE
15 IV-B FUNDING, PROVIDED, HOWEVER, AN APPROPRIATION SHALL BE
16 DEEMED EQUIVALENT IF IT IS EQUAL TO EIGHTY-TWO PERCENT OF THE
17 RESULT IN 1991-1992, NINETY PERCENT OF THE RESULT IN 1992-1993
18 AND NINETY-FIVE PERCENT OF THE RESULT IN 1993-1994.

19 (E) THE DEPARTMENT SHALL, BY REGULATION, DEFINE ALLOWABLE
20 COSTS FOR AUTHORIZED CHILD WELFARE SERVICES, PROVIDED THAT NO
21 REGULATION RELATING TO ALLOWABLE COSTS SHALL BE ADOPTED AS AN
22 EMERGENCY REGULATION PURSUANT TO SECTION 6(B) OF THE ACT OF JUNE
23 25, 1982 (P.L.633, NO.181), KNOWN AS THE "REGULATORY REVIEW
24 ACT."

25 SECTION 11. ARTICLE VII-F OF THE ACT IS REPEALED:

26 [ARTICLE VIII-F

27 MEDICAID MANAGED CARE ORGANIZATION ASSESSMENTS

28 SECTION 801-F. DEFINITIONS.

29 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
30 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE

1 CONTEXT CLEARLY INDICATES OTHERWISE:

2 "ASSESSMENT PERCENTAGE." THE RATE ASSESSED PURSUANT TO THIS
3 ARTICLE ON EVERY MEDICAID MANAGED CARE ORGANIZATION.

4 "ASSESSMENT PERIOD." THE TIME PERIOD IDENTIFIED IN THE
5 CONTRACT.

6 "ASSESSMENT PROCEEDS." THE STATE REVENUE COLLECTED FROM THE
7 ASSESSMENT PROVIDED FOR IN THIS ARTICLE, ANY FEDERAL FUNDS
8 RECEIVED BY THE COMMONWEALTH AS A DIRECT RESULT OF THE
9 ASSESSMENT AND ANY PENALTIES AND INTEREST RECEIVED UNDER SECTION
10 810-F.

11 "CONTRACT." THE AGREEMENT BETWEEN A MEDICAID MANAGED CARE
12 ORGANIZATION AND THE DEPARTMENT OF PUBLIC WELFARE.

13 "COUNTY MEDICAID MANAGED CARE ORGANIZATION." A COUNTY, OR AN
14 ENTITY ORGANIZED AND CONTROLLED DIRECTLY OR INDIRECTLY BY A
15 COUNTY OR A CITY OF THE FIRST CLASS, THAT IS A PARTY TO A
16 MEDICAID MANAGED CARE CONTRACT WITH THE DEPARTMENT OF PUBLIC
17 WELFARE.

18 "DEPARTMENT." THE DEPARTMENT OF PUBLIC WELFARE OF THE
19 COMMONWEALTH.

20 "MEDICAID." THE PROGRAM ESTABLISHED UNDER TITLE XIX OF THE
21 SOCIAL SECURITY ACT (49 STAT. 620, 42 U.S.C. § 1396 ET SEQ.).

22 "MEDICAID MANAGED CARE ORGANIZATION." A MEDICAID MANAGED
23 CARE ORGANIZATION AS DEFINED IN SECTION 1903(M)(1)(A) OF THE
24 SOCIAL SECURITY ACT (49 STAT. 620, 42 U.S.C. § 1396B(M)(1)(A))
25 THAT IS A PARTY TO A MEDICAID MANAGED CARE CONTRACT WITH THE
26 DEPARTMENT OF PUBLIC WELFARE. THE TERM SHALL INCLUDE A COUNTY
27 MEDICAID MANAGED CARE ORGANIZATION AND A PERMITTED ASSIGNEE OF A
28 MEDICAID MANAGED CARE CONTRACT BUT SHALL NOT INCLUDE AN ASSIGNOR
29 OF A MEDICAID MANAGED CARE CONTRACT.

30 "SECRETARY." THE SECRETARY OF PUBLIC WELFARE OF THE

1 COMMONWEALTH.

2 "SOCIAL SECURITY ACT." 49 STAT. 620, 42 U.S.C. § 301 ET SEQ.
3 SECTION 802-F. AUTHORIZATION.

4 THE DEPARTMENT SHALL IMPLEMENT AN ASSESSMENT ON EACH MEDICAID
5 MANAGED CARE ORGANIZATION, SUBJECT TO THE CONDITIONS AND
6 REQUIREMENTS SPECIFIED IN THIS ARTICLE.

7 SECTION 803-F. IMPLEMENTATION.

8 THE ASSESSMENT SHALL BE IMPLEMENTED ON AN ANNUAL BASIS,
9 THROUGH PERIODIC SUBMISSIONS NOT TO EXCEED FIVE TIMES PER YEAR
10 BY MEDICAID MANAGED CARE ORGANIZATIONS, AS A HEALTH CARE-RELATED
11 FEE AS DEFINED IN SECTION 1903(W) (3) (B) OF THE SOCIAL SECURITY
12 ACT, OR ANY AMENDMENTS THERETO, AND MAY BE IMPOSED AND IS
13 REQUIRED TO BE PAID ONLY TO THE EXTENT THAT THE REVENUES
14 GENERATED FROM THE ASSESSMENT QUALIFY AS THE STATE SHARE OF
15 PROGRAM EXPENDITURES ELIGIBLE FOR FEDERAL FINANCIAL
16 PARTICIPATION.

17 SECTION 804-F. ASSESSMENT PERCENTAGE.

18 (A) AMOUNT.--THE ASSESSMENT PERCENTAGE SHALL BE UNIFORM FOR
19 ALL MEDICAID MANAGED CARE ORGANIZATIONS, DETERMINED IN
20 ACCORDANCE WITH THIS SECTION AND IMPLEMENTED BY THE DEPARTMENT
21 AS APPROVED BY THE GOVERNOR AFTER NOTIFICATION TO AND IN
22 CONSULTATION WITH THE MEDICAID MANAGED CARE ORGANIZATIONS. THE
23 ASSESSMENT PERCENTAGE SHALL BE SUBJECT TO THE MAXIMUM AGGREGATE
24 AMOUNT THAT MAY BE ASSESSED PURSUANT TO 42 CFR 433.68 (F) (3) (I)
25 (RELATING TO PERMISSIBLE HEALTH CARE-RELATED TAXES) OR ANY
26 SUBSEQUENT MAXIMUM ESTABLISHED BY FEDERAL LAW.

27 (B) NOTICE.--SUBJECT TO THE PROVISIONS OF SUBSECTION (C),
28 THE DEPARTMENT SHALL NOTIFY EACH MEDICAID MANAGED CARE
29 ORGANIZATION OF A PROPOSED ASSESSMENT PERCENTAGE. MEDICAID
30 MANAGED CARE ORGANIZATIONS SHALL HAVE 30 DAYS FROM THE DATE OF

1 THE PROPOSED ASSESSMENT PERCENTAGE NOTICE TO PROVIDE WRITTEN
2 COMMENTS TO THE DEPARTMENT REGARDING THE PROPOSED ASSESSMENT.
3 UPON EXPIRATION OF THE 30-DAY COMMENT PERIOD, THE DEPARTMENT,
4 AFTER CONSIDERATION OF THE COMMENTS, SHALL PROVIDE EACH MEDICAID
5 MANAGED CARE ORGANIZATION WITH A SECOND NOTICE ANNOUNCING THE
6 ASSESSMENT PERCENTAGE. ONCE EFFECTIVE, AN ASSESSMENT PERCENTAGE
7 WILL REMAIN IN EFFECT UNTIL THE DEPARTMENT NOTIFIES EACH
8 MEDICAID MANAGED CARE ORGANIZATION OF A NEW ASSESSMENT
9 PERCENTAGE IN ACCORDANCE WITH THE NOTICE PROVISIONS CONTAINED IN
10 THIS SECTION.

11 (C) INITIAL ASSESSMENT.--THE INITIAL ASSESSMENT PERCENTAGE
12 MAY BE IMPOSED RETROACTIVELY TO THE BEGINNING OF AN ASSESSMENT
13 PERIOD BEGINNING ON OR AFTER JULY 1, 2004. ONCE EFFECTIVE, THE
14 INITIAL ASSESSMENT PERCENTAGE WILL REMAIN IN EFFECT UNTIL THE
15 DEPARTMENT NOTIFIES EACH MEDICAID MANAGED CARE ORGANIZATION OF A
16 NEW ASSESSMENT PERCENTAGE IN ACCORDANCE WITH THE NOTICE
17 PROVISIONS CONTAINED IN THIS SECTION.

18 SECTION 805-F. CALCULATION AND PAYMENT.

19 USING THE ASSESSMENT PERCENTAGE ESTABLISHED UNDER SECTION
20 804-F, EACH MEDICAID MANAGED CARE ORGANIZATION SHALL CALCULATE
21 THE ASSESSMENT AMOUNT FOR EACH ASSESSMENT PERIOD ON A REPORT
22 FORM SPECIFIED BY THE CONTRACT AND SHALL SUBMIT THE COMPLETED
23 REPORT FORM AND TOTAL AMOUNT OWED TO THE DEPARTMENT ON A DUE
24 DATE SPECIFIED BY THE CONTRACT. THE MEDICAID MANAGED CARE
25 ORGANIZATION SHALL REPORT NET OPERATING REVENUE FOR PURPOSES OF
26 THE ASSESSMENT CALCULATION AS SPECIFIED IN THE CONTRACT.

27 SECTION 806-F. USE OF ASSESSMENT PROCEEDS.

28 NO MEDICAID MANAGED CARE ORGANIZATION SHALL BE GUARANTEED A
29 REPAYMENT OF ITS ASSESSMENT IN DEROGATION OF 42 CFR 433.68 (F)
30 (RELATING TO PERMISSIBLE HEALTH CARE-RELATED TAXES), PROVIDED,

1 HOWEVER, IN EACH FISCAL YEAR IN WHICH AN ASSESSMENT IS
2 IMPLEMENTED, THE DEPARTMENT SHALL USE THE ASSESSMENT PROCEEDS TO
3 MAINTAIN ACTUARIALLY SOUND RATES AS DEFINED IN THE CONTRACT FOR
4 THE MEDICAID MANAGED CARE ORGANIZATIONS TO THE EXTENT
5 PERMISSIBLE UNDER FEDERAL AND STATE LAW OR REGULATION AND
6 WITHOUT CREATING A GUARANTEE TO HOLD HARMLESS, AS THOSE TERMS
7 ARE USED IN 42 CFR 433.68 (F).

8 SECTION 807-F. RECORDS.

9 UPON WRITTEN REQUEST BY THE DEPARTMENT, A MEDICAID MANAGED
10 CARE ORGANIZATION SHALL FURNISH TO THE DEPARTMENT SUCH RECORDS
11 AS THE DEPARTMENT MAY SPECIFY IN ORDER TO DETERMINE THE AMOUNT
12 OF ASSESSMENT DUE FROM THE MEDICAID MANAGED CARE ORGANIZATION OR
13 TO VERIFY THAT THE MEDICAID MANAGED CARE ORGANIZATION HAS
14 CALCULATED AND PAID THE CORRECT AMOUNT DUE. THE REQUESTED
15 RECORDS SHALL BE PROVIDED TO THE DEPARTMENT WITHIN 30 DAYS FROM
16 THE DATE OF THE MEDICAID MANAGED CARE ORGANIZATION'S RECEIPT OF
17 THE WRITTEN REQUEST UNLESS REQUIRED AT AN EARLIER DATE FOR
18 PURPOSES OF THE DEPARTMENT'S COMPLIANCE WITH A REQUEST FROM A
19 FEDERAL OR ANOTHER STATE AGENCY.

20 SECTION 808-F. PAYMENT OF ASSESSMENT.

21 IN THE EVENT THAT THE DEPARTMENT DETERMINES THAT A MEDICAID
22 MANAGED CARE ORGANIZATION HAS FAILED TO PAY AN ASSESSMENT OR
23 THAT IT HAS UNDERPAID AN ASSESSMENT, THE DEPARTMENT SHALL
24 PROVIDE WRITTEN NOTIFICATION TO THE MEDICAID MANAGED CARE
25 ORGANIZATION WITHIN 180 DAYS OF THE ORIGINAL DUE DATE OF THE
26 AMOUNT DUE, INCLUDING INTEREST, AND THE DATE ON WHICH THE AMOUNT
27 DUE MUST BE PAID, WHICH SHALL NOT BE LESS THAN 30 DAYS FROM THE
28 DATE OF THE NOTICE. IN THE EVENT THAT THE DEPARTMENT DETERMINES
29 THAT A MEDICAID MANAGED CARE ORGANIZATION HAS OVERPAID AN
30 ASSESSMENT, THE DEPARTMENT SHALL NOTIFY THE MEDICAID MANAGED

1 CARE ORGANIZATION IN WRITING OF THE OVERPAYMENT, AND, WITHIN 30
2 DAYS OF THE DATE OF THE NOTICE OF THE OVERPAYMENT, THE MEDICAID
3 MANAGED CARE ORGANIZATION SHALL ADVISE THE DEPARTMENT TO EITHER
4 AUTHORIZE A REFUND OF THE AMOUNT OF THE OVERPAYMENT OR OFFSET
5 THE AMOUNT OF THE OVERPAYMENT AGAINST ANY AMOUNT THAT MAY BE
6 OWED TO THE DEPARTMENT BY THE MEDICAID MANAGED CARE
7 ORGANIZATION.

8 SECTION 809-F. APPEAL RIGHTS.

9 A MEDICAID MANAGED CARE ORGANIZATION THAT IS AGGRIEVED BY A
10 DETERMINATION OF THE DEPARTMENT RELATING TO THE ASSESSMENT MAY
11 FILE A REQUEST FOR REVIEW OF THE DECISION OF THE DEPARTMENT BY
12 THE BUREAU OF HEARINGS AND APPEALS WITHIN THE DEPARTMENT, WHICH
13 SHALL HAVE EXCLUSIVE PRIMARY JURISDICTION IN SUCH MATTERS. THE
14 PROCEDURES AND REQUIREMENTS OF 67 PA.C.S. CH. 11 (RELATING TO
15 MEDICAL ASSISTANCE HEARINGS AND APPEALS) SHALL APPLY TO REQUESTS
16 FOR REVIEW FILED PURSUANT TO THIS SECTION EXCEPT THAT, IN ANY
17 SUCH REQUEST FOR REVIEW, A MEDICAID MANAGED CARE ORGANIZATION
18 MAY NOT CHALLENGE THE ASSESSMENT PERCENTAGE DETERMINED BY THE
19 DEPARTMENT PURSUANT TO SECTION 804-F.

20 SECTION 810-F. ENFORCEMENT.

21 IN ADDITION TO ANY OTHER REMEDY PROVIDED BY LAW, THE
22 DEPARTMENT MAY ENFORCE THIS ARTICLE BY IMPOSING ONE OR MORE OF
23 THE FOLLOWING REMEDIES:

24 (1) WHEN A MEDICAID MANAGED CARE ORGANIZATION FAILS TO
25 PAY AN ASSESSMENT OR PENALTY IN THE AMOUNT OR ON THE DATE
26 REQUIRED BY THIS ARTICLE, THE DEPARTMENT MAY ADD INTEREST AT
27 THE RATE PROVIDED IN SECTION 806 OF THE ACT OF APRIL 9, 1929
28 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE, TO THE UNPAID
29 AMOUNT OF THE ASSESSMENT OR PENALTY FROM THE DATE PRESCRIBED
30 FOR ITS PAYMENT UNTIL THE DATE IT IS PAID.

1 (2) WHEN A MEDICAID MANAGED CARE ORGANIZATION FAILS TO
2 SUBMIT A REPORT FORM CONCERNING THE CALCULATION OF THE
3 ASSESSMENT OR TO FURNISH RECORDS TO THE DEPARTMENT AS
4 REQUIRED BY THIS ARTICLE, THE DEPARTMENT MAY IMPOSE A PENALTY
5 AGAINST THE MEDICAID MANAGED CARE ORGANIZATION IN THE AMOUNT
6 OF \$1,000 PER DAY FOR EACH DAY THE REPORT FORM OR REQUIRED
7 RECORDS ARE NOT SUBMITTED OR FURNISHED TO THE DEPARTMENT. IF
8 THE \$1,000 PER DAY PENALTY IS IMPOSED, IT SHALL COMMENCE ON
9 THE FIRST DAY AFTER THE DATE FOR WHICH A REPORT FORM OR
10 RECORDS ARE DUE.

11 (3) WHEN A MEDICAID MANAGED CARE ORGANIZATION FAILS TO
12 PAY ALL OR PART OF AN ASSESSMENT OR PENALTY WITHIN 30 DAYS OF
13 THE DATE THAT PAYMENT IS DUE, THE DEPARTMENT MAY DEDUCT THE
14 UNPAID ASSESSMENT OR PENALTY AND ANY INTEREST OWED FROM ANY
15 CAPITATION PAYMENTS DUE TO THE MEDICAID MANAGED CARE
16 ORGANIZATION UNTIL THE FULL AMOUNT IS RECOVERED. ANY
17 DEDUCTION SHALL BE MADE ONLY AFTER WRITTEN NOTICE TO THE
18 MEDICAID MANAGED CARE ORGANIZATION.

19 (4) UPON WRITTEN REQUEST BY A MEDICAID MANAGED CARE
20 ORGANIZATION TO THE SECRETARY, THE SECRETARY MAY WAIVE ALL OR
21 PART OF THE INTEREST OR PENALTIES ASSESSED AGAINST A MEDICAID
22 MANAGED CARE ORGANIZATION PURSUANT TO THIS ARTICLE FOR GOOD
23 CAUSE AS SHOWN BY THE MEDICAID MANAGED CARE ORGANIZATION.

24 SECTION 811-F. TIME PERIODS.

25 THE ASSESSMENT AUTHORIZED IN THIS ARTICLE SHALL NOT BE
26 IMPOSED OR PAID PRIOR TO JULY 1, 2004, OR IN THE ABSENCE OF
27 FEDERAL FINANCIAL PARTICIPATION AS DESCRIBED IN SECTION 803-F.
28 THE ASSESSMENT SHALL CEASE ON JUNE 30, 2013, OR EARLIER IF
29 REQUIRED BY LAW.]

30 SECTION 12. THE DEFINITIONS OF "EXEMPT HOSPITAL" AND "NET

1 INPATIENT REVENUE" IN SECTION 801-G OF THE ACT, REENACTED AND
2 AMENDED JULY 9, 2013 (P.L.369, NO.55), ARE AMENDED TO READ:
3 SECTION 801-G. DEFINITIONS.

4 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
5 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
6 CONTEXT CLEARLY INDICATES OTHERWISE:

7 * * *

8 "EXEMPT HOSPITAL." ANY OF THE FOLLOWING:

9 (1) A FEDERAL VETERANS' AFFAIRS HOSPITAL.

10 (2) A HOSPITAL THAT PROVIDES CARE, INCLUDING INPATIENT
11 HOSPITAL SERVICES, TO ALL PATIENTS FREE OF CHARGE.

12 (3) A PRIVATE PSYCHIATRIC HOSPITAL.

13 (4) A STATE-OWNED PSYCHIATRIC HOSPITAL.

14 (5) A CRITICAL ACCESS HOSPITAL.

15 (6) A LONG-TERM ACUTE CARE HOSPITAL.

16 (7) A FREE-STANDING ACUTE CARE HOSPITAL ORGANIZED
17 PRIMARILY FOR THE TREATMENT OF AND RESEARCH ON CANCER IN
18 WHICH AT LEAST 30% OF THE INPATIENT ADMISSIONS HAD CANCER AS
19 THE PRINCIPAL DIAGNOSIS BASED ON PENNSYLVANIA HEALTH CARE
20 COST CONTAINMENT COUNCIL CY 2014 INPATIENT DISCHARGE DATA.
21 FOR THE PURPOSES OF MEETING THIS DEFINITION, ONLY DISCHARGES
22 WITH ICD-9-CM PRINCIPAL DIAGNOSES CODES OF 140 THROUGH 239,
23 V58.0, V58.1, V66.1, V66.2 OR 990 ARE CONSIDERED.

24 * * *

25 "NET INPATIENT REVENUE." GROSS CHARGES FOR FACILITIES FOR
26 INPATIENT SERVICES LESS ANY DEDUCTED AMOUNTS FOR BAD DEBT
27 EXPENSE, CHARITY CARE EXPENSE AND CONTRACTUAL ALLOWANCES AS
28 REPORTED ON FORMS SPECIFIED BY THE DEPARTMENT AND:

29 (1) AS IDENTIFIED IN THE HOSPITAL'S RECORDS FOR THE
30 STATE FISCAL YEAR COMMENCING JULY 1, 2010, OR SUCH LATER

1 STATE FISCAL YEAR, AS MAY BE SPECIFIED BY THE DEPARTMENT FOR
2 USE IN DETERMINING AN ANNUAL ASSESSMENT AMOUNT OWED ON OR
3 AFTER JULY 1, 2016; OR

4 (2) AS IDENTIFIED IN THE HOSPITAL'S RECORDS FOR THE MOST
5 RECENT STATE FISCAL YEAR, OR PART THEREOF, IF AMOUNTS ARE NOT
6 AVAILABLE UNDER PARAGRAPH (1).

7 * * *

8 SECTION 13. SECTIONS 803-G(B) AND (C) AND 804-G(A.1) AND (B)
9 OF THE ACT, REENACTED AND AMENDED JULY 9, 2013 (P.L.369, NO.55),
10 ARE AMENDED TO READ:

11 SECTION 803-G. IMPLEMENTATION.

12 * * *

13 (B) ASSESSMENT PERCENTAGE.--SUBJECT TO SUBSECTION (C), EACH
14 COVERED HOSPITAL SHALL BE ASSESSED AS FOLLOWS:

15 (1) FOR FISCAL YEAR 2010-2011, EACH COVERED HOSPITAL
16 SHALL BE ASSESSED AN AMOUNT EQUAL TO 2.69% OF THE NET
17 INPATIENT REVENUE OF THE COVERED HOSPITAL; [AND]

18 (2) FOR FISCAL YEARS 2011-2012, 2012-2013, 2013-2014[,]
19 AND 2014-2015 [AND 2015-2016], AN AMOUNT EQUAL TO 3.22% OF
20 THE NET INPATIENT REVENUE OF THE COVERED HOSPITAL[.]; AND

21 (3) FOR FISCAL YEARS 2015-2016, 2016-2017 AND 2017-2018,
22 AN AMOUNT EQUAL TO 3.71% OF THE NET INPATIENT REVENUE OF THE
23 COVERED HOSPITAL.

24 (C) ADJUSTMENTS TO ASSESSMENT PERCENTAGE.--THE SECRETARY MAY
25 ADJUST THE ASSESSMENT PERCENTAGE SPECIFIED IN SUBSECTION (B),
26 PROVIDED THAT, BEFORE [ADJUSTING] IMPLEMENTING AN ADJUSTMENT,
27 THE SECRETARY SHALL PUBLISH A NOTICE IN THE PENNSYLVANIA
28 BULLETIN THAT SPECIFIES THE PROPOSED ASSESSMENT PERCENTAGE AND
29 IDENTIFIES THE AGGREGATE IMPACT ON COVERED HOSPITALS SUBJECT TO
30 THE ASSESSMENT. INTERESTED PARTIES SHALL HAVE 30 DAYS IN WHICH

1 TO SUBMIT COMMENTS TO THE SECRETARY. UPON EXPIRATION OF THE 30-
2 DAY COMMENT PERIOD, THE SECRETARY, AFTER CONSIDERATION OF THE
3 COMMENTS, SHALL PUBLISH A SECOND NOTICE IN THE PENNSYLVANIA
4 BULLETIN ANNOUNCING THE ASSESSMENT PERCENTAGE.

5 (C.1) REBASING NET INPATIENT REVENUE AMOUNTS.--FOR PURPOSES
6 OF CALCULATING THE ANNUAL ASSESSMENT AMOUNT OWED ON OR AFTER
7 JULY 1, 2016, THE SECRETARY MAY REQUIRE THE USE OF NET INPATIENT
8 REVENUE AMOUNTS AS IDENTIFIED IN THE RECORDS OF COVERED
9 HOSPITALS FOR A STATE FISCAL YEAR COMMENCING ON OR AFTER JULY 1,
10 2011. IF THE SECRETARY DECIDES THAT THE NET INPATIENT REVENUE
11 AMOUNTS SHOULD BE REBASED, THE SECRETARY SHALL PUBLISH A NOTICE
12 IN THE PENNSYLVANIA BULLETIN SPECIFYING THE STATE FISCAL YEAR
13 FOR WHICH THE NET INPATIENT REVENUE AMOUNTS WILL BE USED AT
14 LEAST 30 DAYS PRIOR TO THE DATE ON WHICH AN ASSESSMENT AMOUNT
15 CALCULATED WITH THOSE REBASED AMOUNTS IS DUE TO BE PAID TO THE
16 DEPARTMENT.

17 * * *

18 SECTION 804-G. ADMINISTRATION.

19 * * *

20 (A.1) CALCULATION OF ASSESSMENT WITH CHANGES OF OWNERSHIP.--

21 (1) IF A SINGLE COVERED HOSPITAL CHANGES OWNERSHIP OR
22 CONTROL, THE DEPARTMENT WILL CONTINUE TO CALCULATE THE
23 ASSESSMENT AMOUNT USING THE HOSPITAL'S NET INPATIENT REVENUE
24 FOR:

25 (I) STATE FISCAL YEAR 2010-2011 [OR FOR]; OR
26 (II) FOR A CHANGE ON OR AFTER JULY 1, 2016, THE
27 LATER STATE FISCAL YEAR, IF ANY, THAT HAS BEEN SPECIFIED
28 BY THE SECRETARY FOR USE IN DETERMINING THE ASSESSMENT
29 AMOUNTS DUE FOR THE FISCAL YEAR IN WHICH THE CHANGE
30 OCCURS; OR

1 (III) THE MOST RECENT STATE FISCAL YEAR, OR PART
2 THEREOF, IF THE [STATE FISCAL YEAR 2010-2011] NET
3 INPATIENT REVENUE AMOUNTS SPECIFIED IN SUBPARAGRAPHS (I)
4 AND (II) ARE NOT AVAILABLE. THE COVERED HOSPITAL IS
5 LIABLE FOR ANY OUTSTANDING ASSESSMENT AMOUNTS, INCLUDING
6 OUTSTANDING AMOUNTS RELATED TO PERIODS PRIOR TO THE
7 CHANGE OF OWNERSHIP OR CONTROL.

8 (2) IF TWO OR MORE HOSPITALS MERGE OR CONSOLIDATE INTO A
9 SINGLE COVERED HOSPITAL AS A RESULT OF A CHANGE IN OWNERSHIP
10 OR CONTROL, THE DEPARTMENT WILL CALCULATE THE [COVERED
11 HOSPITAL] ASSESSMENT AMOUNT OWED BY THE SINGLE COVERED
12 HOSPITAL RESULTING FROM THE MERGER OR CONSOLIDATION USING THE
13 MERGED OR CONSOLIDATED HOSPITALS' COMBINED NET INPATIENT
14 REVENUE FOR:

15 (I) STATE FISCAL YEAR 2010-2011 [OR FOR]; OR

16 (II) FOR A MERGER OR CONSOLIDATION ON OR AFTER JULY
17 1, 2016, THE LATER STATE FISCAL YEAR, IF ANY, THAT HAS
18 BEEN SPECIFIED BY THE SECRETARY FOR USE IN DETERMINING
19 THE ASSESSMENT AMOUNTS DUE FOR THE FISCAL YEAR IN WHICH
20 THE MERGER OR CONSOLIDATION OCCURS; OR

21 (III) THE MOST RECENT STATE FISCAL YEAR, OR PART
22 THEREOF, IF THE [STATE FISCAL YEAR 2010-2011] NET
23 INPATIENT REVENUE AMOUNTS SPECIFIED IN SUBPARAGRAPHS (I)
24 AND (II) ARE NOT AVAILABLE, OF ANY COVERED HOSPITALS THAT
25 WERE MERGED OR CONSOLIDATED INTO THE SINGLE COVERED
26 HOSPITAL. THE SINGLE COVERED HOSPITAL IS LIABLE FOR ANY
27 OUTSTANDING ASSESSMENT AMOUNTS, INCLUDING OUTSTANDING
28 AMOUNTS RELATED TO PERIODS PRIOR TO THE CHANGE OF
29 OWNERSHIP OR CONTROL, OF ANY COVERED HOSPITAL THAT WAS
30 MERGED OR CONSOLIDATED.

1 * * *

2 (B) PAYMENT.--A COVERED HOSPITAL SHALL PAY THE ASSESSMENT
3 AMOUNT DUE FOR A FISCAL YEAR IN FOUR QUARTERLY INSTALLMENTS.
4 PAYMENT OF A QUARTERLY INSTALLMENT SHALL BE MADE ELECTRONICALLY
5 ON OR BEFORE THE FIRST DAY OF THE SECOND MONTH OF THE QUARTER OR
6 30 DAYS FROM THE DATE OF THE NOTICE OF THE QUARTERLY ASSESSMENT
7 AMOUNT, WHICHEVER DAY IS LATER.

8 * * *

9 SECTION 14. SECTIONS 805-G AND 815-G OF THE ACT, REENACTED
10 AND AMENDED JULY 9, 2013 (P.L.369, NO.55), ARE AMENDED TO READ:
11 SECTION 805-G. RESTRICTED ACCOUNT.

12 (A) ESTABLISHMENT.--THERE IS ESTABLISHED A RESTRICTED
13 ACCOUNT, KNOWN AS THE QUALITY CARE ASSESSMENT ACCOUNT, IN THE
14 GENERAL FUND FOR THE RECEIPT AND DEPOSIT OF REVENUES COLLECTED
15 UNDER THIS ARTICLE. FUNDS IN THE ACCOUNT ARE APPROPRIATED TO THE
16 DEPARTMENT FOR THE FOLLOWING:

17 (1) MAKING MEDICAL ASSISTANCE PAYMENTS TO HOSPITALS FOR
18 INPATIENT SERVICES IN ACCORDANCE WITH SECTION 443.1(1.1), AND
19 OUTPATIENT SERVICES, INCLUDING FOR OBSERVATION SERVICES IN
20 ACCORDANCE WITH SECTION 443.3(A)(1.1), AND AS OTHERWISE
21 SPECIFIED IN THE COMMONWEALTH'S APPROVED TITLE XIX STATE
22 PLAN.

23 (2) MAKING ADJUSTED CAPITATION PAYMENTS TO MEDICAL
24 ASSISTANCE MANAGED CARE ORGANIZATIONS FOR ADDITIONAL PAYMENTS
25 FOR INPATIENT HOSPITAL SERVICES IN ACCORDANCE WITH SECTION
26 443.1(1.2), (1.3) AND (1.4) AND OUTPATIENT SERVICES.

27 (3) ANY OTHER PURPOSE APPROVED BY THE SECRETARY FOR
28 INPATIENT HOSPITAL, OUTPATIENT HOSPITAL AND HOSPITAL-RELATED
29 SERVICES.

30 (B) LIMITATIONS.--

1 (1) FOR THE FIRST YEAR OF THE ASSESSMENT, THE AMOUNT
2 USED FOR THE MEDICAL ASSISTANCE PAYMENTS FOR HOSPITALS AND
3 MEDICAID MANAGED CARE ORGANIZATIONS MAY NOT EXCEED THE
4 AGGREGATE AMOUNT OF ASSESSMENT FUNDS COLLECTED FOR THE YEAR
5 LESS \$121,000,000.

6 (2) FOR THE SECOND YEAR OF THE ASSESSMENT, THE AMOUNT
7 USED FOR THE MEDICAL ASSISTANCE PAYMENTS FOR HOSPITALS AND
8 MEDICAL ASSISTANCE MANAGED CARE ORGANIZATIONS MAY NOT EXCEED
9 THE AGGREGATE AMOUNT OF ASSESSMENT FUNDS COLLECTED FOR THE
10 YEAR LESS \$109,000,000.

11 (4) FOR THE THIRD YEAR OF THE ASSESSMENT, THE AMOUNT
12 USED FOR THE MEDICAL ASSISTANCE PAYMENT FOR HOSPITALS AND
13 MEDICAL ASSISTANCE MANAGED CARE ORGANIZATIONS MAY NOT EXCEED
14 THE AGGREGATE AMOUNT OF THE ASSESSMENT FUNDS COLLECTED FOR
15 THE YEAR LESS \$109,000,000.

16 (4.1) FOR STATE FISCAL YEARS 2013-2014 AND 2014-2015,
17 THE AMOUNT USED FOR THE MEDICAL ASSISTANCE PAYMENT FOR
18 HOSPITALS AND MEDICAL ASSISTANCE MANAGED CARE ORGANIZATIONS
19 MAY NOT EXCEED THE AGGREGATE AMOUNT OF THE ASSESSMENT FUNDS
20 COLLECTED FOR THE YEAR LESS \$150,000,000.

21 (4.2) FOR STATE FISCAL [YEAR] YEARS 2015-2016, 2016-2017
22 AND 2017-2018, THE AMOUNT USED FOR THE MEDICAL ASSISTANCE
23 PAYMENT FOR HOSPITALS AND MEDICAL ASSISTANCE MANAGED CARE
24 ORGANIZATIONS MAY NOT EXCEED THE AGGREGATE AMOUNT OF THE
25 ASSESSMENT FUNDS COLLECTED FOR THE YEAR LESS [\$140,000,000]
26 \$220,000,000.

27 (5) THE AMOUNTS RETAINED BY THE DEPARTMENT PURSUANT TO
28 PARAGRAPHS (1), (2), (4), (4.1) AND (4.2) AND ANY ADDITIONAL
29 AMOUNTS REMAINING IN THE RESTRICTED ACCOUNTS AFTER THE
30 PAYMENTS DESCRIBED IN SUBSECTION (A) (1) AND (2) ARE MADE

1 SHALL BE USED FOR PURPOSES APPROVED BY THE SECRETARY UNDER
2 SUBSECTION (A) (3) .

3 (C) LAPSE.--FUNDS IN THE QUALITY CARE ASSESSMENT ACCOUNT
4 SHALL NOT LAPSE TO THE GENERAL FUND AT THE END OF A FISCAL YEAR.
5 IF THIS ARTICLE EXPIRES, THE DEPARTMENT SHALL USE ANY REMAINING
6 FUNDS FOR THE PURPOSES STATED IN THIS SECTION UNTIL THE FUNDS IN
7 THE QUALITY CARE ASSESSMENT ACCOUNT ARE EXHAUSTED.

8 SECTION 815-G. EXPIRATION.

9 [THIS] THE ASSESSMENT UNDER THIS ARTICLE SHALL EXPIRE JUNE
10 30, [2016] 2018.

11 SECTION 15. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

12 ARTICLE VIII-I

13 MANAGED CARE ORGANIZATION ASSESSMENTS

14 SECTION 801-I. DEFINITIONS.

15 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
16 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
17 CONTEXT CLEARLY INDICATES OTHERWISE:

18 "ASSESSMENT PROCEEDS." THE STATE REVENUE COLLECTED FROM THE
19 ASSESSMENT PROVIDED FOR UNDER THIS ARTICLE, ANY FEDERAL FUNDS
20 RECEIVED BY THE COMMONWEALTH AS A DIRECT RESULT OF THE
21 ASSESSMENT AND ANY PENALTIES AND INTEREST RECEIVED.

22 "CHILDREN'S HEALTH INSURANCE PROGRAM" OR "CHIP." THE
23 CHILDREN'S HEALTH CARE PROGRAM UNDER ARTICLE XXIII OF THE ACT OF
24 MAY 17, 1921 (P.L.682, NO.284), KNOWN AS THE INSURANCE COMPANY
25 LAW OF 1921.

26 "CONTRACT." THE AGREEMENT BETWEEN A MEDICAID MANAGED CARE
27 ORGANIZATION AND THE DEPARTMENT.

28 "COUNTY MEDICAID MANAGED CARE ORGANIZATION." A COUNTY, OR AN
29 ENTITY ORGANIZED AND CONTROLLED DIRECTLY OR INDIRECTLY BY A
30 COUNTY OR A CITY OF THE FIRST CLASS, THAT IS A PARTY TO A

1 MEDICAID MANAGED CARE CONTRACT WITH THE DEPARTMENT.

2 "DEPARTMENT." THE DEPARTMENT OF HUMAN SERVICES OF THE
3 COMMONWEALTH.

4 "FIXED FEE." THE ASSESSMENT AMOUNT IMPOSED ON A PER MEMBER
5 PER MONTH BASIS AS SPECIFIED UNDER SECTION 803-I(B).

6 "INSURANCE DEPARTMENT." THE INSURANCE DEPARTMENT OF THE
7 COMMONWEALTH.

8 "MANAGED CARE ORGANIZATION." A MEDICAID MANAGED CARE
9 ORGANIZATION OR A MANAGED CARE SERVICE ENTITY.

10 "MANAGED CARE SERVICE ENTITY." AN ENTITY, OTHER THAN A
11 MEDICAID MANAGED CARE ORGANIZATION, THAT:

12 (1) IS A MANAGED CARE PLAN AS DEFINED IN THE ACT OF JUNE
13 17, 1998 (P.L.464, NO.68).

14 (2) (I) PROVIDES MANAGED HEALTH CARE COVERAGE THROUGH A
15 STATE PROGRAM FOR PERSONS OF LOW INCOME OR THROUGH CHIP; AND

16 (II) IS OBLIGATED TO COMPLY WITH THE REQUIREMENTS OF
17 THE ACT OF JUNE 17, 1998 (P.L.464, NO.68).

18 "MEDICAID." THE PROGRAM ESTABLISHED UNDER TITLE XIX OF THE
19 SOCIAL SECURITY ACT (49 STAT. 620, 42 U.S.C. § 1396 ET SEQ.).

20 "MEDICAID MANAGED CARE ORGANIZATION." A MEDICAID MANAGED
21 CARE ORGANIZATION AS DEFINED IN SECTION 1903(M)(1)(A) OF THE
22 SOCIAL SECURITY ACT (49 STAT. 620, 42 U.S.C. § 1396B(M)(1)(A))
23 THAT IS A PARTY TO A CONTRACT WITH THE DEPARTMENT. THE TERM
24 INCLUDES A COUNTY MEDICAID MANAGED CARE ORGANIZATION AND A
25 PERMITTED ASSIGNEE OF A CONTRACT. THE TERM DOES NOT INCLUDE AN
26 ASSIGNOR OF A CONTRACT.

27 "MEMBER." A POLICYHOLDER, SUBSCRIBER, COVERED PERSON OR
28 OTHER INDIVIDUAL WHO IS ENROLLED TO RECEIVE HEALTH CARE SERVICES
29 THROUGH A CONTRACT OR FROM A MANAGED CARE SERVICES ENTITY. THE
30 TERM SHALL NOT INCLUDE INDIVIDUALS WHO RECEIVE HEALTH CARE

1 SERVICES UNDER ANY OF THE FOLLOWING:

2 (1) A MEDICARE ADVANTAGE PLAN.

3 (2) A TRICARE OR OTHER HEALTH CARE PLAN PROVIDED THROUGH
4 THE CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED
5 SERVICES (CHAMPUS) AS DEFINED UNDER 10 U.S.C. § 1072.

6 (3) A HEALTH CARE PLAN PROVIDED THROUGH THE FEDERAL
7 EMPLOYEES HEALTH BENEFITS PROGRAM ESTABLISHED UNDER THE
8 FEDERAL EMPLOYEES HEALTH BENEFIT ACT (5 U.S.C. CH. 89
9 (RELATING TO HEALTH INSURANCE)).

10 "PROGRAM." THE COMMONWEALTH'S MEDICAL ASSISTANCE PROGRAM AS
11 AUTHORIZED UNDER ARTICLE IV.

12 "SOCIAL SECURITY ACT." THE SOCIAL SECURITY ACT (49 STAT.
13 620, 42 U.S.C. § 301 ET SEQ.).

14 SECTION 802-I. AUTHORIZATION.

15 THE DEPARTMENT SHALL IMPLEMENT AN ASSESSMENT ON EACH MANAGED
16 CARE ORGANIZATION OPERATING IN THIS COMMONWEALTH, SUBJECT TO THE
17 FOLLOWING CONDITIONS AND REQUIREMENTS:

18 (1) THE ASSESSMENT SHALL BE IMPLEMENTED AS A HEALTH
19 CARE-RELATED FEE AS DEFINED IN SECTION 1903(W)(3)(B) OF THE
20 SOCIAL SECURITY ACT (42 U.S.C. § 1396B(W)(3)(B)), OR ANY
21 AMENDMENTS THERETO, AND MAY BE IMPOSED AND IS REQUIRED TO BE
22 PAID ONLY TO THE EXTENT THAT THE REVENUES GENERATED FROM THE
23 ASSESSMENT QUALIFY AS THE STATE SHARE OF PROGRAM EXPENDITURES
24 ELIGIBLE FOR FEDERAL FINANCIAL PARTICIPATION.

25 (2) A MANAGED CARE ORGANIZATION SHALL REPORT THE TOTAL
26 ASSESSMENT AMOUNT OWED ON FORMS AND IN ACCORDANCE WITH
27 INSTRUCTIONS PRESCRIBED BY THE DEPARTMENT.

28 (3) A MANAGED CARE ORGANIZATION SHALL REMIT THE TOTAL
29 ASSESSMENT AMOUNT DUE BY THE DUE DATE SPECIFIED BY THE
30 DEPARTMENT.

1 (4) IN THE EVENT THAT THE DEPARTMENT DETERMINES THAT A
2 MANAGED CARE ORGANIZATION HAS FAILED TO PAY AN ASSESSMENT OR
3 THAT IT HAS UNDERPAID AN ASSESSMENT, THE DEPARTMENT SHALL
4 NOTIFY THE MANAGED CARE ORGANIZATION IN WRITING OF THE AMOUNT
5 DUE, INCLUDING INTEREST, AND THE DATE ON WHICH THE AMOUNT DUE
6 MUST BE PAID. THE DATE THE AMOUNT IS DUE SHALL NOT BE LESS
7 THAN 30 DAYS FROM THE DATE OF THE NOTICE.

8 (5) IN THE EVENT THAT THE DEPARTMENT DETERMINES THAT A
9 MANAGED CARE ORGANIZATION HAS OVERPAID AN ASSESSMENT, THE
10 DEPARTMENT SHALL NOTIFY THE MANAGED CARE ORGANIZATION IN
11 WRITING OF THE OVERPAYMENT, AND WITHIN 30 DAYS OF THE DATE OF
12 THE NOTICE OF THE OVERPAYMENT, THE MANAGED CARE ORGANIZATION
13 SHALL ADVISE THE DEPARTMENT TO EITHER AUTHORIZE A REFUND OF
14 THE AMOUNT OF THE OVERPAYMENT OR OFFSET THE AMOUNT OF THE
15 OVERPAYMENT AGAINST ANY AMOUNT THAT MAY BE OWED TO THE
16 DEPARTMENT BY THE MANAGED CARE ORGANIZATION.

17 (6) AN ASSESSMENT IMPLEMENTED UNDER THIS ARTICLE, AND
18 ANY INSTRUCTIONS, FORMS OR REPORTS ISSUED BY THE DEPARTMENT
19 AND REQUIRED TO BE COMPLETED BY A MANAGED CARE ORGANIZATION
20 UNDER THIS ARTICLE SHALL NOT BE SUBJECT TO THE ACT OF JULY
21 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH
22 DOCUMENTS LAW, THE ACT OF OCTOBER 15, 1980 (P.L.950, NO.164),
23 KNOWN AS THE COMMONWEALTH ATTORNEYS ACT, AND THE ACT OF JUNE
24 25, 1982 (P.L.633, NO.181), KNOWN AS THE REGULATORY REVIEW
25 ACT.

26 SECTION 803-I. ASSESSMENT AMOUNT.

27 (A) ASSESSMENT.--THE ASSESSMENT IMPLEMENTED UNDER THIS
28 ARTICLE SHALL BE IMPOSED AS A FIXED FEE IN ACCORDANCE WITH
29 SUBSECTION (B). THE ASSESSMENT SHALL BE REMITTED ELECTRONICALLY
30 IN PERIODIC SUBMISSIONS AS SPECIFIED BY THE DEPARTMENT NOT TO

1 EXCEED FIVE TIMES PER YEAR.

2 (B) FIXED FEE.--BEGINNING JULY 1, 2016, AND ENDING JUNE 30,
3 2020, THE MANAGED CARE ORGANIZATION SHALL BE ASSESSED A FIXED
4 FEE OF \$13.48 FOR EACH UNDUPLICATED MEMBER FOR EACH MONTH THE
5 MEMBER IS ENROLLED FOR ANY PERIOD OF TIME WITH THE MANAGED CARE
6 ORGANIZATION.

7 (C) ADJUSTMENTS.--THE SECRETARY MAY MAKE FURTHER ADJUSTMENTS
8 TO THE FIXED FEE SPECIFIED UNDER SUBSECTION (B) FOR ALL OR PART
9 OF THE FISCAL YEAR SO LONG AS THE ASSESSMENT DOES NOT EXCEED THE
10 MAXIMUM LIMIT SPECIFIED UNDER SUBSECTION (D). BEFORE ADJUSTING
11 THE FIXED FEE, THE SECRETARY SHALL PUBLISH A NOTICE IN THE
12 PENNSYLVANIA BULLETIN THAT SPECIFIES THE PROPOSED ADJUSTED FIXED
13 FEE AND IDENTIFIES THE ESTIMATED AGGREGATE IMPACT ON MANAGED
14 CARE ORGANIZATIONS. INTERESTED PARTIES SHALL HAVE 30 DAYS IN
15 WHICH TO SUBMIT COMMENTS TO THE SECRETARY. UPON EXPIRATION OF
16 THE 30-DAY COMMENT PERIOD, THE SECRETARY, AFTER CONSIDERATION OF
17 THE COMMENTS, SHALL PUBLISH A SECOND NOTICE IN THE PENNSYLVANIA
18 BULLETIN ANNOUNCING THE ADJUSTED FIXED FEE.

19 (D) MAXIMUM AMOUNT.--IN EACH YEAR IN WHICH THE ASSESSMENT IS
20 IMPLEMENTED, THE ASSESSMENT SHALL NOT EXCEED THE MAXIMUM
21 AGGREGATE AMOUNT THAT MAY BE ASSESSED UNDER 42 CFR 433.68(F)(3)
22 (I) (RELATING TO PERMISSIBLE HEALTH CARE-RELATED TAXES) OR ANY
23 OTHER MAXIMUM ESTABLISHED UNDER FEDERAL LAW.

24 (E) LIMITED REVIEW.--

25 (1) EXCEPT AS PERMITTED UNDER SECTION 809-I, THE
26 SECRETARY'S DETERMINATION OF THE ASSESSMENT AMOUNTS UNDER
27 SUBSECTIONS (B) AND (C) SHALL NOT BE SUBJECT TO
28 ADMINISTRATIVE OR JUDICIAL REVIEW UNDER 2 PA.C.S. CHS. 5
29 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE OF COMMONWEALTH
30 AGENCIES) AND 7 SUBCH. A (RELATING TO JUDICIAL REVIEW OF

1 COMMONWEALTH AGENCY ACTION) OR ANY OTHER PROVISION OF LAW.

2 (2) ANY ASSESSMENTS IMPLEMENTED UNDER THIS ARTICLE OR
3 FORMS OR REPORTS REQUIRED TO BE COMPLETED BY MANAGED CARE
4 ORGANIZATIONS UNDER THIS ARTICLE SHALL NOT BE SUBJECT TO THE
5 ACT OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
6 COMMONWEALTH DOCUMENTS LAW, THE ACT OF OCTOBER 15, 1980
7 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT,
8 AND THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE
9 REGULATORY REVIEW ACT.

10 SECTION 804-I. NO HOLD HARMLESS.

11 NO MANAGED CARE ORGANIZATION SHALL BE GUARANTEED A REPAYMENT
12 OF ITS ASSESSMENT IN DEROGATION OF 42 CFR 433.68(F) (RELATING TO
13 PERMISSIBLE HEALTH CARE-RELATED TAXES), EXCEPT THAT, IN EACH
14 FISCAL YEAR IN WHICH AN ASSESSMENT IS IMPLEMENTED, THE
15 DEPARTMENT SHALL USE THE ASSESSMENT PROCEEDS FOR THE PURPOSES
16 SPECIFIED IN SECTION 805-I TO THE EXTENT PERMISSIBLE UNDER
17 FEDERAL AND STATE LAW OR REGULATION AND WITHOUT CREATING AN
18 INDIRECT GUARANTEE TO HOLD HARMLESS, AS THOSE TERMS ARE USED
19 UNDER 42 CFR 433.68(F).

20 SECTION 805-I. RESTRICTED ACCOUNT.

21 THERE IS ESTABLISHED A RESTRICTED ACCOUNT IN THE GENERAL FUND
22 FOR THE RECEIPT AND DEPOSIT OF ASSESSMENT PROCEEDS. FUNDS IN THE
23 ACCOUNT ARE APPROPRIATED TO THE DEPARTMENT AND SHALL BE USED TO
24 MAINTAIN ACTUARIALLY SOUND RATES FOR THE MEDICAID MANAGED CARE
25 ORGANIZATIONS AND TO FUND OTHER MEDICAL ASSISTANCE EXPENDITURES.
26 FUNDS IN THE ACCOUNT MAY BE USED TO FUND EXPENDITURES FOR
27 MANAGED CARE HEALTH COVERAGE PROVIDED THROUGH STATE ADMINISTERED
28 PROGRAMS FOR PERSONS OF LOW INCOME OR CHIP, TO THE EXTENT
29 PERMISSIBLE UNDER FEDERAL AND STATE LAW OR REGULATION AND
30 WITHOUT CREATING A GUARANTEE TO HOLD HARMLESS, AS THOSE TERMS

1 ARE USED IN 42 CFR 433.68(F) (RELATING TO PERMISSIBLE HEALTH-
2 CARE RELATED TAXES).

3 SECTION 806-I. ACCESS TO INFORMATION AND RECORDS.

4 (A) REPORTS AND ACCESS.--A MANAGED CARE ORGANIZATION SHALL
5 REPORT SUCH INFORMATION AND SHALL PROVIDE ACCESS TO AND SHALL
6 FURNISH SUCH RECORDS TO THE DEPARTMENT, WITHOUT CHARGE, AS THE
7 DEPARTMENT MAY SPECIFY IN ORDER FOR THE DEPARTMENT TO:

8 (1) DETERMINE THE AMOUNT OF ASSESSMENT DUE FROM THE
9 MANAGED CARE ORGANIZATION;

10 (2) VERIFY THAT THE MANAGED CARE ORGANIZATION HAS
11 CALCULATED AND PAID THE CORRECT AMOUNT DUE; OR

12 (3) DETERMINE THAT THE ASSESSMENT, AS A PERCENTAGE OF
13 MANAGED CARE REVENUE, DOES NOT EXCEED THE MAXIMUM LIMIT
14 SPECIFIED IN SECTION 803-I(D).

15 (B) USE.--INFORMATION AND RECORDS SUBMITTED TO THE
16 DEPARTMENT UNDER THIS SECTION SHALL BE USED ONLY FOR THE
17 PURPOSES SPECIFIED IN THIS SECTION.

18 SECTION 807-I. REMEDIES.

19 IN ADDITION TO ANY OTHER REMEDY PROVIDED BY LAW, THE
20 DEPARTMENT MAY ENFORCE THIS ARTICLE BY IMPOSING ONE OR MORE OF
21 THE FOLLOWING REMEDIES:

22 (1) IF A MANAGED CARE ORGANIZATION FAILS TO PAY AN
23 ASSESSMENT OR PENALTY IN THE AMOUNT OR ON THE DATE REQUIRED
24 BY THIS ARTICLE, THE DEPARTMENT SHALL ADD INTEREST AT THE
25 RATE PROVIDED IN SECTION 806 OF THE ACT OF APRIL 9, 1929
26 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE, TO THE UNPAID
27 AMOUNT OF THE ASSESSMENT OR PENALTY FROM THE DATE PRESCRIBED
28 FOR ITS PAYMENT UNTIL THE DATE IT IS PAID.

29 (2) IF A MANAGED CARE ORGANIZATION FAILS TO FILE A
30 REPORT OR TO FURNISH RECORDS TO THE DEPARTMENT AS REQUIRED BY

1 THIS ARTICLE, THE DEPARTMENT SHALL IMPOSE A PENALTY AGAINST
2 THE MANAGED CARE ORGANIZATION IN THE AMOUNT OF \$1,000 PER DAY
3 FOR EACH DAY THE REPORT OR REQUIRED RECORDS ARE NOT SUBMITTED
4 OR FURNISHED TO THE DEPARTMENT. IF THE PENALTY UNDER THIS
5 PARAGRAPH IS IMPOSED, IT SHALL COMMENCE ON THE FIRST DAY
6 AFTER THE DATE FOR WHICH A REPORT FORM OR RECORDS ARE DUE.

7 (3) IF A MEDICAID MANAGED CARE ORGANIZATION, OR A
8 MANAGED CARE ORGANIZATION THAT IS RELATED THROUGH COMMON
9 OWNERSHIP OR CONTROL AS DEFINED IN 42 CFR 413.17(B) (RELATING
10 TO COST TO RELATED ORGANIZATIONS) TO A MEDICAL ASSISTANCE
11 PROVIDER OR TO A MANAGED CARE SERVICES ENTITY PROVIDING
12 MANAGED HEALTH CARE COVERAGE THROUGH A STATE PROGRAM FOR
13 PERSONS OF LOW INCOME OR CHIP, FAILS TO PAY ALL OR PART OF AN
14 ASSESSMENT OR PENALTY WITHIN 60 DAYS OF THE DATE THAT PAYMENT
15 IS DUE, AT THE DIRECTION OF THE DEPARTMENT, THE AMOUNT OF THE
16 UNPAID ASSESSMENT OR PENALTY AND ANY INTEREST OWED BY THE
17 MANAGED CARE ORGANIZATION, MAY BE DEDUCTED FROM ANY MEDICAL
18 ASSISTANCE PAYMENTS DUE TO THE MEDICAID MANAGED CARE
19 ORGANIZATION OR TO ANY RELATED MEDICAL ASSISTANCE PROVIDER OR
20 FROM ANY OTHER STATE PAYMENTS DUE TO A RELATED MANAGED CARE
21 SERVICE ENTITY UNTIL THE FULL AMOUNT IS RECOVERED. ANY SUCH
22 DEDUCTION SHALL BE MADE ONLY AFTER WRITTEN NOTICE TO THE
23 MEDICAID MANAGED CARE ORGANIZATION AND THE RELATED MEDICAL
24 ASSISTANCE PROVIDER OR MANAGED CARE SERVICE ENTITY AND MAY BE
25 TAKEN IN INSTALLMENTS OVER A PERIOD OF TIME, TAKING INTO
26 ACCOUNT THE FINANCIAL CONDITION OF THE MEDICAL ASSISTANCE
27 PROVIDER OR MANAGED CARE SERVICE ENTITY.

28 (4) THE SECRETARY MAY WAIVE ALL OR PART OF THE INTEREST
29 OR PENALTIES ASSESSED AGAINST A MANAGED CARE ORGANIZATION
30 UNDER THIS ARTICLE FOR GOOD CAUSE SHOWN BY THE MANAGED CARE

1 ORGANIZATION.

2 SECTION 808-I. LIENS.

3 ANY ASSESSMENTS IMPLEMENTED AND INTEREST AND PENALTIES
4 ASSESSED AGAINST A MANAGED CARE ORGANIZATION UNDER THIS ARTICLE
5 SHALL BE A LIEN ON THE REAL AND PERSONAL PROPERTY OF THE MANAGED
6 CARE ORGANIZATION IN THE MANNER PROVIDED BY SECTION 1401 OF THE
7 ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL
8 CODE, MAY BE ENTERED BY THE DEPARTMENT IN THE MANNER PROVIDED BY
9 SECTION 1404 OF THE FISCAL CODE AND SHALL CONTINUE AND RETAIN
10 PRIORITY IN THE MANNER PROVIDED IN SECTION 1404.1 OF THE FISCAL
11 CODE.

12 SECTION 809-I. APPEAL RIGHTS.

13 (A) REQUEST FOR REVIEW.--A MANAGED CARE ORGANIZATION THAT IS
14 AGGRIEVED BY A DETERMINATION OF THE DEPARTMENT AS TO THE AMOUNT
15 OF THE ASSESSMENT DUE FROM THE MANAGED CARE ORGANIZATION OR A
16 REMEDY IMPOSED UNDER SECTION 807-I MAY FILE A REQUEST FOR REVIEW
17 OF THE DECISION OF THE DEPARTMENT BY THE BUREAU OF HEARINGS AND
18 APPEALS, WHICH SHALL HAVE EXCLUSIVE JURISDICTION IN SUCH
19 MATTERS.

20 (B) PROCEDURES.--THE PROCEDURES AND REQUIREMENTS OF 67
21 PA.C.S. CH. 11 (RELATING TO MEDICAL ASSISTANCE HEARINGS AND
22 APPEALS) SHALL APPLY TO REQUESTS FOR REVIEW FILED UNDER THIS
23 SECTION, EXCEPT THAT IN ANY SUCH REQUEST FOR REVIEW, A MANAGED
24 CARE ORGANIZATION MAY NOT CHALLENGE THE FIXED FEE UNDER SECTION
25 803-I, BUT ONLY WHETHER THE DEPARTMENT CORRECTLY DETERMINED THE
26 ASSESSMENT AMOUNT DUE FROM THE MANAGED CARE ORGANIZATION USING
27 THE APPLICABLE FIXED FEE IN EFFECT FOR THE FISCAL YEAR.

28 (C) ASSESSMENT OBLIGATION.--A NOTICE OF REVIEW FILED UNDER
29 THIS SECTION SHALL NOT OPERATE AS A STAY OF THE MANAGED CARE
30 ORGANIZATION'S OBLIGATION TO PAY THE ASSESSMENT AMOUNT DUE FOR A

1 FISCAL YEAR.

2 SECTION 810-I. TAX EXEMPTION PROVISIONS SUPERSEDED.

3 THE PROVISIONS OF THE FOLLOWING ACTS SHALL NOT APPLY TO THE
4 ASSESSMENT IMPOSED BY THIS ARTICLE:

5 (1) SECTION 2462 OF THE ACT OF MAY 17, 1921 (P.L.682,
6 NO.284), KNOWN AS THE INSURANCE COMPANY LAW OF 1921.

7 (2) SECTION 13 OF THE ACT OF DECEMBER 29, 1972
8 (P.L.1701, NO. 364), KNOWN AS THE HEALTH MAINTENANCE
9 ORGANIZATION ACT.

10 (3) THE PROVISIONS OF 40 PA.C.S. § 6103(B) (RELATING TO
11 EXEMPTION APPLICABLE TO CERTIFIED HOSPITAL PLAN
12 CORPORATIONS).

13 (4) THE PROVISIONS OF 40 PA.C.S. § 6307(B) (RELATING TO
14 EXEMPTIONS APPLICABLE TO CERTIFICATED PROFESSIONAL HEALTH
15 SERVICE CORPORATIONS).

16 SECTION 811-I. EXPIRATION.

17 THE ASSESSMENT AUTHORIZED UNDER THIS ARTICLE SHALL EXPIRE
18 JUNE 30, 2020.

19 SECTION 812-I. COORDINATION WITH OTHER AGENCIES.

20 CONSISTENT WITH ITS AUTHORITY AS THE ONLY COMMONWEALTH AGENCY
21 RESPONSIBLE FOR THE MEDICAL ASSISTANCE PROGRAM, THE DEPARTMENT
22 MAY DELEGATE RESPONSIBILITY TO PERFORM FUNCTIONS AND ACTIVITIES
23 REQUIRED TO IMPLEMENT THE ASSESSMENT AUTHORIZED UNDER THIS
24 ARTICLE TO OTHER COMMONWEALTH DEPARTMENTS AND AGENCIES UNDER
25 SECTIONS 501 AND 502 OF THE ACT OF APRIL 9, 1929 (P.L.177,
26 NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929.

27 SECTION 15.1. THE DEFINITION OF "CHILDREN'S INSTITUTIONS" IN
28 SECTION 901 OF THE ACT, AMENDED DECEMBER 5, 1980 (P.L.1112,
29 NO.193), IS AMENDED AND THE SECTION IS AMENDED BY ADDING A
30 DEFINITION TO READ:

1 SECTION 901. DEFINITIONS.--AS USED IN THIS ARTICLE--

2 "CHILD DAY CARE" MEANS CARE IN LIEU OF PARENTAL CARE GIVEN
3 FOR PART OF THE TWENTY-FOUR HOUR DAY TO A CHILD UNDER SIXTEEN
4 YEARS OF AGE, AWAY FROM THE CHILD'S HOME, BUT DOES NOT INCLUDE
5 CHILD DAY CARE FURNISHED IN A PLACE OF WORSHIP DURING RELIGIOUS
6 SERVICES.

7 "CHILDREN'S INSTITUTIONS" MEANS ANY INCORPORATED OR
8 UNINCORPORATED ORGANIZATION, SOCIETY, CORPORATION OR AGENCY,
9 PUBLIC OR PRIVATE, WHICH MAY RECEIVE OR CARE FOR CHILDREN, OR
10 PLACE THEM IN FOSTER FAMILY HOMES, EITHER AT BOARD, WAGES OR
11 FREE; OR ANY INDIVIDUAL WHO, FOR HIRE, GAIN OR REWARD, RECEIVES
12 FOR CARE A CHILD, UNLESS HE IS RELATED TO SUCH CHILD BY BLOOD OR
13 MARRIAGE WITHIN THE SECOND DEGREE; OR ANY INDIVIDUAL, NOT IN THE
14 REGULAR EMPLOY OF THE COURT OR OF AN ORGANIZATION, SOCIETY,
15 ASSOCIATION OR AGENCY, DULY CERTIFIED BY THE DEPARTMENT, WHO IN
16 ANY MANNER BECOMES A PARTY TO THE PLACING OF CHILDREN IN FOSTER
17 HOMES, UNLESS HE IS RELATED TO SUCH CHILDREN BY BLOOD OR
18 MARRIAGE WITHIN THE SECOND DEGREE, OR IS THE DULY APPOINTED
19 GUARDIAN THEREOF. THE TERM SHALL NOT INCLUDE A FAMILY [DAY]
20 CHILD CARE HOME [IN WHICH CARE IS PROVIDED IN LIEU OF PARENTAL
21 CARE TO SIX OR LESS CHILDREN FOR PART OF A TWENTY-FOUR HOUR DAY]
22 OR CHILD DAY CARE CENTER OPERATED FOR PROFIT AND SUBJECT TO THE
23 PROVISIONS OF ARTICLE X.

24 * * *

25 SECTION 15.2. THE DEFINITION OF "FACILITY" IN SECTION 1001
26 OF THE ACT, AMENDED JULY 25, 2007 (P.L.402, NO.56), IS AMENDED
27 AND THE SECTION IS AMENDED BY ADDING A DEFINITION TO READ:

28 SECTION 1001. DEFINITIONS.--AS USED IN THIS ARTICLE--

29 * * *

30 "FACILITY" MEANS AN ADULT DAY CARE CENTER, CHILD DAY CARE

1 CENTER, FAMILY [DAY] CHILD CARE HOME, BOARDING HOME FOR
2 CHILDREN, MENTAL HEALTH ESTABLISHMENT, PERSONAL CARE HOME,
3 ASSISTED LIVING RESIDENCE, NURSING HOME, HOSPITAL OR MATERNITY
4 HOME, AS DEFINED HEREIN, EXCEPT TO THE EXTENT THAT SUCH A
5 FACILITY IS OPERATED BY THE STATE OR FEDERAL GOVERNMENTS OR
6 THOSE SUPERVISED BY THE DEPARTMENT, OR LICENSED PURSUANT TO THE
7 ACT OF JULY 19, 1979 (P.L.130, NO.48), KNOWN AS THE "HEALTH CARE
8 FACILITIES ACT."

9 "FAMILY CHILD CARE HOME" MEANS A HOME WHERE CHILD DAY CARE IS
10 PROVIDED AT ANY TIME TO NO LESS THAN FOUR CHILDREN AND NO MORE
11 THAN SIX CHILDREN WHO ARE NOT RELATIVES OF THE CAREGIVER.

12 * * *

13 SECTION 15.3. SECTION 1006 OF THE ACT, AMENDED DECEMBER 21,
14 1988 (P.L.1883, NO.185), IS AMENDED TO READ:

15 SECTION 1006. FEES.--ANNUAL LICENSES SHALL BE ISSUED WHEN
16 THE PROPER FEE, IF REQUIRED, IS RECEIVED BY THE DEPARTMENT AND
17 ALL THE OTHER CONDITIONS PRESCRIBED IN THIS ACT ARE MET. FOR
18 PERSONAL CARE HOMES, THE FEE SHALL BE AN APPLICATION FEE. THE
19 FEES SHALL BE:

20 FACILITY	ANNUAL FEE
21 ADULT DAY CARE CENTER	\$ 15
22 MENTAL HEALTH ESTABLISHMENT	50
23 PERSONAL CARE HOME-- 0 - 20 BEDS	15
24 -- 21 - 50 BEDS	20
25 -- 51 - 100 BEDS	30
26 --101 BEDS AND ABOVE	50

27 NO FEE SHALL BE REQUIRED FOR THE ANNUAL LICENSE IN THE CASE
28 OF DAY CARE CENTERS, FAMILY [DAY] CHILD CARE HOMES, BOARDING
29 HOMES FOR CHILDREN OR FOR PUBLIC OR NONPROFIT MENTAL
30 INSTITUTIONS.

1 SECTION 15.4. SECTION 1008 OF THE ACT IS AMENDED TO READ:

2 SECTION 1008. PROVISIONAL LICENSE.--(A) WHEN THERE HAS BEEN
3 SUBSTANTIAL BUT NOT COMPLETE COMPLIANCE WITH ALL THE APPLICABLE
4 STATUTES, ORDINANCES AND REGULATIONS AND WHEN THE APPLICANT HAS
5 TAKEN APPROPRIATE STEPS TO CORRECT DEFICIENCIES, THE DEPARTMENT
6 SHALL ISSUE A PROVISIONAL LICENSE [FOR A SPECIFIED PERIOD OF NOT
7 MORE THAN SIX MONTHS WHICH MAY BE RENEWED THREE TIMES. UPON FULL
8 COMPLIANCE, A REGULAR LICENSE SHALL BE ISSUED IMMEDIATELY].

9 (B) THE DEPARTMENT MAY ISSUE A PROVISIONAL LICENSE UNDER
10 THIS SECTION WHEN IT IS UNABLE TO ASSESS COMPLIANCE WITH ALL
11 STATUTES, ORDINANCES AND REGULATIONS BECAUSE THE FACILITY HAS
12 NOT YET BEGUN TO OPERATE.

13 (C) A PROVISIONAL LICENSE SHALL BE FOR A SPECIFIED PERIOD OF
14 NOT MORE THAN SIX MONTHS WHICH MAY BE RENEWED NO MORE THAN THREE
15 TIMES.

16 (D) UPON FULL COMPLIANCE BY THE FACILITY, THE DEPARTMENT
17 SHALL ISSUE A REGULAR LICENSE IMMEDIATELY.

18 SECTION 15.5. SECTION 1031 OF THE ACT IS AMENDED TO READ:

19 SECTION 1031. VIOLATION; PENALTY.--(A) ANY PERSON OPERATING
20 A FACILITY WITHIN THIS COMMONWEALTH WITHOUT A LICENSE REQUIRED
21 BY THIS ACT, SHALL UPON CONVICTION [THEREOF IN A SUMMARY
22 PROCEEDING BE SENTENCED TO PAY A FINE OF NOT LESS THAN TWENTY-
23 FIVE DOLLARS (\$25) NOR MORE THAN THREE HUNDRED DOLLARS (\$300),
24 AND COSTS OF PROSECUTION, AND IN DEFAULT OF THE PAYMENT THEREOF
25 TO UNDERGO IMPRISONMENT FOR NOT LESS THAN TEN DAYS NOR MORE THAN
26 THIRTY DAYS. EACH DAY OF OPERATING A FACILITY WITHOUT A LICENSE
27 REQUIRED BY THIS ACT SHALL CONSTITUTE A SEPARATE OFFENSE.] BE
28 SENTENCED AS FOLLOWS:

29 (1) FOR A FIRST OFFENSE, THE PERSON COMMITS A SUMMARY
30 OFFENSE AND SHALL, UPON CONVICTION, BE SENTENCED TO PAY A FINE

1 NOT LESS THAN TWENTY-FIVE DOLLARS (\$25) NOR MORE THAN THREE
2 HUNDRED DOLLARS (\$300), COSTS OF PROSECUTION, AND IF IN DEFAULT
3 OF PAYMENT THEREOF, TO IMPRISONMENT FOR NOT LESS THAN TEN DAYS
4 NOR MORE THAN THIRTY DAYS.

5 (2) FOR A SECOND OFFENSE, THE PERSON COMMITS A MISDEMEANOR
6 OF THE THIRD DEGREE AND SHALL, UPON CONVICTION, BE SENTENCED TO
7 PAY A FINE NOT LESS THAN FIVE HUNDRED DOLLARS (\$500) NOR MORE
8 THAN TWO THOUSAND DOLLARS (\$2,000), COSTS OF PROSECUTION, AND IF
9 IN DEFAULT OF PAYMENT THEREOF, TO IMPRISONMENT FOR NOT LESS THAN
10 THIRTY DAYS NOR MORE THAN ONE YEAR.

11 (3) FOR A THIRD OFFENSE OR IF THE OPERATION OF THE
12 UNLICENSED FACILITY RESULTED IN A BODILY INJURY AS DEFINED IN 18
13 PA.C.S. § 2301 (RELATING TO DEFINITIONS), THE PERSON COMMITS A
14 MISDEMEANOR OF THE SECOND DEGREE AND SHALL, UPON CONVICTION, BE
15 SENTENCED TO PAY A FINE OF NOT LESS THAN TWO THOUSAND FIVE
16 HUNDRED DOLLARS (\$2,500) NOR MORE THAN FIVE THOUSAND DOLLARS
17 (\$5,000), COSTS OF PROSECUTION, AND IF IN DEFAULT IN PAYMENT
18 THEREOF, TO IMPRISONMENT FOR NOT LESS THAN ONE YEAR NOR MORE
19 THAN TWO YEARS.

20 (4) FOR A FOURTH OR SUBSEQUENT OFFENSE, OR IF THE OPERATION
21 OF THE UNLICENSED FACILITY RESULTED IN A SERIOUS BODILY INJURY,
22 AS DEFINED IN 18 PA.C.S. § 2301, OR DEATH, THE PERSON COMMITS A
23 FELONY OF THE THIRD DEGREE AND SHALL, UPON CONVICTION, BE
24 SENTENCED TO PAY A FINE OF NOT LESS THAN TEN THOUSAND DOLLARS
25 (\$10,000), COSTS OF PROSECUTION, AND IF IN DEFAULT IN PAYMENT
26 THEREOF, TO IMPRISONMENT FOR NOT LESS THAN FIVE YEARS NOR MORE
27 THAN SEVEN YEARS.

28 (B) (1) IF, AFTER FOURTEEN DAYS, A PROVIDER CITED FOR
29 OPERATING WITHOUT A LICENSE FAILS TO FILE AN APPLICATION FOR A
30 LICENSE, THE DEPARTMENT SHALL ASSESS AN ADDITIONAL TWENTY

1 DOLLARS (\$20) FOR EACH RESIDENT FOR EACH DAY IN WHICH THE
2 FACILITY FAILS TO MAKE AN APPLICATION. EACH DAY OF OPERATING A
3 FACILITY WITHOUT A LICENSE REQUIRED BY THIS ACT SHALL CONSTITUTE
4 A SEPARATE OFFENSE.

5 (2) WHEN A NON-RESIDENTIAL FACILITY IS FOUND TO BE OPERATING
6 ON MULTIPLE DAYS, THERE SHALL BE A REBUTTABLE PRESUMPTION THAT
7 THE FACILITY WAS OPERATING EACH BUSINESS DAY BETWEEN THE DAYS IT
8 WAS FOUND TO BE IN OPERATION. WHEN A RESIDENTIAL FACILITY IS
9 FOUND TO BE OPERATING ON MULTIPLE DAYS, THERE SHALL BE A
10 REBUTTABLE PRESUMPTION THAT A FACILITY WAS OPERATING EACH
11 CALENDAR DAY BETWEEN THE DAYS IT WAS FOUND TO BE IN OPERATION.

12 (3) ANY PROVIDER CHARGED WITH VIOLATION OF THIS SUBSECTION
13 SHALL HAVE THIRTY DAYS TO PAY THE ASSESSED PENALTY IN FULL, OR,
14 IF THE PROVIDER WISHES TO CONTEST EITHER THE AMOUNT OF THE
15 PENALTY OR THE FACT OF THE VIOLATION, THE PARTY SHALL FORWARD
16 THE ASSESSED PENALTY TO THE SECRETARY OF HUMAN SERVICES FOR
17 PLACEMENT IN AN ESCROW ACCOUNT WITH THE STATE TREASURER. IF,
18 THROUGH ADMINISTRATIVE HEARING OR JUDICIAL REVIEW OF THE
19 PROPOSED PENALTY, IT IS DETERMINED THAT NO VIOLATION OCCURRED OR
20 THAT THE AMOUNT OF THE PENALTY SHALL BE REDUCED, THE SECRETARY
21 SHALL WITHIN THIRTY DAYS REMIT THE APPROPRIATE AMOUNT TO THE
22 PROVIDER WITH ANY INTEREST ACCUMULATED BY THE ESCROW DEPOSIT.
23 FAILURE TO FORWARD THE PAYMENT TO THE SECRETARY WITHIN THIRTY
24 DAYS SHALL RESULT IN A WAIVER OF RIGHTS TO CONTEST THE FACT OF
25 THE VIOLATION OR THE AMOUNT OF THE PENALTY. THE AMOUNT ASSESSED
26 AFTER ADMINISTRATIVE HEARING OR A WAIVER OF THE ADMINISTRATIVE
27 HEARING SHALL BE PAYABLE TO THE COMMONWEALTH OF PENNSYLVANIA AND
28 SHALL BE COLLECTIBLE IN ANY MANNER PROVIDED BY LAW FOR THE
29 COLLECTION OF DEBTS. IF ANY PROVIDER LIABLE TO PAY SUCH PENALTY
30 NEGLECTS OR REFUSES TO PAY THE SAME AFTER DEMAND, SUCH FAILURE

1 TO PAY SHALL CONSTITUTE A JUDGMENT IN FAVOR OF THE COMMONWEALTH
2 IN THE AMOUNT OF THE PENALTY, TOGETHER WITH THE INTEREST AND ANY
3 COSTS THAT MAY ACCRUE.

4 (4) MONEY COLLECTED BY THE DEPARTMENT UNDER THIS SECTION
5 SHALL BE PLACED IN A SPECIAL RESTRICTED RECEIPT ACCOUNT AND
6 SHALL BE FIRST USED TO DEFRAY THE EXPENSES INCURRED BY RESIDENTS
7 RELOCATED UNDER THIS ACT. ANY MONEYS REMAINING IN THIS ACCOUNT
8 SHALL ANNUALLY BE REMITTED TO THE DEPARTMENT FOR ENFORCING THE
9 PROVISIONS OF THIS ARTICLE. FINES COLLECTED PURSUANT TO THIS ACT
10 SHALL NOT BE SUBJECT TO THE PROVISIONS OF 42 PA.C.S. § 3733
11 (RELATING TO DEPOSITS INTO ACCOUNT).

12 (C) THE PENALTIES PRESCRIBED UNDER THIS SECTION MAY BE
13 IMPOSED IN ADDITION TO EACH OTHER AND TO ANY OTHER APPLICABLE
14 CRIMINAL, CIVIL, OR ADMINISTRATIVE PENALTY, ACTION OR SANCTION
15 OTHERWISE PROVIDED BY LAW.

16 SECTION 16. SUBARTICLE (C) OF ARTICLE X OF THE ACT IS
17 REPEALED:

18 [(C) REGISTRATION PROVISIONS

19 SECTION 1070. DEFINITIONS.--AS USED IN THIS ARTICLE.--

20 "CHILD DAY CARE" MEANS CARE IN LIEU OF PARENTAL CARE GIVEN
21 FOR PART OF THE TWENTY-FOUR HOUR DAY TO CHILDREN AWAY FROM THEIR
22 OWN HOMES.

23 "FAMILY DAY CARE HOME" MEANS ANY HOME IN WHICH CHILD DAY CARE
24 IS PROVIDED AT ANY ONE TIME TO FOUR THROUGH SIX CHILDREN WHO ARE
25 NOT RELATIVES OF THE CAREGIVER.

26 SECTION 1071. OPERATION WITHOUT REGISTRATION CERTIFICATE
27 PROHIBITED.--NO INDIVIDUAL SHALL OPERATE A FAMILY DAY CARE HOME
28 WITHOUT A REGISTRATION CERTIFICATE ISSUED THEREFOR BY THE
29 DEPARTMENT.

30 SECTION 1072. APPLICATION FOR REGISTRATION CERTIFICATE.-- (A)

1 ANY INDIVIDUAL DESIRING TO SECURE A REGISTRATION CERTIFICATE
2 SHALL SUBMIT AN APPLICATION THEREFOR TO THE DEPARTMENT UPON
3 FORMS PREPARED AND FURNISHED BY THE DEPARTMENT, AND, AT THE SAME
4 TIME, SHALL CERTIFY IN WRITING THAT HE/SHE AND THE FACILITY
5 NAMED IN THE APPLICATION ARE IN COMPLIANCE WITH APPLICABLE
6 DEPARTMENT REGULATIONS.

7 (B) APPLICATION FOR RENEWAL OF THE REGISTRATION CERTIFICATE
8 SHALL BE MADE EVERY TWO YEARS IN THE SAME MANNER AS APPLICATION
9 FOR THE ORIGINAL REGISTRATION CERTIFICATE.

10 (C) NO APPLICATION FEE SHALL BE REQUIRED TO REGISTER A
11 FAMILY DAY CARE HOME.

12 SECTION 1073. ISSUANCE OF REGISTRATION CERTIFICATE.--UPON
13 RECEIPT OF AN APPLICATION AND THE APPLICANT'S WRITTEN
14 CERTIFICATION OF COMPLIANCE WITH APPLICABLE DEPARTMENT
15 REGULATIONS, THE DEPARTMENT SHALL ISSUE A REGISTRATION
16 CERTIFICATE TO THE APPLICANT FOR THE PREMISES NAMED IN THE
17 APPLICATION. A REGISTRATION CERTIFICATE SHALL BE ISSUED FOR A
18 PERIOD OF TWO YEARS.

19 SECTION 1074. VISITATION AND INSPECTION.--THE DEPARTMENT OR
20 AUTHORIZED AGENT OF THE DEPARTMENT SHALL HAVE THE RIGHT TO
21 ENTER, VISIT AND INSPECT ON A RANDOM SAMPLE BASIS, UPON
22 COMPLAINT, OR UPON REQUEST OF THE CAREGIVER, ANY FAMILY DAY CARE
23 HOME REGISTERED OR REQUIRING REGISTRATION UNDER THIS ARTICLE AND
24 SHALL HAVE FREE AND FULL ACCESS TO THE PREMISES, WHERE CHILDREN
25 ARE CARED FOR, ALL RECORDS OF THE PREMISES WHICH RELATE TO THE
26 CHILDREN'S CARE, AND TO THE CHILDREN CARED FOR THEREIN AND FULL
27 OPPORTUNITY TO SPEAK WITH OR OBSERVE SUCH CHILDREN.

28 SECTION 1075. RECORDS.--EVERY INDIVIDUAL WHO OPERATES A
29 FAMILY DAY CARE HOME REGISTERED UNDER THIS ARTICLE SHALL KEEP
30 AND MAINTAIN SUCH RECORDS AS REQUIRED BY THE DEPARTMENT.

1 SECTION 1076. REGULATIONS.--THE DEPARTMENT IS HEREBY
2 AUTHORIZED AND EMPOWERED TO ADOPT REGULATIONS ESTABLISHING
3 MINIMUM AND REASONABLE STANDARDS FOR THE OPERATION OF FAMILY DAY
4 CARE HOMES AND THE ISSUANCE OF REGISTRATION CERTIFICATES. THESE
5 REGULATIONS WILL ESTABLISH THE MINIMUM STANDARDS OF SAFETY AND
6 CARE WHICH WILL BE REQUIRED IN FAMILY DAY CARE HOMES AND WILL
7 RECOGNIZE THE VITAL ROLE WHICH PARENTS AND GUARDIANS PLAY IN
8 MONITORING THE CARE PROVIDED IN FAMILY DAY CARE HOMES.

9 SECTION 1077. TECHNICAL ASSISTANCE.--THE DEPARTMENT MAY
10 OFFER AND PROVIDE UPON REQUEST TECHNICAL ASSISTANCE TO
11 CAREGIVERS TO ASSIST THEM IN COMPLYING WITH DEPARTMENT
12 REGULATIONS.

13 SECTION 1078. OPERATION WITHOUT REGISTRATION CERTIFICATE.--
14 NO INDIVIDUAL SHALL OPERATE A FAMILY DAY CARE HOME WITHOUT
15 HAVING A REGISTRATION CERTIFICATE. ANY INDIVIDUAL OPERATING A
16 FAMILY DAY CARE HOME WITHOUT A REGISTRATION CERTIFICATE, AFTER
17 BEING NOTIFIED THAT SUCH A REGISTRATION IS REQUIRED, SHALL UPON
18 CONVICTION PAY A FINE OF NOT LESS THAN TWENTY DOLLARS (\$20) NOR
19 MORE THAN ONE HUNDRED DOLLARS (\$100) AND COSTS OF PROSECUTION.
20 EACH DAY OF OPERATING WITHOUT A REGISTRATION CERTIFICATE SHALL
21 CONSTITUTE A SEPARATE OFFENSE.

22 SECTION 1079. DENIAL, NONRENEWAL, OR REVOCATION.--(A)
23 WHENEVER A CAREGIVER DOES NOT CERTIFY COMPLIANCE OR WHENEVER
24 UPON INSPECTION THE DEPARTMENT OBSERVES NONCOMPLIANCE WITH
25 APPLICABLE DEPARTMENT REGULATIONS, THE DEPARTMENT SHALL GIVE
26 WRITTEN NOTICE THEREOF TO THE OFFENDING PERSON. SUCH NOTICE
27 SHALL DENY ISSUANCE OF A REGISTRATION CERTIFICATE, DENY RENEWAL
28 OF A REGISTRATION CERTIFICATE, OR SHALL REQUIRE THE OFFENDING
29 PERSON TO TAKE ACTION TO BRING THE FACILITY INTO COMPLIANCE WITH
30 REGULATIONS.

1 (B) THE DEPARTMENT SHALL REFUSE TO ISSUE OR RENEW A
2 REGISTRATION CERTIFICATE OR SHALL REVOKE A REGISTRATION
3 CERTIFICATE FOR ANY OF THE FOLLOWING REASONS:

4 (1) NONCOMPLIANCE WITH DEPARTMENT REGULATIONS.

5 (2) FRAUD OR DECEIT IN THE SELF-CERTIFICATION PROCESS.

6 (3) LENDING, BORROWING, OR USING THE REGISTRATION
7 CERTIFICATE OF ANOTHER CAREGIVER, OR IN ANY WAY KNOWINGLY AIDING
8 THE IMPROPER ISSUANCE OF A REGISTRATION CERTIFICATE.

9 (4) GROSS INCOMPETENCE, NEGLIGENCE, OR MISCONDUCT IN
10 OPERATING THE FACILITY.

11 (5) MISTREATING OR ABUSING CHILDREN CARED FOR IN THE
12 FACILITY.

13 SECTION 1080. EMERGENCY CLOSURE.--IF THE DEPARTMENT, OR
14 AUTHORIZED AGENT OF THE DEPARTMENT OBSERVES A CONDITION AT A
15 FAMILY DAY CARE HOME WHICH PLACES THE CHILDREN CARED FOR THEREIN
16 IN IMMEDIATE LIFE-THREATENING DANGER, THE DEPARTMENT SHALL
17 MAINTAIN AN ACTION IN THE NAME OF THE COMMONWEALTH FOR AN
18 INJUNCTION OR OTHER PROCESS RESTRAINING OR PROHIBITING THE
19 OPERATION OF THE FACILITY.]

20 SECTION 17. THE DEFINITION OF "ELIGIBLE PERMANENT LEGAL
21 CUSTODIAN" IN SECTION 1302 OF THE ACT, AMENDED JUNE 30, 2012
22 (P.L.668, NO.80), IS AMENDED AND THE SECTION IS AMENDED BY
23 ADDING DEFINITIONS TO READ:

24 SECTION 1302. DEFINITIONS.

25 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
26 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
27 CONTEXT CLEARLY INDICATES OTHERWISE:

28 * * *

29 "ELIGIBLE PERMANENT LEGAL CUSTODIAN." A RELATIVE OR KIN:

30 (1) WHOSE HOME IS APPROVED PURSUANT TO APPLICABLE

1 REGULATIONS FOR PLACEMENT OF FOSTER CHILDREN;

2 (2) WITH WHOM AN ELIGIBLE CHILD HAS RESIDED FOR AT LEAST
3 SIX MONTHS, WHICH NEED NOT BE CONSECUTIVE; AND

4 (3) WHO MEETS THE REQUIREMENTS [FOR EMPLOYMENT IN CHILD-
5 CARE SERVICES PURSUANT TO] TO BE APPROVED AS A FOSTER PARENT
6 UNDER 23 PA.C.S. § 6344 (RELATING TO [INFORMATION RELATING TO
7 PROSPECTIVE CHILD-CARE PERSONNEL] EMPLOYEES HAVING CONTACT
8 WITH CHILDREN; ADOPTIVE AND FOSTER PARENTS) .

9 * * *

10 "SIBLING." AN INDIVIDUAL WHO HAS AT LEAST ONE PARENT IN
11 COMMON WITH ANOTHER INDIVIDUAL, WHETHER BY BLOOD, MARRIAGE OR
12 ADOPTION, REGARDLESS OF WHETHER OR NOT THERE IS A TERMINATION OF
13 PARENTAL RIGHTS OR PARENTAL DEATH. THE TERM INCLUDES BIOLOGICAL,
14 ADOPTIVE, STEP AND HALF SIBLINGS.

15 * * *

16 "SUCCESSOR PERMANENT LEGAL CUSTODIAN." A RELATIVE OR KIN:

17 (1) WITH WHOM AN ELIGIBLE CHILD RESIDES FOR ANY PERIOD
18 OF TIME;

19 (2) WHO HAS BEEN NAMED AS A SUCCESSOR IN A PERMANENT
20 LEGAL CUSTODIANSHIP AGREEMENT EXECUTED BY AN ELIGIBLE CHILD'S
21 PREVIOUS ELIGIBLE PERMANENT LEGAL CUSTODIAN; AND

22 (3) WHO MEETS THE REQUIREMENTS FOR EMPLOYMENT IN CHILD-
23 CARE SERVICES AND APPROVAL AS A FOSTER OR ADOPTIVE PARENT
24 UNDER 23 PA.C.S. § 6344 (RELATING TO EMPLOYEES HAVING CONTACT
25 WITH CHILDREN; ADOPTIVE AND FOSTER PARENTS) .

26 SECTION 18. SECTIONS 1303(A.1) AND 1303.2(A) OF THE ACT,
27 ADDED JUNE 30, 2012 (P.L.668, NO.80), ARE AMENDED TO READ:
28 SECTION 1303. KINSHIP CARE PROGRAM.

29 * * *

30 (A.1) RELATIVE NOTIFICATION.--EXCEPT IN SITUATIONS OF FAMILY

1 OR DOMESTIC VIOLENCE, THE COUNTY AGENCY SHALL EXERCISE DUE
2 DILIGENCE TO IDENTIFY AND NOTIFY ALL GRANDPARENTS AND OTHER
3 ADULT RELATIVES TO THE FIFTH DEGREE OF CONSANGUINITY OR AFFINITY
4 TO THE PARENT OR STEPPARENT OF A DEPENDENT CHILD AND EACH PARENT
5 WHO HAS LEGAL CUSTODY OF A SIBLING OF A DEPENDENT CHILD WITHIN
6 30 DAYS OF THE CHILD'S REMOVAL FROM THE CHILD'S HOME WHEN
7 TEMPORARY LEGAL AND PHYSICAL CUSTODY HAS BEEN TRANSFERRED TO THE
8 COUNTY AGENCY. THE NOTICE MUST EXPLAIN ALL OF THE FOLLOWING:

9 (1) ANY OPTIONS UNDER FEDERAL AND STATE LAW AVAILABLE TO
10 THE RELATIVE TO PARTICIPATE IN THE CARE AND PLACEMENT OF THE
11 CHILD, INCLUDING ANY OPTIONS THAT WOULD BE LOST BY FAILING TO
12 RESPOND TO THE NOTICE.

13 (2) THE REQUIREMENTS TO BECOME A FOSTER PARENT,
14 PERMANENT LEGAL CUSTODIAN OR ADOPTIVE PARENT.

15 (3) THE ADDITIONAL SUPPORTS THAT ARE AVAILABLE FOR
16 CHILDREN REMOVED FROM THE CHILD'S HOME.

17 * * *

18 SECTION 1303.2. PERMANENT LEGAL CUSTODIANSHIP SUBSIDY AND
19 REIMBURSEMENT.

20 (A) AMOUNT.--THE AMOUNT OF PERMANENT LEGAL CUSTODIANSHIP
21 SUBSIDY FOR MAINTENANCE COSTS TO A PERMANENT LEGAL CUSTODIAN OR
22 A SUCCESSOR PERMANENT LEGAL CUSTODIAN SHALL NOT EXCEED THE
23 MONTHLY PAYMENT RATE FOR FOSTER FAMILY CARE IN THE COUNTY IN
24 WHICH THE CHILD RESIDES.

25 * * *

26 SECTION 19. (RESERVED).

27 SECTION 20. THE REQUIREMENT THAT A FAMILY CHILD CARE HOME BE
28 LICENSED AS A FACILITY AS DEFINED IN SECTION 1001 OF THE ACT
29 SHALL APPLY UPON EXPIRATION OF THE FAMILY CHILD CARE HOME'S
30 CURRENT CERTIFICATE OF REGISTRATION.

1 SECTION 21. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

2 (1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IN 60
3 DAYS:

4 (I) THE ADDITION OF SECTION 405.1B.

5 (II) THE AMENDMENT OF SECTION 432.4 OF THE ACT.

6 (2) EXCEPT AS SET FORTH IN PARAGRAPH (3), THE ADDITION
7 OF ARTICLE VIII-I OF THE ACT SHALL TAKE EFFECT ON JULY 1,
8 2016, OR IMMEDIATELY, WHICHEVER IS LATER.

9 (3) THE ADDITION OF SECTIONS 801-I, 806-I AND 807-I(2)
10 OF THE ACT SHALL TAKE EFFECT IMMEDIATELY.

11 (4) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT
12 IMMEDIATELY:

13 (I) THIS SECTION.

14 (II) THE REMAINDER OF THIS ACT.