

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 33 Session of 2019

INTRODUCED BY DUNBAR, SAYLOR, REESE, OBERLANDER, NELSON, ROTHMAN, MACKENZIE, GREINER, DIAMOND, JONES, PICKETT, GREGORY, RYAN, BARRAR, GLEIM, GROVE, BERNSTINE, WARNER, MILLARD, KEEFER, JAMES, PYLE, KAUFFMAN, DeLUCA, BENNINGHOFF, MASSER AND ROAE, JANUARY 28, 2019

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 18, 2019

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 definitions, for general assistance-~~
5 ~~related categorically needy and medically needy only medical-~~
6 ~~assistance programs and for the medically needy and~~
7 ~~determination of eligibility.~~

8 AMENDING THE ACT OF JUNE 13, 1967 (P.L.31, NO.21), ENTITLED "AN <--
9 ACT TO CONSOLIDATE, EDITORIALY REVISE, AND CODIFY THE PUBLIC
10 WELFARE LAWS OF THE COMMONWEALTH," IN PUBLIC ASSISTANCE,
11 FURTHER PROVIDING FOR DEFINITIONS, FOR GENERAL ASSISTANCE-
12 RELATED CATEGORICALLY NEEDY AND MEDICALLY NEEDY ONLY MEDICAL
13 ASSISTANCE PROGRAMS, FOR THE MEDICALLY NEEDY AND
14 DETERMINATION OF ELIGIBILITY AND FOR MEDICAL ASSISTANCE
15 PAYMENTS FOR INSTITUTIONAL CARE; IN HOSPITAL ASSESSMENTS,
16 FURTHER PROVIDING FOR DEFINITIONS, FOR AUTHORIZATION, FOR
17 ADMINISTRATION, FOR NO HOLD HARMLESS, FOR TAX EXEMPTION AND
18 FOR TIME PERIOD; AND, IN STATEWIDE QUALITY CARE ASSESSMENT,
19 FURTHER PROVIDING FOR DEFINITIONS.

20 The General Assembly of the Commonwealth of Pennsylvania
21 hereby enacts as follows:

22 ~~Section 1. Section 402 introductory paragraph and the~~ <--
23 ~~definition of "general assistance" of the act of June 13, 1967-~~
24 ~~(P.L.31, No.21), known as the Human Services Code, amended June-~~

1 ~~30, 2012 (P.L.668, No.80), amendment declared unconstitutional,~~  
2 ~~188 A.3d 1135, (Pa. 2018), are amended and the section is~~  
3 ~~amended by adding a definition to read:~~

4 ~~Section 402. Definitions. As used in this article, unless~~  
5 ~~the [content] context clearly indicates otherwise:~~

6 \* \* \*

7 ~~{"General assistance" means assistance granted under the~~  
8 ~~provisions of section 432(3) of this act.}~~

9 ~~"General assistance related categorically needy medical~~  
10 ~~assistance" means medical assistance for persons who meet the~~  
11 ~~requirements under section 432(3).~~

12 \* \* \*

13 ~~Section 2. Section 403.2 of the act, added June 30, 2012~~  
14 ~~(P.L.668, No.80), addition declared unconstitutional, 188 A.3d~~  
15 ~~1135, (Pa. 2018), is reenacted and amended to read:~~

16 ~~Section 403.2. General Assistance Related Categorically~~  
17 ~~Needy and Medically Needy Only Medical Assistance Programs. (a)~~  
18 ~~Subject to subsection (b) and notwithstanding any other~~  
19 ~~provision of law, the general assistance cash assistance program~~  
20 ~~shall cease [August 1, 2012] July 1, 2019.~~

21 ~~(b) The general assistance related categorically needy~~  
22 ~~medical assistance program shall continue, including, but not~~  
23 ~~limited to, the eligibility and work and work related~~  
24 ~~requirements under this article. The general assistance related~~  
25 ~~medical assistance program for the medically needy only shall~~  
26 ~~continue.~~

27 ~~Section 3. Section 442.1(a)(3) introductory paragraph and~~  
28 ~~(i) of the act, amended June 30, 2012 (P.L.668, No.80),~~  
29 ~~amendment declared unconstitutional, 188 A.3d 1135, (Pa. 2018),~~  
30 ~~are amended to read:~~

1 ~~Section 442.1. The Medically Needy; Determination of~~  
2 ~~Eligibility. (a) A person shall be considered medically needy~~  
3 ~~if that person meets the requirements of clauses (1), (2) and~~  
4 ~~(3):~~

5 \* \* \*

6 ~~(3) Complies with [either] subclause [(i) or] (ii):~~  
7 ~~[(i) Receives general assistance in the form of cash.]~~

8 \* \* \*

9 ~~Section 4. This act shall take effect as follows:~~

10 ~~(1) The amendment of section 442.1(a)(3) introductory~~  
11 ~~paragraph and (i) of the act shall take effect July 1, 2019.~~

12 ~~(2) The remainder of this act shall take effect~~  
13 ~~immediately.~~

14 SECTION 1. SECTION 402 INTRODUCTORY PARAGRAPH AND THE <--  
15 DEFINITION OF "GENERAL ASSISTANCE" OF THE ACT OF JUNE 13, 1967  
16 (P.L.31, NO.21), KNOWN AS THE HUMAN SERVICES CODE, AMENDED JUNE  
17 30, 2012 (P.L.668, NO.80), AMENDMENT DECLARED UNCONSTITUTIONAL,  
18 188 A.3D 1135, (PA. 2018), ARE AMENDED AND THE SECTION IS  
19 AMENDED BY ADDING A DEFINITION TO READ:

20 SECTION 402. DEFINITIONS.--AS USED IN THIS ARTICLE, UNLESS  
21 THE [CONTENT] CONTEXT CLEARLY INDICATES OTHERWISE:

22 \* \* \*

23 ["GENERAL ASSISTANCE" MEANS ASSISTANCE GRANTED UNDER THE  
24 PROVISIONS OF SECTION 432(3) OF THIS ACT.]

25 "GENERAL ASSISTANCE-RELATED CATEGORICALLY NEEDY MEDICAL  
26 ASSISTANCE" MEANS MEDICAL ASSISTANCE FOR PERSONS WHO MEET THE  
27 REQUIREMENTS UNDER SECTION 432(3).

28 \* \* \*

29 SECTION 2. SECTION 403.2 OF THE ACT, ADDED JUNE 30, 2012  
30 (P.L.668, NO.80), ADDITION DECLARED UNCONSTITUTIONAL, 188 A.3D

1 1135, (PA. 2018), IS REENACTED AND AMENDED TO READ:

2 SECTION 403.2. GENERAL ASSISTANCE-RELATED CATEGORICALLY  
3 NEEDY AND MEDICALLY NEEDY ONLY MEDICAL ASSISTANCE PROGRAMS.-- (A)  
4 SUBJECT TO SUBSECTION (B) AND NOTWITHSTANDING ANY OTHER  
5 PROVISION OF LAW, THE GENERAL ASSISTANCE CASH ASSISTANCE PROGRAM  
6 SHALL CEASE [AUGUST 1, 2012] AUGUST 1, 2019.

7 (B) THE GENERAL ASSISTANCE-RELATED CATEGORICALLY NEEDY  
8 MEDICAL ASSISTANCE PROGRAM SHALL CONTINUE, INCLUDING, BUT NOT  
9 LIMITED TO, THE ELIGIBILITY AND WORK AND WORK-RELATED  
10 REQUIREMENTS UNDER THIS ARTICLE. THE GENERAL ASSISTANCE-RELATED  
11 MEDICAL ASSISTANCE PROGRAM FOR THE MEDICALLY NEEDY ONLY SHALL  
12 CONTINUE.

13 SECTION 3. SECTION 442.1(A) (3) INTRODUCTORY PARAGRAPH AND  
14 (I) OF THE ACT, AMENDED JUNE 30, 2012 (P.L.668, NO.80),  
15 AMENDMENT DECLARED UNCONSTITUTIONAL, 188 A.3D 1135, (PA. 2018),  
16 ARE AMENDED TO READ:

17 SECTION 442.1. THE MEDICALLY NEEDY; DETERMINATION OF  
18 ELIGIBILITY.-- (A) A PERSON SHALL BE CONSIDERED MEDICALLY NEEDY  
19 IF THAT PERSON MEETS THE REQUIREMENTS OF CLAUSES (1), (2) AND  
20 (3):

21 \* \* \*

22 (3) COMPLIES WITH [EITHER] SUBCLAUSE [(I) OR] (II):  
23 [(I) RECEIVES GENERAL ASSISTANCE IN THE FORM OF CASH.]

24 \* \* \*

25 SECTION 4. SECTION 443.1(1.1) (I) AND (7) (VI) OF THE ACT,  
26 AMENDED JUNE 22, 2018 (P.L.258, NO.40), ARE AMENDED TO READ:

27 SECTION 443.1. MEDICAL ASSISTANCE PAYMENTS FOR INSTITUTIONAL  
28 CARE.--THE FOLLOWING MEDICAL ASSISTANCE PAYMENTS SHALL BE MADE  
29 ON BEHALF OF ELIGIBLE PERSONS WHOSE INSTITUTIONAL CARE IS  
30 PRESCRIBED BY PHYSICIANS:

1 \* \* \*

2 (1.1) SUBJECT TO SECTION 813-G, FOR INPATIENT HOSPITAL  
3 SERVICES PROVIDED DURING A FISCAL YEAR IN WHICH AN ASSESSMENT IS  
4 IMPOSED UNDER ARTICLE VIII-G, PAYMENTS UNDER THE MEDICAL  
5 ASSISTANCE FEE-FOR-SERVICE PROGRAM SHALL BE DETERMINED IN  
6 ACCORDANCE WITH THE DEPARTMENT'S REGULATIONS, EXCEPT AS FOLLOWS:

7 (I) IF THE COMMONWEALTH'S APPROVED TITLE XIX STATE PLAN FOR  
8 INPATIENT HOSPITAL SERVICES IN EFFECT FOR THE PERIOD OF JULY 1,  
9 2010, THROUGH JUNE 30, [2018] 2023, SPECIFIES A METHODOLOGY FOR  
10 CALCULATING PAYMENTS THAT IS DIFFERENT FROM THE DEPARTMENT'S  
11 REGULATIONS OR AUTHORIZES ADDITIONAL PAYMENTS NOT SPECIFIED IN  
12 THE DEPARTMENT'S REGULATIONS, SUCH AS INPATIENT DISPROPORTIONATE  
13 SHARE PAYMENTS AND DIRECT MEDICAL EDUCATION PAYMENTS, THE  
14 DEPARTMENT SHALL FOLLOW THE METHODOLOGY OR MAKE THE ADDITIONAL  
15 PAYMENTS AS SPECIFIED IN THE APPROVED TITLE XIX STATE PLAN.

16 \* \* \*

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

25 \* \* \*

26 (VI) SUBJECT TO FEDERAL APPROVAL OF SUCH AMENDMENTS AS MAY  
27 BE NECESSARY TO THE COMMONWEALTH'S APPROVED TITLE XIX STATE  
28 PLAN, FOR FISCAL YEARS 2015-2016, 2016-2017 [AND], 2018-2019 AND  
29 2019-2020, THE DEPARTMENT SHALL MAKE UP TO FOUR MEDICAL  
30 ASSISTANCE DAY-ONE INCENTIVE PAYMENTS TO QUALIFIED NONPUBLIC

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

23 (I) FOR FISCAL YEARS 2015-2016, 2016-2017 AND 2018-2019, THE  
24 STATE FUNDS AVAILABLE FOR THE NONPUBLIC NURSING FACILITY MEDICAL  
25 ASSISTANCE DAY-ONE INCENTIVE PAYMENTS SHALL EQUAL EIGHT MILLION  
26 DOLLARS (\$8,000,000).

27 (II) FOR FISCAL YEARS 2019-2020, THE STATE FUNDS AVAILABLE  
28 FOR THE NONPUBLIC NURSING FACILITY MEDICAL ASSISTANCE DAY-ONE  
29 INCENTIVE PAYMENTS SHALL EQUAL SIXTEEN MILLION DOLLARS  
30 (\$16,000,000).

1 \* \* \*

2 SECTION 5. THE DEFINITIONS OF "ASSESSMENT," "GENERAL ACUTE  
3 CARE HOSPITAL," "HIGH VOLUME MEDICAID HOSPITAL," "HOSPITAL" AND  
4 "NET OPERATING REVENUE" IN SECTION 801-E OF THE ACT ARE AMENDED  
5 TO READ:

6 SECTION 801-E. DEFINITIONS.

7 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
8 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
9 CONTEXT CLEARLY INDICATES OTHERWISE:

10 "ASSESSMENT." THE FEE AUTHORIZED TO BE IMPLEMENTED UNDER  
11 THIS ARTICLE [ON EVERY GENERAL ACUTE CARE HOSPITAL WITHIN A  
12 MUNICIPALITY].

13 \* \* \*

14 "GENERAL ACUTE CARE HOSPITAL." A HOSPITAL OTHER THAN A  
15 HOSPITAL THAT THE [SECRETARY OF HUMAN SERVICES] SECRETARY HAS  
16 DETERMINED MEETS ONE OF THE FOLLOWING:

17 (1) IS EXCLUDED UNDER 42 CFR 412.23(A), (B), (D), (E) AND  
18 (F) (RELATING TO EXCLUDED HOSPITALS: CLASSIFICATIONS) AS OF  
19 MARCH 20, 2008, FROM REIMBURSEMENT OF CERTAIN FEDERAL FUNDS  
20 UNDER THE PROSPECTIVE PAYMENT SYSTEM DESCRIBED BY 42 CFR 412  
21 (RELATING TO PROSPECTIVE PAYMENT SYSTEMS FOR INPATIENT HOSPITAL  
22 SERVICES).

23 (2) IS A FEDERAL VETERANS' AFFAIRS HOSPITAL.

24 (3) IS A HIGH VOLUME MEDICAID HOSPITAL.

25 (4) PROVIDES CARE, INCLUDING INPATIENT HOSPITAL SERVICES, TO  
26 ALL PATIENTS FREE OF CHARGE.

27 (5) IS A FREE-STANDING ACUTE CARE HOSPITAL ORGANIZED  
28 PRIMARILY FOR THE TREATMENT OF AND RESEARCH ON CANCER AND WHICH  
29 IS AN EXEMPT HOSPITAL UNDER SECTION 801-G.

30 "HIGH VOLUME MEDICAID HOSPITAL." A HOSPITAL THAT THE



1 [SECRETARY OF HUMAN SERVICES] SECRETARY HAS DETERMINED MEETS ALL  
2 OF THE FOLLOWING:

3 (1) IS A NONPROFIT HOSPITAL SUBSIDIARY OF A STATE-RELATED  
4 INSTITUTION AS THAT TERM IS DEFINED IN 62 PA.C.S. § 103  
5 (RELATING TO DEFINITIONS); AND

6 (2) [PROVIDES] HAS PROVIDED MORE THAN [90,000] 60,000  
7 INPATIENT ACUTE CARE DAYS OF CARE TO PENNSYLVANIA MEDICAL  
8 ASSISTANCE PATIENTS [ANNUALLY] AS REPORTED BY THE HOSPITAL'S  
9 STATE FISCAL YEAR 2014-2015 MEDICAL ASSISTANCE HOSPITAL COST  
10 REPORT ON FILE WITH THE DEPARTMENT AS OF JUNE 6, 2018.

11 "HOSPITAL." A FACILITY OR THE SITE OF A FACILITY THAT IS  
12 LICENSED AS A HOSPITAL UNDER 28 PA. CODE PT. IV SUBPT. B  
13 (RELATING TO GENERAL AND SPECIAL HOSPITALS) AND LOCATED WITHIN A  
14 MUNICIPALITY.

15 \* \* \*

16 "NET [OPERATING] PATIENT REVENUE." GROSS [CHARGES FOR  
17 FACILITIES] REVENUES RECEIVED OR EARNED BY A HOSPITAL FOR  
18 INPATIENT AND OUTPATIENT HOSPITAL SERVICES, INCLUDING MEDICAL  
19 ASSISTANCE SUPPLEMENTAL REVENUES RECEIVED BY THE HOSPITAL FOR  
20 INPATIENT AND OUTPATIENT HOSPITAL SERVICES, LESS ANY DEDUCTED  
21 AMOUNTS FOR BAD DEBT EXPENSE, CHARITY CARE EXPENSE AND  
22 CONTRACTUAL ALLOWANCES AS IDENTIFIED IN THE HOSPITAL'S RECORDS  
23 OR ON FORMS AS SPECIFIED BY THE DEPARTMENT.

24 \* \* \*

25 SECTION 6. SECTION 802-E(A), (A.1) AND (B) OF THE ACT ARE  
26 AMENDED AND THE SECTION IS AMENDED BY ADDING A SUBSECTION TO  
27 READ:

28 SECTION 802-E. AUTHORIZATION.

29 (A) GENERAL RULE.--IN ORDER TO GENERATE ADDITIONAL REVENUES  
30 FOR THE PURPOSE OF ASSURING THAT MEDICAL ASSISTANCE RECIPIENTS

1 HAVE ACCESS TO HOSPITAL AND OTHER HEALTH CARE SERVICES [AND THAT  
2 ALL CITIZENS HAVE ACCESS TO EMERGENCY DEPARTMENT SERVICES], AND  
3 SUBJECT TO THE CONDITIONS AND REQUIREMENTS SPECIFIED UNDER THIS  
4 ARTICLE, A MUNICIPALITY MAY, BY ORDINANCE, [DO] IMPOSE AN  
5 ASSESSMENT ON THE FOLLOWING:

6 (1) [IMPOSE A MONETARY ASSESSMENT ON THE NET OPERATING  
7 REVENUE REDUCED BY ALL REVENUES RECEIVED FROM MEDICARE OF  
8 EACH GENERAL ACUTE CARE HOSPITAL LOCATED IN THE  
9 MUNICIPALITY.] EACH GENERAL ACUTE CARE HOSPITAL.

10 (2) [BEGINNING ON OR AFTER JULY 1, 2009, AND SUBJECT TO  
11 THE ADVANCE WRITTEN APPROVAL BY THE SECRETARY, IMPOSE A  
12 MONETARY ASSESSMENT ON THE NET OPERATING REVENUES REDUCED BY  
13 ALL REVENUES RECEIVED FROM MEDICARE OF EACH HIGH VOLUME  
14 MEDICAID HOSPITAL LOCATED IN THE MUNICIPALITY.] EACH HIGH  
15 VOLUME MEDICAID HOSPITAL.

16 (A.1) ASSESSMENT IMPOSED BY ORDINANCE.--A MUNICIPALITY  
17 SHALL, BY ORDINANCE, ESTABLISH THE ASSESSMENT IMPOSED UNDER  
18 SUBSECTION (A) (1) AND (2) AS A PERCENTAGE OF EACH HOSPITAL'S NET  
19 PATIENT REVENUE REDUCED BY ALL REVENUES RECEIVED FROM MEDICARE  
20 FOR THE YEAR AS THE MUNICIPALITY SHALL SPECIFY, AND MAY  
21 ESTABLISH DIFFERENT ASSESSMENT PERCENTAGES UNDER SUBSECTION (A)  
22 (1) OR (2).

23 (A.2) ADJUSTMENTS TO ASSESSMENT PERCENTAGE.--

24 (1) FOR STATE FISCAL YEARS BEGINNING AFTER JUNE 30,  
25 2013, AND SUBJECT TO THE ADVANCE WRITTEN APPROVAL OF THE  
26 SECRETARY AS PRESCRIBED BY THE DEPARTMENT, THE MUNICIPALITY  
27 MAY MAKE A UNIFORM ADJUSTMENT TO AN ASSESSMENT PERCENTAGE  
28 ESTABLISHED BY ORDINANCE UNDER SUBSECTION (A).

29 (2) AFTER RECEIVING WRITTEN APPROVAL UNDER PARAGRAPH (1)  
30 AND BEFORE IMPLEMENTING AN ADJUSTMENT, THE MUNICIPALITY SHALL

1 PROVIDE ADVANCE PUBLIC NOTICE. THE NOTICE SHALL SPECIFY THE  
2 PROPOSED ADJUSTED ASSESSMENT PERCENTAGE AND IDENTIFY THE  
3 AGGREGATE IMPACT ON HOSPITALS [LOCATED IN THE MUNICIPALITY]  
4 SUBJECT TO AN ASSESSMENT. AN INTERESTED PARTY SHALL HAVE 30  
5 DAYS IN WHICH TO SUBMIT COMMENTS TO THE MUNICIPALITY. UPON  
6 EXPIRATION OF THE 30-DAY COMMENT PERIOD, THE MUNICIPALITY,  
7 AFTER CONSIDERATION OF THE COMMENTS, SHALL PUBLISH A  
8 SUBSEQUENT NOTICE ANNOUNCING THE ADJUSTED ASSESSMENT  
9 PERCENTAGE.

10 (B) ADMINISTRATIVE PROVISIONS.--THE ORDINANCES ADOPTED  
11 PURSUANT TO [SUBSECTION] SUBSECTIONS (A), (A.1) AND (A.2) MAY  
12 INCLUDE APPROPRIATE ADMINISTRATIVE PROVISIONS INCLUDING, WITHOUT  
13 LIMITATION, PROVISIONS FOR THE COLLECTION OF INTEREST AND  
14 PENALTIES[.] AND PROVISIONS FOR THE CALCULATION AND IMPOSITION  
15 OF THE ASSESSMENT ON A HOSPITAL SUBJECT TO AN ASSESSMENT WHICH,  
16 DURING A FISCAL YEAR IN WHICH AN ASSESSMENT IS IMPOSED UNDER  
17 THIS ARTICLE, CHANGES OWNERSHIP OR CONTROL, BEGINS OPERATIONS,  
18 CLOSES OR EXPERIENCES ANY OTHER CHANGE THAT AFFECTS ITS STATUS  
19 AS A GENERAL ACUTE CARE HOSPITAL OR HIGH VOLUME MEDICAID  
20 HOSPITAL.

21 \* \* \*

22 SECTION 7. SECTIONS 804-E, 805-E, 807-E AND 808-E OF THE ACT  
23 ARE AMENDED TO READ:

24 SECTION 804-E. ADMINISTRATION.

25 (A) REMITTANCE.--UPON COLLECTION OF THE FUNDS GENERATED BY  
26 THE ASSESSMENT AUTHORIZED UNDER THIS ARTICLE, THE MUNICIPALITY  
27 SHALL REMIT A PORTION OF THE FUNDS TO THE COMMONWEALTH FOR THE  
28 PURPOSES SET FORTH UNDER SECTION 802-E, EXCEPT THAT THE  
29 MUNICIPALITY MAY RETAIN FUNDS IN AN AMOUNT NECESSARY TO  
30 REIMBURSE IT FOR ITS REASONABLE COSTS IN THE ADMINISTRATION AND

1 COLLECTION OF THE ASSESSMENT AND TO FUND A PORTION OF ITS COSTS  
2 OF OPERATING PUBLIC HEALTH CLINICS AND PUBLIC HEALTH PROGRAMS AS  
3 SET FORTH IN AN AGREEMENT TO BE ENTERED INTO BETWEEN THE  
4 MUNICIPALITY AND THE COMMONWEALTH ACTING THROUGH THE SECRETARY.

5 (B) ESTABLISHMENT.--THERE IS ESTABLISHED A RESTRICTED  
6 ACCOUNT IN THE GENERAL FUND FOR THE RECEIPT AND DEPOSIT OF FUNDS  
7 UNDER SUBSECTION (A). FUNDS IN THE ACCOUNT [ARE HEREBY  
8 APPROPRIATED TO] SHALL BE USED BY THE DEPARTMENT FOR EITHER OR  
9 BOTH OF THE FOLLOWING PURPOSES [OF MAKING]:

10 (1) MAKING SUPPLEMENTAL OR INCREASED MEDICAL ASSISTANCE  
11 PAYMENTS FOR [EMERGENCY DEPARTMENT] HOSPITAL SERVICES TO  
12 [GENERAL ACUTE CARE] HOSPITALS [WITHIN THE MUNICIPALITY] AND TO  
13 MAINTAIN OR INCREASE OTHER MEDICAL ASSISTANCE PAYMENTS TO  
14 HOSPITALS [WITHIN THE MUNICIPALITY], AS SPECIFIED IN THE  
15 COMMONWEALTH'S APPROVED TITLE XIX STATE PLAN.

16 (2) MAKING ADJUSTED CAPITATION PAYMENTS TO MEDICAL  
17 ASSISTANCE MANAGED CARE ORGANIZATIONS FOR ADDITIONAL PAYMENTS  
18 FOR HEALTH CARE SERVICES WITHIN THE MUNICIPALITY.

19 SECTION 805-E. NO HOLD HARMLESS.

20 NO [GENERAL ACUTE CARE HOSPITAL OR HIGH VOLUME MEDICAID]  
21 HOSPITAL SUBJECT TO THE ASSESSMENT SHALL BE DIRECTLY GUARANTEED  
22 A REPAYMENT OF ITS ASSESSMENT IN DEROGATION OF 42 CFR 433.68 (F)  
23 (RELATING TO PERMISSIBLE HEALTH CARE-RELATED TAXES), EXCEPT  
24 THAT, IN EACH FISCAL YEAR IN WHICH AN ASSESSMENT IS IMPLEMENTED,  
25 THE DEPARTMENT SHALL USE A PORTION OF THE FUNDS RECEIVED UNDER  
26 SECTION 804-E(A) FOR THE PURPOSES OUTLINED UNDER SECTION 804-  
27 E(B) TO THE EXTENT PERMISSIBLE UNDER FEDERAL AND STATE LAW OR  
28 REGULATION AND WITHOUT CREATING AN INDIRECT GUARANTEE TO HOLD  
29 HARMLESS, AS THOSE TERMS ARE USED UNDER 42 CFR 433.68 (F) (I). THE  
30 SECRETARY SHALL SUBMIT ANY [STATE MEDICAID PLAN] TITLE XIX STATE

1 PLAN AMENDMENTS TO THE UNITED STATES DEPARTMENT OF HEALTH AND  
2 HUMAN SERVICES THAT ARE NECESSARY TO MAKE THE PAYMENTS  
3 AUTHORIZED UNDER SECTION 804-E(B).  
4 SECTION 807-E. TAX EXEMPTION.

5 NOTWITHSTANDING ANY EXEMPTIONS GRANTED BY ANY OTHER FEDERAL,  
6 STATE OR LOCAL TAX OR OTHER LAW, INCLUDING SECTION 204(A)(3) OF  
7 THE ACT OF MAY 22, 1933 (P.L.853, NO.155), KNOWN AS THE GENERAL  
8 COUNTY ASSESSMENT LAW, NO [GENERAL ACUTE CARE HOSPITAL OR HIGH  
9 VOLUME MEDICAID] HOSPITAL [IN THE MUNICIPALITY] SUBJECT TO THE  
10 ASSESSMENT SHALL BE EXEMPT FROM THE ASSESSMENT.

11 SECTION 808-E. TIME PERIOD.

12 (A) CESSATION.--THE ASSESSMENT AUTHORIZED UNDER THIS ARTICLE  
13 SHALL CEASE JUNE 30, [2019] 2024.

14 (B) ASSESSMENT.--

15 (1) A MUNICIPALITY SHALL HAVE THE POWER TO ENACT THE  
16 ASSESSMENT AUTHORIZED IN SECTION 802-E(A)(2) EITHER PRIOR TO  
17 OR DURING ITS FISCAL YEAR ENDING JUNE 30, 2010.

18 (2) A MUNICIPALITY MAY ADJUST AN ASSESSMENT PERCENTAGE  
19 AS SPECIFIED UNDER SECTION [802-E(A.1)] 802-E(A.2) EITHER  
20 PRIOR TO OR DURING THE FISCAL YEAR IN WHICH THE ADJUSTED  
21 ASSESSMENT PERCENTAGE TAKES EFFECT.

22 SECTION 8. THE DEFINITIONS OF "NET INPATIENT REVENUE" AND  
23 "NET OUTPATIENT REVENUE" IN SECTION 801-G OF THE ACT, AMENDED OR  
24 ADDED JUNE 22, 2018 (P.L.258, NO.40), ARE AMENDED TO READ:

25 SECTION 801-G. DEFINITIONS.

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

29 \* \* \*

30 "NET INPATIENT REVENUE." GROSS [CHARGES FOR FACILITIES FOR

1 INPATIENT SERVICES LESS ANY DEDUCTED AMOUNTS FOR BAD DEBT  
2 EXPENSE, CHARITY CARE EXPENSE AND CONTRACTUAL ALLOWANCES AS  
3 REPORTED ON FORMS SPECIFIED BY THE DEPARTMENT AND:] REVENUES  
4 RECEIVED OR EARNED BY A HOSPITAL FOR INPATIENT SERVICES,  
5 INCLUDING MEDICAL ASSISTANCE SUPPLEMENTAL REVENUES RECEIVED BY  
6 THE HOSPITAL FOR INPATIENT HOSPITAL SERVICES, LESS ANY DEDUCTED  
7 AMOUNTS FOR BAD DEBT EXPENSE, CHARITY CARE EXPENSE AND  
8 CONTRACTUAL ALLOWANCES AS IDENTIFIED IN THE HOSPITAL'S RECORDS  
9 AND REPORTED ON FORMS SPECIFIED BY THE DEPARTMENT FOR:

10 (1) [AS IDENTIFIED IN THE HOSPITAL'S RECORDS FOR] THE  
11 STATE FISCAL YEAR COMMENCING JULY 1, 2014, OR SUCH LATER  
12 STATE FISCAL YEAR, AS MAY BE SPECIFIED BY THE DEPARTMENT FOR  
13 USE IN DETERMINING AN ANNUAL ASSESSMENT AMOUNT OWED ON OR  
14 AFTER JULY 1, 2018; OR

15 (2) [AS IDENTIFIED IN THE HOSPITAL'S RECORDS FOR] THE  
16 MOST RECENT STATE FISCAL YEAR, OR PART THEREOF, IF AMOUNTS  
17 ARE NOT AVAILABLE UNDER PARAGRAPH (1).

18 "NET OUTPATIENT REVENUE." GROSS [CHARGES FOR FACILITIES FOR  
19 OUTPATIENT SERVICES LESS ANY DEDUCTED AMOUNTS FOR BAD DEBT  
20 EXPENSE, CHARITY CARE EXPENSE AND CONTRACTUAL ALLOWANCES AS  
21 REPORTED ON FORMS SPECIFIED BY THE DEPARTMENT AND:] REVENUES  
22 RECEIVED OR EARNED BY A HOSPITAL FOR OUTPATIENT SERVICES,  
23 INCLUDING MEDICAL ASSISTANCE SUPPLEMENTAL REVENUES RECEIVED BY  
24 THE HOSPITAL FOR OUTPATIENT HOSPITAL SERVICES, LESS ANY DEDUCTED  
25 AMOUNTS FOR BAD DEBT EXPENSE, CHARITY CARE EXPENSE AND  
26 CONTRACTUAL ALLOWANCES AS IDENTIFIED IN THE HOSPITAL'S RECORDS  
27 AND REPORTED ON FORMS SPECIFIED BY THE DEPARTMENT FOR:

28 (1) [AS IDENTIFIED IN THE HOSPITAL'S RECORDS FOR] THE  
29 STATE FISCAL YEAR COMMENCING JULY 1, 2014, OR A LATER STATE  
30 FISCAL YEAR, AS MAY BE SPECIFIED BY THE DEPARTMENT FOR USE IN

1 DETERMINING AN ANNUAL ASSESSMENT AMOUNT OWED ON OR AFTER JULY  
2 1, 2018; OR

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

6 \* \* \*

7 SECTION 9. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

8 (1) THE AMENDMENT OF SECTION 442.1(A)(3) INTRODUCTORY  
9 PARAGRAPH AND (I) OF THE ACT SHALL TAKE EFFECT AUGUST 1,  
10 2019.

11 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT JULY 1,  
12 2019, OR IMMEDIATELY, WHICHEVER IS LATER.