THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 228

Session of 2011

INTRODUCED BY MUNDY, PASHINSKI, CUTLER, DeLUCA, FABRIZIO, FREEMAN, KORTZ, MURPHY, PAYTON, STABACK AND WAGNER, JANUARY 26, 2011

REFERRED TO COMMITTEE ON HEALTH, JANUARY 26, 2011

AN ACT

- Providing for quality health care management system discount; imposing duties on the Department of Health; and providing
- 3 for penalties.
- 4 The General Assembly of the Commonwealth of Pennsylvania
- 5 hereby enacts as follows:
- 6 Section 1. Short title.
- 7 This act shall be known and may be cited as the Quality
- 8 Management in Health Care Act.
- 9 Section 2. Findings and declarations.
- 10 The General Assembly finds and declares as follows:
- 11 (1) It is the purpose of this act to ensure that quality
- medical care is available to all citizens of this
- 13 Commonwealth through a comprehensive and high-quality health
- 14 care system.
- 15 (2) To maintain and improve this system, medical
- 16 professional liability insurance has to be obtainable at an
- affordable and reasonable cost throughout this Commonwealth.
- 18 (3) Every effort must be made to reduce and eliminate

- 1 medical errors by identifying problems and implementing
- 2 solutions that promote patient safety.
- 3 (4) Recognition and furtherance of these elements is
- 4 essential to the health, safety and welfare of the citizens
- 5 of Pennsylvania.
- 6 (5) The costs of medical malpractice insurance premiums
- 7 are directly impacted by medical errors.
- 8 (6) Research shows a vast majority of medical errors are
- 9 systemic rather than human errors.
- 10 (7) Quality management systems implemented in the health
- care industry and by the United States Department of Veterans
- 12 Affairs hospital system have reduced medical errors.
- 13 (8) It is a further purpose of this act to improve
- 14 patient safety, improve health care quality and lower health
- care costs by offering a reduction in medical malpractice
- 16 costs to health care providers that institute quality
- management systems into health care.
- 18 Section 3. Definitions.
- 19 The following words and phrases when used in this act shall
- 20 have the meanings given to them in this section unless the
- 21 context clearly indicates otherwise:
- 22 "Assessment." The assessment imposed under section 712 of
- 23 the act of March 20, 2002 (P.L.154, No.13), known as the Medical
- 24 Care Availability and Reduction of Error (Mcare) Act.
- "Department." The Department of Health of the Commonwealth.
- "Health care provider." A primary health care center or a
- 27 person which contributes to and participates in the Medical Care
- 28 Availability and Reduction of Error Fund established under
- 29 section 712 of the act of March 20, 2002 (P.L.154, No.13), known
- 30 as the Medical Care Availability and Reduction of Error (Mcare)

- 1 Act, including a corporation, university or other educational
- 2 institution licensed or approved by the Commonwealth to provide
- 3 health care or professional medical services as a physician, a
- 4 certified nurse midwife, a podiatrist, hospital, nursing home,
- 5 birth center and an officer, employee or agent thereof acting in
- 6 the course and scope of their employment.
- 7 "Quality health care management system." A health care
- 8 management system which is industrywide, systematic, sustainable
- 9 and centered on the quality of the system's operations and
- 10 outcomes. The term includes participation and accountability of
- 11 its members and an assurance of the availability of resources
- 12 and information needed to operate as planned, smoothly
- 13 integrated processes and systems, clear communications and
- 14 ongoing monitoring, measurement, feedback and corrective or
- 15 preventive actions to ensure the system produces intended
- 16 results.
- 17 Section 4. Quality health care management system discount.
- 18 A health care provider which implements a quality health care
- 19 management system to the satisfaction and approval of the
- 20 department shall be entitled to a 20% discount of the health
- 21 care provider's assessment for each year the total quality
- 22 health care management system is implemented and utilized. The
- 23 discount shall apply to the assessment paid by a health care
- 24 provider on behalf of other health care providers participating
- 25 in the quality management system.
- 26 Section 5. Department.
- 27 (a) Quality management health care system approval. --
- 28 (1) A quality management health care system may apply to
- 29 the department for approval. The application shall be on a
- form prescribed by the department and shall be accompanied by

1 a fee set by regulation.

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- 2 (2) Within 30 days of receipt of an application under 3 paragraph (1), the department shall:
 - (i) if the department determines the system will successfully reduce medical errors by a health care provider, approve the application; or
- 7 (ii) if the department determines the system will 8 not successfully reduce medical errors by a health care 9 provider, deny the application. This subparagraph is 10 subject to 2 Pa.C.S. Ch. 7 Subch. A (relating to judicial 11 review of Commonwealth agency action).
- 12 (3) If the department fails to act within the time 13 specified in paragraph (2), the application shall be deemed 14 approved.
- 15 (b) Quality management health care system implementation. --
- 16 The department shall provide health care providers with a
- 17 certification of implementation of total quality management
- 18 health care systems once the provider's application is approved
- 19 under this section. Health care providers shall provide the
- 20 certification to the Insurance Department in order to claim the
- 21 discount provided for under section 4.
- 22 (c) Regulations. -- The department and the Insurance
- 23 Department may promulgate regulations to implement this act.
- 24 (d) Report. -- On or before January 1, 2012, and each year
- 25 thereafter, the department and the Insurance Department shall
- 26 jointly provide a report on the effectiveness of this act. The
- 27 report shall include:
- 28 (1) The name and number of total quality management
- 29 systems approved by the department.
- 30 (2) The name and number of quality management systems

- 1 disapproved by the department.
- 2 (3) The name and number of health care providers who
- 3 have received the discount.
- 4 (4) The total estimated savings to the health care
- 5 system.
- 6 Section 6. Penalties and remedies.
- 7 (a) Penalties and remedies. -- Upon a determination by hearing
- 8 this act was violated, the Secretary of Health may pursue one or
- 9 more of the following courses of action:
- 10 (1) Issue an order requiring the person in violation to
- cease and desist from engaging in the violation.
- 12 (2) Suspend or revoke or refuse to issue or renew the
- certificate or license of the person in violation.
- 14 (3) Impose a civil penalty of not more than \$50,000 for
- 15 each violation.
- 16 (4) Impose another appropriate remedy.
- 17 (b) Other remedies. -- The enforcement remedies imposed under
- 18 this section are in addition to other remedies or penalties that
- 19 may be imposed by another applicable statute.
- 20 Section 20. Effective date.
- 21 This act shall take effect in 60 days.