

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1633 Session of 2015

INTRODUCED BY PICKETT, DeLUCA, QUINN, V. BROWN, COHEN, DRISCOLL, FARRY, GODSHALL, GROVE, HELM, McNEILL, MILLARD, B. MILLER, THOMAS, YOUNGBLOOD, PASHINSKI, WATSON, MAJOR AND SIMMONS, OCTOBER 15, 2015

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, NOVEMBER 18, 2015

AN ACT

1 Amending Title 40 (Insurance) of the Pennsylvania Consolidated
2 Statutes, providing for comprehensive health care for
3 uninsured children; and making a repeal.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Title 40 of the Pennsylvania Consolidated
7 Statutes is amended by adding a chapter to read:

8 CHAPTER 64

9 CHILDREN'S HEALTH CARE

10 Sec.

11 6401. Definitions.

12 6402. Children's health care.

13 6403. Children's Health Advisory Council.

14 6404. Contracts and coverage packages.

15 6405. Outreach.

16 6406. Payor of last resort and insurance coverage.

17 6407. State plan.

1 6408. Limitation on expenditure of funds.

2 6409. Expiration.

3 § 6401. Definitions.

4 The following words and phrases when used in this chapter
5 shall have the meanings given to them in this section unless the
6 context clearly indicates otherwise:

7 "Child." An individual under 19 years of age.

8 "Contractor." An insurer awarded a contract under section
9 6404 (relating to contracts and coverage packages) to provide
10 health care services under this chapter. The term includes an
11 entity and an entity's subsidiary which is established under
12 Chapter 61 (relating to hospital plan corporations) or 63
13 (relating to professional health services plan corporations),
14 the act of May 17, 1921 (P.L.682, No.284), known as The
15 Insurance Company Law of 1921, or the act of December 29, 1972
16 (P.L.1701, No.364), known as the Health Maintenance Organization
17 Act.

18 "Council." The Children's Health Advisory Council
19 established in section 6403 (relating to Children's Health
20 Advisory Council).

21 "Department." The Department of Human Services of the
22 Commonwealth.

23 "EPSDT." Early and periodic screening, diagnosis and
24 treatment.

25 "EXPRESS LANE ELIGIBILITY." A PROCESS WHICH PERMITS THE USE <--
26 OF FINDINGS FOR ELIGIBILITY FACTORS, INCLUDING INCOME AND
27 HOUSEHOLD SIZE FROM AN EXPRESS LANE PARTNER ADMINISTERING A
28 GOVERNMENT PROGRAM.

29 "EXPRESS LANE PARTNER." AN AGENCY DETERMINING ELIGIBILITY
30 FOR ASSISTANCE FOR ANY OF THE FOLLOWING PROGRAMS:

1 (1) SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP).

2 (2) CHILD CARE PROVIDED UNDER THE CHILD CARE AND
3 DEVELOPMENT BLOCK GRANT ACT OF 1990 (PUBLIC LAW 101-508, 42
4 U.S.C. § 9858 ET SEQ.).

5 "Fund." The Children's Health Fund.

6 "Group." A group for which a health insurance policy is
7 written in this Commonwealth.

8 "Health service corporation." A professional health service
9 corporation as defined in section 6302 (relating to
10 definitions).

11 "Healthy Beginnings Program." Medical assistance coverage
12 for services to children as required under Title XIX for the
13 following:

14 (1) Children from birth to one year of age whose family
15 income is not greater than 185% of the Federal poverty level.

16 (2) Children one through five years of age whose family
17 income is not greater than 133% of the Federal poverty level.

18 (3) Children 6 through 18 years of age whose family
19 income is not greater than 133% of the Federal poverty level.

20 "HMO." An entity organized and regulated under the Health
21 Maintenance Organization Act.

22 "Hospital." An institution having an organized medical staff
23 which is engaged primarily in providing to inpatients, by or
24 under the supervision of physicians, diagnostic and therapeutic
25 services for the care of injured, disabled, pregnant, diseased
26 or sick or mentally ill individuals. The term includes
27 facilities for the diagnosis and treatment of disorders within
28 the scope of specific medical specialties. The term does not
29 include facilities caring exclusively for the mentally ill.

30 "Hospital plan corporation." A hospital plan corporation as

1 defined in section 6101 (relating to definitions).

2 "Insurer." A health insurance entity licensed in this
3 Commonwealth to issue any individual or group health, sickness
4 or accident policy or subscriber contract or certificate that
5 provides medical or health care coverage by a health care
6 facility or licensed health care provider that is offered or
7 governed under any of the following:

8 (1) The Insurance Company Law of 1921.

9 (2) The Health Maintenance Organization Act.

10 (3) The act of May 18, 1976 (P.L.123, No.54), known as
11 the Individual Accident and Sickness Insurance Minimum
12 Standards Act.

13 (4) Chapter 61 or 63.

14 "Medicaid." The Federal medical assistance program
15 established under Title XIX.

16 "Medical assistance." The State program of medical
17 assistance established under the act of June 13, 1967 (P.L.31,
18 No.21), known as the Public Welfare Code.

19 "Mid-level health professional." A physician assistant,
20 certified registered nurse practitioner, nurse practitioner or
21 certified nurse midwife.

22 "Parent." A NATURAL parent, stepparent, ADOPTIVE PARENT, <--
23 guardian or custodian of a child.

24 "Preexisting condition." A disease or physical condition for <--
25 which medical advice or treatment has been received prior to the
26 effective date of coverage.

27 "Premium assistance program." A component of a separate
28 child health program, approved under the State plan, under which
29 the Commonwealth pays part or all of the premium for an enrollee
30 or enrollee's group health insurance coverage or coverage under

1 a group health plan.

2 "Prescription drug." A controlled substance, other drug or
3 device for medication dispensed by order of an appropriately
4 licensed medical professional.

5 "Secretary." The Secretary of Human Services OF THE <--
6 COMMONWEALTH.

7 "Terminate." The term includes cancellation, nonrenewal and
8 rescission.

9 "Title XIX." Title XIX of the Social Security Act (49 Stat.
10 620, 42 U.S.C. § 301 et seq.).

11 "Title XXI." Title XXI of the Social Security Act.
12 § 6402. Children's health care.

13 (a) Federal funds.--Notwithstanding any other provision of
14 law, the department shall ensure the receipt of Federal
15 financial participation under Title XXI for services provided
16 under this chapter.

17 (b) General care.--To ensure that inpatient hospital care is
18 provided to eligible children, each primary care provider
19 furnishing primary care services shall make necessary
20 arrangements for admission to the hospital and for necessary
21 specialty care.

22 ~~(c) Enrollment.~~ <--

23 ~~(1) Subject to the provisions of section 6404 (relating~~
24 ~~to contracts and coverage packages), an insurer receiving~~
25 ~~funds from the department to provide coverage of health care~~
26 ~~services under this section shall enroll, to the extent that~~
27 ~~funds are available, any child who meets all of the~~
28 ~~following:~~

29 ~~(i) Is a resident of this Commonwealth.~~

30 ~~(ii) Is not:~~

1 ~~(A) Covered by a health insurance plan.~~
2 ~~(B) Covered by a self insurance plan.~~
3 ~~(C) Covered by a self funded plan.~~
4 ~~(D) Provided access to health care coverage by~~
5 ~~court order.~~

6 ~~(E) Eligible for or covered by a medical~~
7 ~~assistance program administered by the department,~~
8 ~~including the Healthy Beginnings Program.~~

9 ~~(iii) Is qualified based on income under subsections~~
10 ~~(d) and (e).~~

11 ~~(iv) Meets the citizenship requirements of Title~~
12 ~~XXI.~~

13 ~~(2) Enrollment may not be denied on the basis of a~~
14 ~~preexisting condition and diagnosis or treatment for the~~
15 ~~condition may not be excluded based on the condition's~~
16 ~~preexistence.~~

17 (C) ENROLLMENT.--SUBJECT TO THE PROVISIONS OF SECTION 6404 <--
18 (RELATING TO CONTRACTS AND COVERAGE PACKAGES), AN INSURER
19 RECEIVING FUNDS FROM THE DEPARTMENT TO PROVIDE COVERAGE OF
20 HEALTH CARE SERVICES UNDER THIS SECTION SHALL ENROLL, TO THE
21 EXTENT THAT FUNDS ARE AVAILABLE, ANY CHILD WHO MEETS ALL OF THE
22 FOLLOWING:

23 (1) IS A RESIDENT OF THIS COMMONWEALTH.

24 (2) IS NOT:

25 (I) COVERED BY A HEALTH INSURANCE PLAN.

26 (II) COVERED BY A SELF-INSURANCE PLAN.

27 (III) COVERED BY A SELF-FUNDED PLAN.

28 (IV) PROVIDED ACCESS TO HEALTH CARE COVERAGE BY
29 COURT ORDER.

30 (V) ELIGIBLE FOR OR COVERED BY A MEDICAL ASSISTANCE

1 PROGRAM ADMINISTERED BY THE DEPARTMENT, INCLUDING THE
2 HEALTHY BEGINNINGS PROGRAM.

3 (3) IS QUALIFIED BASED ON INCOME UNDER SUBSECTIONS (D)
4 AND (E).

5 (4) MEETS THE CITIZENSHIP REQUIREMENTS OF TITLE XXI.

6 (d) Income levels.--The provision of health care insurance
7 for eligible children shall be in accordance with the following:

8 (1) Free to a child whose family income is no greater
9 than 200% of the Federal poverty level.

10 (2) May be subsidized by the fund at a rate not to
11 exceed 75% of the per member per month premium cost for a
12 child whose family income is greater than 200% of the Federal
13 poverty level but not greater than 250% of the Federal
14 poverty level.

15 (3) May be subsidized by the fund at a rate not to
16 exceed 65% of the per member per month premium cost for a
17 child whose family income is greater than 250% of the Federal
18 poverty level but not greater than 275% of the Federal
19 poverty level.

20 (4) May be subsidized by the fund at a rate not to
21 exceed 60% of the per member per month premium for a child
22 whose family income is greater than 275% of the Federal
23 poverty level but not greater than 300% of the Federal
24 poverty level.

25 (e) Income exceeding limits.--The following apply:

26 (1) For an eligible child whose family income is greater
27 than the maximum level established under section 6404(h), the
28 family may purchase the minimum coverage package under
29 6404(e)(9) for that child at the per member per month premium
30 cost. The cost shall be derived separately from the other

1 eligibility categories in the program. The family may
2 purchase the minimum coverage package if the family
3 demonstrates on an annual basis and in a manner determined by
4 the department that the family is unable to afford individual
5 or group coverage because of one of the following reasons:

6 (i) The coverage would exceed 10% of the family
7 income.

8 (ii) The total cost of coverage for the child is
9 150% of the greater of:

10 (A) the premium cost established under this
11 subsection for that service area; or

12 (B) the premium cost established under the
13 program for that service area.

14 (2) For purposes of this subsection, the term "coverage"
15 may not include coverage offered through accident only, fixed
16 indemnity, limited benefit, credit, dental, vision, specified
17 disease, Medicare supplement, Civilian Health and Medical
18 Program of the Uniformed Services (CHAMPUS) supplement, long-
19 term care or disability income, workers' compensation or
20 automobile medical payment insurance.

21 (f) Powers and duties.--

22 (1) For enrollees under subsection (d) (2), (3) or (4) or
23 (e), the following apply:

24 (i) The department may impose copayments for the
25 following services, except as otherwise prohibited by
26 law:

27 (A) Outpatient visits.

28 (B) Emergency room visits.

29 (C) Prescription medications.

30 (D) Any other service defined by the department.

1 (ii) The department shall have the authority to
2 establish and adjust the levels of these copayments in
3 order to impose reasonable cost sharing and to encourage
4 appropriate utilization of these services. The premiums
5 and copayments for enrollees under subsection (d) (2), (3)
6 or (4) may not amount to more than the percent of total
7 household income which is in accordance with the
8 requirements of the Centers for Medicare and Medicaid
9 Services.

10 (2) The department shall:

11 (i) Administer the children's health insurance
12 program in accordance with this chapter.

13 (ii) Review all bids and approve and execute all
14 contracts for the purpose of expanding access to health
15 care services for eligible children as provided for in
16 this chapter.

17 (iii) Conduct monitoring and oversight of contracts.

18 (iv) Issue an annual report to the Governor, the
19 General Assembly and the public for each calendar year no
20 later than March 1 of each year providing for the
21 following:

22 (A) The primary health services funded for the
23 year.

24 (B) The outreach and enrollment efforts and the
25 number of children by county and by percent of the
26 Federal poverty level who are receiving health care
27 services.

28 (C) The projected number of eligible children by
29 county and by percent of the Federal poverty level.

30 (D) The number of eligible children on waiting

1 lists for enrollment in the children's health
2 insurance program established under this chapter by
3 county and by percent of the Federal poverty level.

4 (E) THE DETAILS OF THE DEPARTMENT'S EFFORTS ON <--
5 THE IMPLEMENTATION OF EXPRESS LANE ELIGIBILITY.

6 (v) In consultation with appropriate Commonwealth
7 agencies, coordinate the development and supervision of
8 the outreach plan required under section 6405 (relating
9 to outreach).

10 (vi) In consultation with appropriate Commonwealth
11 agencies, monitor, review and evaluate the adequacy,
12 accessibility and availability of services delivered to
13 children who are enrolled in the children's health
14 insurance program established under this chapter.

15 (vii) Enter into arrangements, including memoranda
16 of understanding, with the Insurance Department and other
17 appropriate Federal or State agencies, as may be
18 necessary to carry out the department's duties under this
19 chapter.

20 (3) The department may promulgate regulations necessary
21 for the implementation and administration of this chapter.

22 § 6403. Children's Health Advisory Council.

23 The Children's Health Advisory Council is established within
24 the department as an advisory council. The following apply:

25 (1) The council shall consist of ~~14~~ 16 voting members. <--

26 Members provided for in subparagraphs (iv), (v), (vi), (vii),
27 (viii), (xiii) and ~~(xiv)~~, (XIV), (XV) AND (XVI) shall be <--

28 appointed by the secretary. The council shall be
29 geographically balanced on a Statewide basis and shall
30 include:

- 1 (i) The Secretary of Health ex officio or a
2 designee.
- 3 (ii) The Insurance Commissioner ex officio or a
4 designee.
- 5 (iii) The secretary ex officio or a designee.
- 6 (iv) A representative with experience in children's
7 health from a school of public health located in this
8 Commonwealth.
- 9 (v) A physician with experience in children's health
10 appointed from a list of three qualified persons
11 recommended by the Pennsylvania Medical Society.
- 12 (vi) A representative of a children's hospital or a
13 hospital with a pediatric outpatient clinic appointed
14 from a list of three persons submitted by the Hospital
15 Association of Pennsylvania.
- 16 (vii) A parent of a child who receives primary
17 health care coverage from the fund.
- 18 (viii) A mid-level professional appointed from lists
19 of names recommended by Statewide associations
20 representing mid-level health professionals.
- 21 (ix) A senator appointed by the President pro
22 tempore of the Senate.
- 23 (x) A senator appointed by the Minority Leader of
24 the Senate.
- 25 (xi) A representative appointed by the Speaker of
26 the House of Representatives.
- 27 (xii) A representative appointed by the Minority
28 Leader of the House of Representatives.
- 29 (xiii) A representative from a private nonprofit
30 foundation.

1 (xiv) A representative of business who is not a
2 contractor or provider of primary health care insurance
3 under this chapter.

4 (XV) A REPRESENTATIVE OF A NONPROFIT BUSINESS WHO IS <--
5 A CONTRACTOR OR PROVIDER OF PRIMARY HEALTH INSURANCE
6 UNDER THIS CHAPTER.

7 (XVI) A REPRESENTATIVE OF A FOR PROFIT BUSINESS WHO
8 IS A CONTRACTOR OR PROVIDER OF PRIMARY HEALTH INSURANCE
9 UNDER THIS CHAPTER.

10 (2) If a specified organization ceases to exist or fails
11 to make a recommendation within 90 days of a request, the
12 council shall specify a new equivalent organization to
13 fulfill the responsibilities of this section.

14 (3) The secretary shall serve as chairperson of the
15 council. The members of the council shall annually elect, by
16 a majority vote of the members, a vice chairperson from among
17 the members of the council.

18 (4) The presence of eight members shall constitute a
19 quorum for the transacting of any business. An act by a
20 majority of the members present at a meeting at which there
21 is a quorum shall be deemed to be that of the council.

22 (5) All meetings of the council shall be conducted in
23 accordance with 65 Pa.C.S. Ch. 7 (relating to open meetings),
24 except as provided in this section. Meetings must be in
25 accordance with the following:

26 (i) The council shall meet at least twice per year
27 and may provide for special meetings as the council deems
28 necessary.

29 (ii) Meeting dates shall be set by a majority vote
30 of members of the council or by call of the chairperson

1 upon seven days' notice to all members.

2 (iii) The council shall publish notice of the
3 council's meetings in the Pennsylvania Bulletin. The
4 notice must specify the date, time and place of the
5 meeting and shall state that the council's meetings are
6 open to the general public.

7 (iv) All action taken by the council shall be taken
8 in open public session and may not be taken except upon a
9 majority vote of the members present at a meeting at
10 which a quorum is present.

11 (6) The members of the council may not receive a salary
12 or per diem allowance for serving as members of the council
13 but shall be reimbursed for actual and necessary expenses
14 incurred in the performance of the members' duties.

15 (7) Terms of council members shall be as follows:

16 (i) The appointed members shall serve for a term of
17 three years and shall continue to serve until a successor
18 is appointed.

19 (ii) An appointed member may not be eligible to
20 serve more than two full consecutive terms of three
21 years. Vacancies shall be filled in the same manner as
22 the original appointment within 60 days of the vacancy.

23 (iii) An appointed member may be removed by the
24 appointing authority for just cause and by a vote of at
25 least seven members of the council.

26 (8) The council shall review outreach activities and may
27 make recommendations to the department.

28 (9) The council shall review and evaluate the
29 accessibility and availability of services delivered to
30 children enrolled in the program.

1 § 6404. Contracts and coverage packages.

2 (a) Paid from fund.--In addition to any other requirements
3 provided by law, the fund shall be operated in accordance with
4 the following:

5 (1) The fund must be dedicated exclusively for
6 distribution by the department through contracts in order to
7 provide free and subsidized health care services under this
8 chapter, based on an actuarially sound and adequate review,
9 and to develop and implement outreach activities required
10 under section 6405 (relating to outreach).

11 (2) The fund, along with Federal, State and other funds
12 available for the program, must be used for health care
13 coverage for children as specified in this chapter. The
14 department shall ensure that the program is implemented
15 Statewide.

16 (3) The department must award contracts paid from the
17 fund in accordance with the following:

18 (i) All contracts awarded under this subsection must
19 be awarded through a competitive procurement process. The
20 department and the Insurance Department must use their
21 best efforts to ensure that eligible children across this
22 Commonwealth have access to health care services to be
23 provided under this chapter.

24 (ii) No more than 10% of the amount of the contract
25 may be used for administrative expenses of the
26 contractor. If a contractor presents documented evidence
27 that administrative expenses for purposes of expanded
28 outreach and systems and operational changes are in
29 excess of 10% of the amount of the contract, the
30 department shall make an additional allotment of funds,

1 not to exceed 2% of the amount of the contract, to the
2 contractor to the extent that the department finds the
3 expenses reasonable and necessary.

4 (iii) At least 84% of the amount of the contract
5 shall be used to provide health care services for
6 children eligible for care under this chapter.

7 (b) Solicitation of contracts.--The department must solicit
8 bids and award contracts through a competitive procurement
9 process in accordance with the following:

10 (1) To the fullest extent practicable, contracts shall
11 be awarded to insurers that contract with providers to
12 provide primary care services for enrollees on a cost-
13 effective basis. The department shall require contractors to
14 use appropriate cost-management methods so that basic primary
15 coverage services can be provided to the maximum number of
16 eligible children and, if possible, to pursue and utilize
17 available public and private funds.

18 (2) To the fullest extent practicable, the department
19 must require that a contractor comply with all procedures
20 relating to coordination of health care services as required
21 by the department or the Insurance Department.

22 (3) Contracts may be for a term of up to three years,
23 with the option to extend for two one-year periods.

24 (c) Bidding.--Upon receipt of a solicitation from the
25 department, each health service corporation and hospital plan
26 corporation or their entities doing business in this
27 Commonwealth shall submit a bid or proposal to the department to
28 carry out the purposes of this chapter in the area serviced by
29 the corporation.

30 (d) Bidding by other insurers.--All other insurers may

1 submit a bid or proposal to the department to carry out the
2 purposes of this chapter.

3 (e) Duties of contractor.--A contractor with whom the
4 department enters into a contract shall do the following:

5 (1) Ensure to the maximum extent possible that eligible
6 children have access to primary health care physicians and
7 nurse practitioners within the contractor's service area.

8 (2) Contract with qualified, cost-effective providers,
9 which may include primary health care physicians, nurse
10 practitioners, clinics and HMOs, to provide primary and
11 preventive health care for enrollees on a basis best
12 calculated to manage the costs of the services, including,
13 but not limited to, using managed health care techniques and
14 other appropriate medical cost-management methods.

15 (3) Ensure that the family of a child who may be
16 eligible for medical assistance receives assistance in
17 applying for medical assistance.

18 (4) Maintain waiting lists of children financially
19 eligible for coverage who have applied for coverage but who
20 were not enrolled due to lack of funds.

21 (5) Notify families of children who are paying a premium
22 of any changes in such premium or copayment requirements.

23 (6) Collect premiums or copayments from the family of a
24 child receiving coverage as may be required.

25 (7) Cancel coverage for nonpayment of premium, in
26 accordance with all applicable insurance laws.

27 (8) Strongly encourage all providers who provide primary
28 care to eligible children to participate in medical
29 assistance as qualified EPSDT providers and to continue to
30 provide care to children who become ineligible for coverage

1 under the provisions of this chapter but who qualify for
2 medical assistance.

3 (9) Subject to any necessary Federal approval, provide
4 the following minimum coverage package, WHICH MAY NOT <--
5 CONFLICT WITH FEDERAL LAW, REGULATION OR GUIDANCE, for
6 eligible children:

7 (i) Preventive care. This subparagraph shall
8 include:

9 (A) Well-child care visits in accordance with
10 the schedule established by the American Academy of
11 Pediatrics and the services related to the visits,
12 including immunizations, health education,
13 tuberculosis testing and developmental screening in
14 accordance with the routine schedule of well-child
15 care visits.

16 (B) A comprehensive physical examination,
17 including X-rays if necessary, for any child
18 exhibiting symptoms of possible child abuse.

19 (ii) Diagnosis and treatment of illness or injury,
20 including all medically necessary services related to the
21 diagnosis and treatment of sickness and injury and other
22 conditions provided on an ambulatory basis, such as
23 laboratory tests, wound dressing and casting to
24 immobilize fractures.

25 (iii) Injections and medications provided at the
26 time of the office visit or therapy and outpatient
27 surgery performed in the office, a hospital or
28 freestanding ambulatory service center, including
29 anesthesia provided in conjunction with such service or
30 during emergency medical service.

1 (iv) Emergency accident and emergency medical care.

2 (v) Prescription drugs.

3 (vi) Emergency, preventive and routine dental care.

4 This subparagraph does not include orthodontia or
5 cosmetic surgery.

6 (vii) Emergency, preventive and routine vision care,
7 including the cost of corrective lenses and frames, not
8 to exceed two prescriptions per year.

9 (viii) Emergency, preventive and routine hearing
10 care.

11 (ix) Inpatient hospitalization up to 90 days per <--
12 year for eligible children.

13 (10) The department may implement a premium assistance
14 program permitted under Federal regulations and as permitted
15 through Federal waiver or State plan amendment made pursuant
16 to this chapter. Notwithstanding any other law to the
17 contrary, if it is more cost effective to purchase health
18 care from a parent's employer-based program and the employer-
19 based program meets the minimum coverage requirements,
20 employer-based coverage may be purchased in place of
21 enrollment in the children's health insurance program
22 established under this chapter. An insurer must honor a
23 request for enrollment and purchase of employee group health
24 insurance requested on behalf of an individual applying for
25 coverage under this chapter if the individual:

26 (i) is a resident of this Commonwealth;

27 (ii) is qualified based on income under section
28 6402(d) (relating to children's health care); and

29 (iii) meets the citizenship requirements of section
30 6402(c) (1) (iv).

1 (11) The department shall have the authority to review,
2 audit and approve annual administrative expenses incurred by
3 contractors under this section.

4 (12) Except for children covered under paragraph (10),
5 each contractor shall provide a coverage identification card
6 to each eligible child covered under contracts executed under
7 this chapter. The card must not specifically identify the
8 holder as low income.

9 (f) Waiver of minimum.--The department may grant a waiver of
10 the minimum coverage package of subsection (e) (9) upon
11 demonstration by the applicant that the applicant is providing
12 health care services for eligible children that meet the
13 purposes and intent of this chapter.

14 (g) Review.--The department, in consultation with
15 appropriate Commonwealth agencies, must review enrollment
16 patterns for both the free coverage program and the subsidized
17 coverage program. The department shall consider the
18 relationship, if any, among enrollment, enrollment fees, income
19 levels and family composition. Based on the results of this
20 study and the availability of funds, the department is
21 authorized to adjust the maximum income ceiling for free
22 coverage and the maximum income ceiling for subsidized coverage
23 by regulation. The maximum income ceiling for free coverage may
24 not be raised above 200% of the Federal poverty level.

25 (h) Limit.--Notwithstanding subsection (g) and subject to
26 section 6407 (relating to State plan), the maximum income
27 ceiling for subsidized coverage under section 6402(d)(2), (3) or
28 (4) may not be raised above 300% of the Federal poverty level.
29 § 6405. Outreach.

30 (a) Plan.--The department, in consultation with appropriate

1 Commonwealth agencies, must coordinate the development of an
2 outreach plan to inform potential contractors, providers and
3 enrollees regarding eligibility and available coverage. The plan
4 must include provisions for all of the following:

5 (1) Reaching special populations, including nonwhite and
6 non-English-speaking children and children with disabilities.

7 (2) Reaching different geographic areas, including rural
8 and inner-city areas.

9 (3) Ensuring that special efforts are coordinated within
10 the overall outreach activities throughout this Commonwealth.

11 (4) COMPARING CHILDREN ENROLLED IN CHILD CARE PROVIDED <--
12 UNDER THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990
13 (PUBLIC LAW 101-508, 42 U.S.C. § 9858 ET SEQ.) OR ENROLLED IN
14 THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM IN THE
15 DETERMINATION OF A CHILD'S ELIGIBILITY FOR COVERAGE UNDER
16 THIS CHAPTER AND IMPLEMENT EXPRESS LANE ELIGIBILITY AS
17 APPROPRIATE. THE DEPARTMENT IS AUTHORIZED TO EXPAND THE
18 AGENCIES IDENTIFIED AS EXPRESS LANE PARTNERS BY THE ISSUANCE
19 OF A STATEMENT OF POLICY.

20 (5) NOTICE OF THE EXISTENCE OF AND ELIGIBILITY FOR THE
21 PROGRAM SHALL BE PREPARED BY THE DEPARTMENT AND PROVIDED TO
22 THE DEPARTMENT OF EDUCATION FOR DISSEMINATION TO NONPUBLIC
23 AND PUBLIC SCHOOLS ELECTRONICALLY, ON AN ANNUAL BASIS, NOT
24 LATER THAN AUGUST 15.

25 (b) Review.--The council shall review the outreach
26 activities and recommend changes as the council deems to be in
27 the best interests of the children to be served.

28 § 6406. Payor of last resort and insurance coverage.

29 The contractor may not pay a claim on behalf of an enrolled
30 child unless all other Federal, State, local or private

1 resources available to the child or the child's family are
2 utilized first. The department, in cooperation with the
3 Insurance Department, must determine if insurance coverage is
4 available to the child through a custodial or noncustodial
5 parent on an employment-related or other group basis. If
6 insurance coverage is available, the child's eligibility under
7 section 6402 (relating to children's health care) and the most
8 cost-effective means of providing coverage for that child must
9 be reevaluated.

10 § 6407. State plan.

11 The department may amend the State plan as necessary to carry
12 out the provisions of this chapter.

13 § 6408. Limitation on expenditure of funds.

14 The total amount of annual contract awards authorized under
15 this chapter may not exceed the amount of cigarette tax receipts
16 annually deposited into the fund under section 1296 of the act
17 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
18 1971, and any other Federal or State funds received through the
19 fund. The provision of children's health care through the fund
20 may not constitute an entitlement derived from the Commonwealth
21 or a claim on any other funds of the Commonwealth.

22 § 6409. Expiration.

23 (a) General rule.--This chapter shall expire on the earlier
24 of:

25 (1) December 31, 2017.

26 (2) Ninety days after the date on which Federal funding
27 for the program ceases to be available.

28 (b) Notice.--If the chapter expires under subsection (a)(2),
29 as determined by the department, the department shall transmit
30 notice to the Legislative Reference Bureau for publication in

1 the Pennsylvania Bulletin.

2 Section 2. Repeals are as follows:

3 (1) The General Assembly declares that the repeal under
4 paragraph (2) is necessary to effectuate the addition of 40
5 Pa.C.S. Ch. 64.

6 (2) Article XXIII of the act of May 17, 1921 (P.L.682,
7 No.284), known as The Insurance Company Law of 1921, is
8 repealed.

9 Section 3. The addition of 40 Pa.C.S. Ch. 64 is a
10 continuation of Article XXIII of the act of May 17, 1921
11 (P.L.682, No.284), known as The Insurance Company Law of 1921.

12 The following apply:

13 (1) Except as otherwise provided in 40 Pa.C.S. Ch. 64,
14 all activities initiated under Article XXIII shall continue
15 and remain in full force and effect and may be completed
16 under 40 Pa.C.S. Ch. 64. Orders, regulations, rules and
17 decisions which were made under Article XXIII and which are
18 in effect on the effective date of section 2(2) of this act
19 shall remain in full force and effect until revoked, vacated
20 or modified under 40 Pa.C.S. Ch. 64. Contracts and
21 obligations entered into under Article XXIII are not affected
22 nor impaired by the repeal of Article XXIII.

23 (2) Except as set forth in paragraph (3), any difference
24 in language between 40 Pa.C.S. Ch. 64 and Article XXIII is
25 intended only to conform to the style of the Pennsylvania
26 Consolidated Statutes and is not intended to change or affect
27 the legislative intent, judicial construction or
28 administration and implementation of Article XXIII.

29 (3) Paragraph (2) does not apply to the addition of the
30 following provisions:

1 (i) The change in the definition of "department" in
2 40 Pa.C.S. § 6401.

3 (ii) The provisions for arrangements with other
4 agencies under 40 Pa.C.S. § 6402(f)(2)(vii).

5 (iii) The expiration provision under 40 Pa.C.S. §
6 6409.

7 (4) All entities receiving grants under Article XXIII on
8 the effective date of this section shall continue to receive
9 funds and provide services as required under Article XXIII
10 until notice from the Department of Human Services is
11 published in the Pennsylvania Bulletin.
12 Section 4. This act shall take effect immediately.