

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1238 Session of 2020

INTRODUCED BY STREET, TARTAGLIONE AND MUTH, JULY 27, 2020

REFERRED TO APPROPRIATIONS, JULY 27, 2020

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled
2 "An act relating to the finances of the State government;
3 providing for cancer control, prevention and research, for
4 ambulatory surgical center data collection, for the Joint
5 Underwriting Association, for entertainment business
6 financial management firms, for private dam financial
7 assurance and for reinstatement of item vetoes; providing for
8 the settlement, assessment, collection, and lien of taxes,
9 bonus, and all other accounts due the Commonwealth, the
10 collection and recovery of fees and other money or property
11 due or belonging to the Commonwealth, or any agency thereof,
12 including escheated property and the proceeds of its sale,
13 the custody and disbursement or other disposition of funds
14 and securities belonging to or in the possession of the
15 Commonwealth, and the settlement of claims against the
16 Commonwealth, the resettlement of accounts and appeals to the
17 courts, refunds of moneys erroneously paid to the
18 Commonwealth, auditing the accounts of the Commonwealth and
19 all agencies thereof, of all public officers collecting
20 moneys payable to the Commonwealth, or any agency thereof,
21 and all receipts of appropriations from the Commonwealth,
22 authorizing the Commonwealth to issue tax anticipation notes
23 to defray current expenses, implementing the provisions of
24 section 7(a) of Article VIII of the Constitution of
25 Pennsylvania authorizing and restricting the incurring of
26 certain debt and imposing penalties; affecting every
27 department, board, commission, and officer of the State
28 government, every political subdivision of the State, and
29 certain officers of such subdivisions, every person,
30 association, and corporation required to pay, assess, or
31 collect taxes, or to make returns or reports under the laws
32 imposing taxes for State purposes, or to pay license fees or
33 other moneys to the Commonwealth, or any agency thereof,
34 every State depository and every debtor or creditor of the
35 Commonwealth," in emergency COVID-19 response, providing for

1 appropriations from the account and for continuing
2 appropriations.

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

5 Section 1. Article 1-C of the act of April 9, 1929 (P.L.343,
6 No.176), known as The Fiscal Code, is amended by adding a
7 subarticle to read:

8 SUBARTICLE B.1

9 APPROPRIATIONS FROM THE ACCOUNT

10 Section 115-C. Definitions.

11 The following words and phrases when used in this subarticle
12 shall have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Current fiscal year." The fiscal year beginning July 1,
15 2020, and ending June 30, 2021.

16 Section 116-C. Construction with the General Appropriation Act
17 of 2020.

18 All appropriations contained in this subarticle from the
19 General Fund shall be in addition to any appropriation under the
20 act of May 29, 2020 (P.L. , No.1A), known as the General
21 Appropriation Act of 2020, and the act of May 29, 2020 (P.L. ,
22 No.2A), known as the COVID-19 Emergency Supplement to the
23 General Appropriation Act of 2019.

24 Section 117-C. Department of Human Services.

25 (a) Appropriations.--The following Federal amounts are
26 appropriated from the COVID-19 Response Restricted Account to
27 the Department of Human Services for the current fiscal year:

28 (1) The sum of \$450,000,000 is appropriated for the
29 purpose of grants to public payor dependent general acute
30 care hospitals where combined Medicaid payments and Medicare
31 payments represent more than 48.91% of the hospital's net

1 patient revenue based on the 2019 Pennsylvania Health Care
2 Cost Containment Council Hospital Financial Condition Report
3 in accordance with the following formula:

4 (i) The sum of \$25,000,000 shall be distributed as
5 grants to all eligible general acute care hospitals based
6 upon an equal share per eligible hospital.

7 (ii) The sum of \$265,000,000 shall be distributed as
8 grants to all eligible hospitals by grants equaling 2.5%
9 of each general acute care hospital's fiscal year 2019
10 net patient revenue.

11 (iii) The sum of \$90,000,000 shall be distributed as
12 grants to eligible hospitals equaling 2% of each general
13 acute care hospital's fiscal year 2019 net patient
14 revenue when combined Medicare and Medicaid payments
15 represent 66% or more of the hospital's net patient
16 revenue.

17 (iv) The sum of \$70,000,000 shall be distributed as
18 grants to eligible hospitals equaling 2% of a general
19 acute care hospital's fiscal year 2019 net patient
20 revenue when Medicaid payments represent at least 25% of
21 a hospital's net patient revenue.

22 (2) The sum of \$25,000,000 is appropriated for the
23 purpose of grants to freestanding psychiatric hospitals where
24 combined Medicaid payments and Medicare payments represent
25 more than 58.07% of the hospital's net patient revenue based
26 on the 2018 Pennsylvania Health Care Cost Containment Council
27 Financial Condition Report in accordance with the following
28 formula:

29 (i) The sum of \$10,000,000 shall be distributed as
30 grants to all eligible freestanding psychiatric hospitals

1 based upon an equal share per eligible hospital.

2 (ii) The sum of \$15,000,000 shall be distributed as
3 grants to all eligible freestanding psychiatric hospitals
4 equaling 2.5% of each eligible freestanding psychiatric
5 hospital's fiscal year 2018 net patient revenue.

6 (3) The sum of \$25,000,000 is appropriated for the
7 purpose of grants to freestanding medical rehabilitation
8 hospitals where combined Medicaid payments and Medicare
9 payments represent more than 45.07% of the hospital's net
10 patient revenue based on the 2018 Pennsylvania Health Care
11 Cost Containment Council Financial Condition Report in
12 accordance with the following formula:

13 (i) The sum of \$6,000,000 shall be distributed as
14 grants to all eligible freestanding rehabilitation
15 hospitals based upon an equal share per eligible
16 hospital.

17 (ii) The sum of \$19,000,000 shall be distributed as
18 grants equaling 2.5% of a freestanding rehabilitation
19 hospital's fiscal year 2018 net patient revenue.

20 (b) Submission of information.--Prior to award of a grant to
21 an eligible hospital under this section, the hospital shall
22 submit information, in a form determined by the Secretary of
23 Human Services, to the Secretary of Human Services, the
24 chairperson and minority chairperson of the Appropriations
25 Committee of the Senate and the chairperson and minority
26 chairperson of the Appropriations Committee of the House of
27 Representatives that summarizes the hospitals financial
28 condition, including revenues, expenses, receipt of direct
29 federal COVID-19 grants and other relevant information.
30 Notwithstanding any other provision of law, the individual

1 hospital information submitted under this subsection shall be
2 considered proprietary and confidential.

3 (c) Noncompliance.--Money allocated to a hospital that does
4 not comply with the requirements of subsection (b) shall be
5 redistributed to the remaining hospitals in the same class of
6 eligible hospitals in accordance with the requirements of this
7 section.

8 (d) Limitation and redistribution.--A grant to a hospital
9 under this section shall not exceed 10% of the hospital's net
10 patient revenue and any excess funds shall be redistributed to
11 other eligible hospitals within the same class of eligible
12 hospitals.

13 (e) Purpose.--Money allocated to a hospital under this
14 section shall be expended for purposes that are consistent with
15 applicable Federal law and is intended, among other relevant
16 factors, to address social determinants of health, innovative
17 services and service delivery changes in the context of COVID-19
18 response, and to maintain access to needed services for the
19 communities they serve, particularly Medical Assistance
20 recipients and other vulnerable Pennsylvanians.

21 Section 118-C. Continuing appropriations.

22 The appropriations in this subarticle shall be continuing
23 appropriations and shall not automatically lapse as of the close
24 of the current fiscal year.

25 Section 2. This act shall take effect immediately.