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THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1321 Session of 2026

INTRODUCED BY GEBHARD, DUSH, MASTRIANO, HUTCHINSON, STEFANO, MARTIN, J. WARD, VOGEL AND KEEFER, MAY 1, 2026

REFERRED TO BANKING AND INSURANCE, MAY 1, 2026

AN ACT

Providing for eligibility for State funds; imposing duties on the Department of Human Services; providing for investigations by the Department of Human Services and the Office of Attorney General; and imposing penalties.

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 Eligibility for State Funds Act.

Section 2. 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:

"Claim." A request for payment, reimbursement or other compensation submitted to the department by or on behalf of a health care facility or health care practitioner under a government program.

"Covered Federal funding limitation." The limitation on Federal financial participation for services furnished to

minors, including the applicable age limits, covered services and exceptions, under the standards described in 90 Fed. Reg. 242, 59441 (December 19, 2025).

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

"Government program." A program of government-sponsored or government-subsidized health care coverage, including any of the following:

(1) The Children's Health Insurance Program under Article XXIII-A of the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921.

(2) The medical assistance program under Subdivision (f) of Article IV of the act of June 13, 1967 (P.L.31, No.21), known as the Human Services Code.

"Health care facility." As defined in section 103 of the act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act.

"Health care practitioner." As defined in section 103 of the Health Care Facilities Act.

Section 3. Payments by department.

(a) Prohibition.--The department may not issue payment under a government program for a claim that is subject to the covered Federal funding limitation.

(b) Investigation.--The department shall investigate a suspected violation of subsection (a) by a health care facility or health care practitioner.

(c) Remedies.--If, after an investigation under subsection (b), the department determines that a health care facility or health care practitioner knew or should have known that a claim violated subsection (a), the following shall apply:

(1) The department may suspend the eligibility of the health care facility or health care practitioner to participate in a government program.

(2) The department shall require the health care facility or health care practitioner to repay to the Commonwealth an amount equal to not less than two times and not more than three times the amount billed to the government program in violation of subsection (a).

(d) Failure to produce records or comply.--A health care facility or health care practitioner that fails to produce records or comply with an effort by the department or the Office of Attorney General to ascertain compliance with this section commits a violation of this section. The department may suspend the eligibility of the health care facility or health care practitioner to participate in a government program for a violation under this subsection.

Section 4. Administrative review.

An action by the department under section 3 shall be subject to 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action).

Section 5. Concurrent jurisdiction.

The Office of Attorney General shall have concurrent jurisdiction to investigate a suspected violation of section 3.

Section 6. Effective date.

This act shall take effect in 120 days.