

No. 1987-62

AN ACT

SB 805

Providing for the establishment within the Department of Public Welfare of a program to coordinate job training, job placement and other services for welfare recipients; and providing for insurance coverage for basic health care benefits to qualified individuals.

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

Section 1. Short title.

This act shall be known and may be cited as the Project Independence Act.

Section 2. Declaration of policy.

The General Assembly finds and declares as follows:

(1) There is a critical need in this Commonwealth for investment in our human capital to ensure that employers are able to hire workers with suitable skills and to ensure that the most disadvantaged Pennsylvania workers have access to relevant job training.

(2) Many individuals dependent on public welfare would like to work, but have difficulty obtaining employment adequate to become self-sufficient due to barriers such as:

- (i) Lack of education.
- (ii) Lack of applicable occupational skills.
- (iii) Lack of knowledge of the world of work.
- (iv) Lack of adequate support services such as transportation and child care.

(3) Existing State and Federal job training programs do not meet the training needs for all workers in need of training, nor do they meet the needs for all businesses in this Commonwealth.

(4) The Department of Public Welfare, the Department of Labor and Industry and the Department of Education have special responsibilities and resources with which to develop programs to assist individuals with special needs to attain the skills needed for self-sufficiency.

(5) A discretionary grant program for innovative training projects is needed to develop successful training models to fill needs not met by other programs and to conduct research.

Section 3. Definitions.

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

“On-the-job training.” A program in which the training necessary to perform a job is provided by the employer after the employee is hired and designed for individuals who do not have training or specific work experience required for the job.

“Supported work.” A program in which employers make a commitment to hire *individuals with little or no work history who are provided with counseling and assistance to ensure their transition to a fully functioning employment status. Such counseling is provided at the worksite to the extent possible. Assistance can take the form of helping the individual perform the job for a short period of time if deemed necessary and could include a wage subsidy for the employer.*

“Transitionally needy general assistance recipient.” A person classified as transitionally needy under the provisions of section 432(3)(iii) of the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, including homeless individuals who have exhausted their eligibility for public assistance.

“Work experience.” A program which meets the specifications in the Commonwealth’s State plan for work experience programs under the Job Training Partnership Act (Public Law 97-300, 96 Stat. 1322), designed to enhance a participant’s employability by helping him develop good work habits and basic skills needed for the work environment through employment in the public sector for up to three months. The program is designed for individuals who have never worked or who have been unemployed for a considerable length of time.

Section 4. Use of funds.

Funds appropriated pursuant to this act are to be used for the establishment of Project Independence, which involves demonstration job training projects for welfare recipients which meet the criteria listed in section 5. Only private industry councils created pursuant to the Job Training Partnership Act (Public Law 97-300, 96 Stat. 1322) may apply for funding under this act.

Section 5. Project requirements.

In order to qualify for funding, the proposed training project must meet the following criteria:

(1) The project will combine the resources of the Department of Public Welfare, the Department of Labor and Industry and the Department of Education to test new models of delivery of employment, training and education services to persons dependent on public welfare or food stamps who have multiple barriers to employment.

(2) Demonstration projects must provide comprehensive employment and training services to participants which meet their individual needs. Each demonstration project must provide the following:

(i) Assessment of education, employment and training needs and development of an individualized employment plan agreed to by the participant.

(ii) Case management services for participants who are not ready to immediately enter employment. Case management would include obtaining needed job training services identified in the plan as well as necessary support services such as child care, training, transportation and the provision of supportive counseling during training and follow-up.

(iii) Adult basic education, adult diploma programs, preparation for general equivalency diploma and English as a second language.

(iv) Vocational skills, work experience, supported work or on-the-job training.

(v) Job readiness training, job search assistance, job development and job placement services.

(vi) Support services, such as day care, transportation and medical insurance, needed to ensure successful transition to employment. Program participants whose cash assistance is discontinued because of earned income shall be eligible for four months of continued medical assistance benefits.

(vii) Projects should ensure that transitionally needy persons receive needs-based payments during training, not to exceed the amount of the applicable general assistance payment, and not to exceed six monthly payments per trainee. Such payments must be only for training which the trainee actually attends. Transitionally needy persons who start training and exhaust eligibility for cash assistance may continue to participate in training.

(3) In addition to services listed in paragraph (2), each demonstration project shall develop comprehensive service models which will combine vocational skills, work experience or supported work with skills-specific literacy training and other support services needed to help the most educationally disadvantaged individuals.

(4) Case management services, determination of eligibility under the Job Training Partnership Act of 1983 (Public Law 97-300, 96 Stat. 1322) and referral to other job training and education services wherever possible shall be provided at the county assistance office. The local Office of Employment Security shall locate specialized staff at the demonstration site to provide job placement services to both those who do not require more intensive employment and training services and those who have completed training and are ready for job placement.

(5) The demonstration projects shall serve on a priority basis welfare recipients who fall into one or more of the following target groups:

(i) Individuals with an education grade level under the sixth grade, or individuals with limited or no fluency in the English language.

(ii) Single parents receiving Aid to Families with Dependent Children whose child or children are all under the age of six.

(iii) Single parents receiving Aid to Families with Dependent Children who have been receiving welfare benefits for more than two years.

(6) Projects shall be innovative and have potential for replication elsewhere in this Commonwealth.

Section 6. Review of project applications.

The Department of Public Welfare, in cooperation with the Department of Labor and Industry and the Department of Education, shall give special consideration to projects which can demonstrate the use of other available funding resources, including, but not limited to, private sector funds, other Federal, State or local agency funds, or funds made available under the Job Training Partnership Act (Public Law 97-300, 96 Stat. 1322).

Section 7. Conversion of welfare benefits.

The cash benefits or participants eligible for cash assistance may be converted into wage subsidies for on-the-job training, supported work and work experience projects. The department shall seek Federal approval for the diversion of cash assistance for wage subsidies for on-the-job training, supported work and work experience projects.

Section 8. Health insurance coverage.

(a) Establishment.—Pursuant to the requirements of section 6, the Commonwealth shall establish a plan to provide basic health care benefits insurance coverage, on a copayment basis, to successful participants of the program who lose their Medicaid coverage due to entering regular employment and who elect to obtain the insurance coverage.

(b) Exclusions.—No basic health care benefits pursuant to this act shall be provided to:

(1) An individual, or the individual's immediate family, unless that individual participated in the program and no longer qualifies for Medicaid due to having accepted employment.

(2) An individual who is otherwise eligible for medical assistance pursuant to the State plan established under Title XIX of the Social Security Act (Public Law 74-271, 42 U.S.C. § 1396 et seq.) or who is eligible for benefits under Title XVIII of the Social Security Act (42 U.S.C. § 1395 et seq.).

(3) An individual who is covered under a group health plan of the individual or the individual's spouse, a contribution toward the cost of which is being made by an employer, former employer, union or any entity other than the individual's spouse, or an individual who could have been so covered if, after the effective date of this section, an election had been made and partial premiums had been paid on a timely basis.

(c) Health care services available.—The basic health care services to be offered through the program shall, at a minimum, include:

(1) Inpatient hospital services.

(2) Emergency outpatient hospital services.

(3) Routine and emergency physician services, including those provided in health clinics but excluding those provided in nursing care or intermediate care facilities.

(4) Prenatal, delivery and postpartum care.

(5) Laboratory and diagnostic X-ray services.

(6) X-ray, radium and radioactive isotope therapy.

(7) Services of a nurse midwife.

(8) Home health services in cases where it is determined that the coverage of such services is cost effective.

(9) Ambulatory and institutional services.

(10) Drugs or biologicals that are provided as part of any inpatient hospital services.

(d) Service exceptions.—The basic health care services to be offered under the program shall not include:

(1) Drugs or biologicals provided outside of an inpatient hospital program.

(2) Elective surgery.

(3) Any services that exceed the amount, duration or scope of services included under the State plan for medical assistance for individuals described in section 1902(a)(10)(A) of the Social Security Act (Public Law 74-271, 42 U.S.C. § 1396a(a)(10)(A)).

(e) Election of coverage.—Participation in the health insurance coverage plan shall be optional for a person who would qualify under the provisions of subsection (b). Persons who elect health insurance coverage under the plan shall signify their election in writing with a statement consenting to the payment of premium copayments for benefits.

(f) Premium copayments.—Upon completing the program and obtaining employment, a program participant who elects to obtain health care insurance pursuant to this section shall:

(1) Not be required to pay any of the cost of the premium for such health insurance policy during the fifth and sixth months of employment.

(2) Pay 25% of the cost of such premium during the next six months of employment.

(3) Pay 50% of the cost of such premium during the next six months of employment.

(4) Pay 75% of the cost of such premium during the next six months of employment.

(5) Pay 100% of the cost of such premium thereafter.

No deductible or copayment shall be imposed for prenatal, delivery or postpartum care.

(g) Use of Federal funds.—In the event that Federal funds are made available to the Commonwealth for the payment of premiums and expenses incurred through the provision of health care benefits for program participants who elect such coverage, the costs to the Commonwealth shall be reduced by the maximum amount provided for by the Federal Government.

(h) Duration of insurance.—Health care coverage pursuant to this section begins on the date of the payment of the first premium or the end of coverage under Medicaid, whichever is later. Coverage under the plan ends on the last day of the last week for which the premium has been paid.

(i) Selection of a private carrier.—Basic health care benefits insurance coverage available through this section may be provided by a company, association, nonprofit organization or exchange authorized to do business within this Commonwealth and selected by the department for the purpose of providing such coverage. Selection of any insurance carrier to provide this basic health care benefits insurance coverage shall be done pursuant to current bidding procedures applicable to administrative agencies.

Section 9. Data collection, reporting requirements and evaluation.

(a) Evaluation.—The Department of Public Welfare, in cooperation with the Department of Labor and Industry and the Department of Education, shall conduct an evaluation within six months of the completion of projects funded under this act.

(b) Data collection and reporting.—The Department of Public Welfare, in cooperation with the Department of Labor and Industry and the Department of Education, shall within six months of completion of projects funded under this act prepare a report for the General Assembly containing the following:

(1) A list of projects funded under this act and the amount of the grant awarded for each project.

(2) Job placement rates for participants in training projects funded under this act.

(3) Job retention rates for participants after six months, one year, two years and three years.

(4) Job relatedness to training of jobs obtained by participants.

(5) Training costs for each participant in the job training projects funded under this act.

Section 10. Continuing appropriation.

Any appropriation by the General Assembly for purposes of this program shall not lapse at the end of the fiscal year, but shall be a continuing appropriation.

Section 11. Effective date.

This act shall take effect July 1, 1987.

APPROVED—The 13th day of July, A. D. 1987.

ROBERT P. CASEY