
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1967 Session of
1993

INTRODUCED BY RICHARDSON, KUKOVICH, HUGHES, BEBKO-JONES, JAMES,
JOSEPHS, THOMAS AND ACOSTA, JUNE 28, 1993

REFERRED TO COMMITTEE ON HEALTH AND WELFARE, JUNE 28, 1993

AN ACT

1 Providing for a Statewide single-payor health care system;
2 establishing the Pennsylvania Unified Health System Payment
3 Agency and the governing board and providing for their powers
4 and duties and transferring certain responsibilities;
5 providing for the Pennsylvania Unified Health Plan, for
6 benefits and for public participation; establishing Regional
7 Health Service Organizations and regions and providing for
8 their responsibilities; providing for claims and billing,
9 data collection, public reporting and access to data;
10 establishing the Unified Health System Payment Fund; making
11 an appropriation; and making repeals.

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

23 CHAPTER 1

24 GENERAL PROVISIONS

25 Section 101. Short title.

26 This act shall be known and may be cited as the Unified
27 Health System Payment Act.

28 Section 102. Legislative intent and findings.

29 (a) Intent.--It is the intent of the General Assembly and
30 the purpose of this act to:

1 (1) Finance health care by a single-payor system in
2 order to maximize cost savings for the people of this
3 Commonwealth and for health care providers. Health care shall
4 be financed in a way that is affordable and equitable to
5 Pennsylvanians, is not a detrimental financial burden on
6 employers and uses a unified provider payment system that
7 maximizes administrative cost savings.

8 (2) The financing plan for this system shall capture
9 moneys now being spent by the public and private sectors.
10 These moneys will include current Federal, State and local
11 government spending on health care.

12 (3) Health care costs shall be controlled by the
13 establishment and enforcement of State and regional aggregate
14 limits on major categories of health service expenditures.

15 (4) Each Pennsylvanian shall be guaranteed access to
16 necessary, high quality health care regardless of place of
17 residence, ability to pay and presence of disease or
18 disability.

19 (5) Each Pennsylvanian shall have health care coverage
20 that is not tied to employment and continues regardless of
21 change in or loss of employment, or change in place of
22 residence, ability to pay, or health condition.

23 (6) Each Pennsylvanian shall have full choice of
24 individual physicians, medical groups, hospitals, advanced
25 nurse providers and other health service providers.

26 (7) Health services, particularly primary health care,
27 shall be property distributed throughout the Commonwealth to
28 ensure accessibility in rural and other medically underserved
29 areas.

30 (8) Pennsylvanians, individually and as communities,

1 assume greater responsibility for identifying and addressing
2 their health care needs and health promoting opportunities
3 and be significantly involved in governance and evaluation of
4 health services at all levels; the health rights of all
5 Pennsylvanians shall be assured and attention shall be given
6 to cultural and health needs diversity.

7 (b) Declaration.--The General Assembly finds and declares
8 that:

9 (1) Despite the enormous resources devoted to health
10 care, too many Pennsylvanians do not have access to basic
11 health services.

12 (2) Although Pennsylvania has the fourth highest
13 percentage of insured citizens in the country, nearly one
14 million Pennsylvanians have no health insurance coverage.
15 Many others lack the coverage for such basic needs as
16 preventive care and prescription drugs. Still more discover
17 that the coverage they have is insufficient when they become
18 seriously ill.

19 (3) In many rural and urban areas, there are not enough
20 physicians, dentists, nurses and other health care providers
21 to meet the local needs.

22 (4) Many Pennsylvanians who do have insurance coverage
23 live in fear of losing that coverage if they change jobs,
24 lose their jobs, or become seriously ill.

25 (5) The cost of health care in Pennsylvania and the
26 entire nation is rising out of control.

27 (6) Personal health expenditures in Pennsylvania reached
28 \$34,600,000,000 in 1992 compared to \$30,200,000,000 which
29 would have been spent under a single-payer plan. Per capita
30 cost in Pennsylvania for 1992 was \$2,915 compared to \$2,539

1 which would have been spent under a single-payer plan. This
2 means that every resident and all of those employed in, but
3 not residents of Pennsylvania would be covered for all
4 medically necessary services with no out-of-pocket cost under
5 a single-payer system.

6 Section 103. Definitions.

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

10 "Agency." The Pennsylvania Unified Health System Payment
11 Agency.

12 "Anti-trust laws. Any existing or subsequently enacted
13 Federal or State laws intended to protect commerce from unlawful
14 restraints, monopolies and unfair business practices.

15 "Board of Directors" or "board". The Board of Directors of
16 the Health Security For All Corporation established in Chapter 5
17 of this act.

18 "Community Health Care Partnerships." Community-based
19 coalition representative of the community as defined by Chapter
20 7.

21 "Dependent." The spouse of an employee who is not an
22 employee; a dependent unmarried child (including natural,
23 foster, step and legally adopted children) whom the employee has
24 claimed as a dependent on the most recent Federal income tax
25 return according to most current United States Treasury
26 regulations.

27 "Employer." Master as used in the common law sense,
28 including natural persons, partnerships, joint-stock companies,
29 corporations for-profit, corporations not-for-profit, the
30 Commonwealth, political subdivisions, local agencies, and all

1 governmental agencies created by the Commonwealth or a political
2 subdivision, except for the Federal government.

3 "Eligible person." An individual resident as defined by the
4 Pennsylvania Department of Revenue for tax purposes.

5 "Federal Government." The United States Government or any
6 instrumentality of the United States Government.

7 "Health care practitioner." An individual who is authorized
8 to practice some component of the healing arts by a license,
9 permit, certificate or registration issued by a Commonwealth
10 licensing agency or board. The term includes, but is not limited
11 to a medical doctor, an osteopathic physician, a chiropractor, a
12 dentist, an optometrist, a pharmacist, a physical therapist, a
13 podiatrist, a professional registered nurse, advanced nurse
14 provider, such as a certified registered nurse practitioner,
15 nurse midwife, clinical nurse specialist or nurse anesthetist,
16 and a psychologist.

17 "Health care provider." A health care facility, a medical
18 group, a physician, a dentist or a health care practitioner.

19 "Medical group." Organized group practices consisting of
20 health care practitioners.

21 "Medically underserved." As defined by Federal law and
22 regulations.

23 "Pennsylvania employer." An employer whose employees perform
24 service in or outside of this Commonwealth if:

25 (1) the service is principally localized in this
26 Commonwealth;

27 (2) the service, while not principally localized in this
28 Commonwealth, is performed under contract of hire made in
29 this Commonwealth;

30 (3) the employee's base of operation, or if there is no

base of operation, the place from which such service is directed and controlled is in this Commonwealth;

(4) the employer has a place of business in this Commonwealth; or

(5) the service requires the employee to spend a substantial amount of his work time in the service of the employer in this Commonwealth.

"Pennsylvania Health Security for All Trust Fund" or "trust fund." The trust fund established by this act to provide funds for the payment of health care services and administration in this Commonwealth.

"Physician." An individual licensed under the laws of this Commonwealth to practice medicine and surgery within the scope of the act of October 5, 1978 (P.L.1109, No.261), known as the Osteopathic Medical Practice Act, or the act of December 20, 1985 (P.L.457, No.112), known as the Medical Practice Act of 1985.

"Plan." The Pennsylvania Health Security for All Plan adopted under this act.

"Practice parameters" or "practice guidelines." Strategies for patient care and management that are developed to assist health care providers in decision making.

"Resident." An individual who resides in this Commonwealth with the intent to remain in this Commonwealth.

CHAPTER 3

PENNSYLVANIA UNIFIED HEALTH SYSTEM PAYMENT AGENCY

Section 301. Establishment and purpose.

(a) Establishment.--The General Assembly hereby establishes an executive agency of government to be known as the Pennsylvania Unified Health System Payment Agency to administer

1 the Pennsylvania Unified Health Plan, the Unified Health System
2 Payment Fund and related responsibilities.

3 (b) Purpose.--The purpose of the agency shall be to promote,
4 protect and restore the physical and mental well-being of this
5 Commonwealth, to facilitate reasonable access to health services
6 without financial or other barriers and to develop a unified,
7 comprehensive health care plan and payment system.

8 Section 302. Board of directors.

9 (a) General rule.--The agency shall be governed by, and the
10 execution of its powers and duties shall be supervised by a
11 board of directors.

12 (b) Membership.--The board shall consist of 23 members as
13 follows:

14 (1) The Secretary of Health.

15 (2) The Secretary of Public Welfare.

16 (3) The Director of the agency.

17 (4) Eight regional health service organization
18 directors.

19 (5) Six members appointed by the Governor.

20 (6) Three members appointed by the President pro tempore
21 of the Senate.

22 (7) Three members appointed by the Speaker of the House
23 of Representatives.

24 (c) Gubernatorial appointments.--The Governor shall appoint
25 the following members:

26 (1) Two members who shall represent and have experience
27 in business, at least one with experience in small business.

28 (2) One member who shall have experience as a labor
29 organizer.

30 (3) One member who shall represent consumers of health

1 care services interests and have experience in consumer
2 advocacy.

3 (4) One member who shall be an individual health care
4 provider of dental services.

5 (5) One member who shall represent hospitals and have
6 experience as a hospital administrator.

7 (d) Appointments by the President pro tempore.--The
8 President pro tempore of the Senate shall appoint the following
9 members:

10 (1) One member who shall represent and have experience
11 in a nonprofit senior citizen advocacy organization.

12 (2) One member who shall represent and be a nursing home
13 provider.

14 (3) One member who shall be a physician and a member of
15 and represent a minority community.

16 (e) Appointments by Speaker of House of Representatives.--
17 The Speaker of the House of Representatives shall appoint the
18 following members:

19 (1) One member who shall be a certified nurse
20 practitioner or other licensed or certified health
21 professional.

22 (2) One member who shall represent and have experience
23 as a provider of substance abuse services.

24 (3) One member who shall represent and have experience
25 as a provider of mental health/mental retardation services.

26 Section 303. Terms.

27 (a) General rule.--The term of office of the members of the
28 board shall be six years from the member's appointment and until
29 a successor has been duly appointed and qualified by law but not
30 longer than six months beyond the six-year period. No member

1 shall, however, be appointed to or serve more than two terms.

2 (b) Vacancies.--If a member dies, resigns or otherwise
3 becomes disqualified during the member's term of office, a
4 successor shall be appointed in the same way and with the same
5 qualifications as set forth in this chapter and shall hold
6 office for the unexpired term.

7 (c) Original appointments.--Of the originally appointed
8 members of the board, one-third shall serve for terms of two
9 years, one-third shall serve for terms of four years and one-
10 third shall serve for terms of six years, as designated by the
11 Governor at the time of appointment.

12 Section 304. Application of other laws.

13 (a) Ethics.--The act of October 4, 1978 (P.L.883, No.170),
14 referred to as the Public Official and Employee Ethics Law,
15 shall apply to the members of the board appointed under section
16 502 and to the executive director of the board and to such other
17 employees of the board as the board may designate, provided,
18 however, that the time limit prohibiting employment under
19 certain conditions and representation as set forth in section
20 3(g) and (i) of the Public Official and Employee Ethics Law
21 shall be set at three years for these board members.

22 (b) Adverse interest.--The act of July 19, 1957 (P.L.1017,
23 No.451), known as the State Adverse Interest Act, shall apply to
24 the board.

25 (c) Sunshine Act.--The act of July 3, 1986 (P.L.388, No.84),
26 known as the Sunshine Act, shall apply to the board.

27 Section 305. Operation.

28 (a) Chairperson and vice chairperson.--The members shall
29 annually elect, by a majority vote of the members, a chairperson
30 and a vice chairperson of the council from among the members of

1 the board of directors.

2 (b) Bylaws.--The council shall adopt bylaws, not
3 inconsistent with this act and may appoint committees or elect
4 officers subordinate to those provided for in subsection (a), as
5 it deems advisable.

6 (c) Quorum.--A majority of the members of the board serving
7 in accordance with law shall constitute a quorum for purposes of
8 conducting the business of the board, except that three members
9 may conduct hearings and public information meetings.

10 (d) Meetings.--The board shall meet at the call of the
11 chairperson or five members of the board, but shall meet at a
12 minimum of once each month. Meeting dates shall be set by a
13 majority vote of the members of the board or by the call of the
14 chairperson upon seven days' notice to board members.

15 (e) Director of agency.--The board shall nominate a cabinet
16 level director of the administration during its first meeting,
17 subsequent to its organizational meeting, subject to approval by
18 the Governor and confirmation by the Senate.

19 (f) Compensation and expenses.--The members of the board
20 shall not receive a salary of per diem allowance for serving as
21 members of the board, but shall be reimbursed for actual and
22 necessary expenses incurred in the performance of their duties.
23 These expenses may include reimbursement of travel and living
24 expenses while engaged in board business.

25 Section 306. Coordination with other administrative agencies.

26 The Department of Aging, the Department of Health, the
27 Insurance Department, the Department of Public Welfare and the
28 Health Care Cost Containment Council shall issue a report to the
29 Governor, the General Assembly, the director of the agency and
30 its board, identifying and coordinating the activities of

1 offices, bureaus and personnel within these agencies with
2 responsibilities which duplicate, compliment or conflict with or
3 are similar to the powers and duties of the agency. The above
4 designated agencies shall coordinate activities and authorize
5 personnel to consult with the agency in the development of the
6 Pennsylvania Unified Health Plan. In exercising the powers and
7 performing the duties set forth in this section and this act,
8 the board shall coordinate its activities with the Department of
9 Aging, the Department of Health, the Insurance Department, the
10 Department of Public Welfare and the Health Care Cost
11 Containment Council so that the duties and responsibilities of
12 the Department of Health, the Insurance Department and the
13 Department of Public Welfare relating to regulation of entities
14 or activities regulated by the board under this act are not
15 duplicated or inconsistently applied.

16 Section 307. Powers and duties of board.

17 The agency shall have the powers and its duties shall be:

18 (1) To promulgate, amend or repeal regulations necessary
19 to carry out its duties under this act.

20 (2) To establish policies and guidelines necessary to
21 carry out its duties under this act.

22 (3) To develop the plan as required by and in accordance
23 with the procedures set forth in Chapter 5.

24 (4) To establish health services regions in this
25 Commonwealth to provide access to quality health care
26 services.

27 (5) To establish an office of the ombudsman to
28 investigate complaints, monitor access and otherwise advocate
29 for the rights, convenience and good health of persons
30 covered under this act. Regional ombudsmen in each health

1 care region shall also be established for the same purpose.

2 The ombudsman shall report to the board regularly and shall

3 submit quarterly reports to the Governor, the General

4 Assembly and the Department of Health, including a summary of

5 the ombudsman's responses to the issues he has investigated.

6 (6) To review, approve and modify contracts between

7 health care providers and the Pennsylvania Health System

8 Payment Fund.

9 (7) To prepare and establish an annual budget.

10 (8) To monitor payments and set fee schedules for all

11 categories of health care providers based upon the program

12 budget and the health needs of the people of this

13 Commonwealth.

14 (9) To budget for aggregate capital expenditures.

15 (10) To study the most efficient methods for providing

16 comprehensive personal health services to all residents of

17 this Commonwealth.

18 (11) To establish, if the board considers it necessary,

19 aggregate expenditure limits applicable to categories of

20 health services.

21 (12) To establish, if the board considers it necessary,

22 incentives to promote continuity of care.

23 (13) To develop a system for the provision of long-term

24 care, with special emphasis on services that encourage and

25 enable persons with need for assistance in activities of

26 daily living to continue to live in their own homes.

27 (14) To develop rules concerning allowable expenses to

28 be included in global budgets for institutional providers of

29 inpatient care services and ambulatory care facilities for

30 diagnosis, treatment and surgery.

1 (15) To establish a uniform contracting process for the
2 provision of prescription drugs, durable medical equipment
3 and supplies, hearing aids, oxygen and related services.

4 (16) To disseminate to the public and to providers of
5 services information concerning the plan and the person
6 eligible to receive benefits from the plan.

7 (17) To determine processes for payment and to make
8 payments pursuant to this act.

9 (18) To oversee the administration of the Pennsylvania
10 Health System Payment Fund.

11 (19) To promote wellness and healthy living among
12 Pennsylvanians.

13 (20) To coordinate the development, endorsement,
14 implementation and evaluation of scientifically sound,
15 clinically relevant practice parameters in order to reduce
16 unwarranted variation in the delivery of medical treatment,
17 improve the quality of medical care and promote the
18 appropriate utilization of health care services.

19 (21) To develop a plan to aid displaced health care and
20 insurance personnel.

21 (22) To exercise corporate powers as follows:

22 (i) To enter into contracts.

23 (ii) To accept grants, but no obligations shall be a
24 debt of the Commonwealth and it shall have no power to
25 pledge the credit or taxing power of the Commonwealth.

26 (iii) To undertake all other lawful acts necessary
27 and proper to effect its duties and powers.

28 (23) To review the guaranteed benefit package and
29 identify the feasibility of including services not yet
30 covered.

1 possible opportunities for the public to participate in the
2 development and adoption of the plan.

3 (b) Public hearings.--During the period prior to the
4 publication in the Pennsylvania Bulletin of its intention to
5 adopt the plan, the board shall hold at least one public hearing
6 in each of the regions identified in section 901. The board
7 shall publish in a paper of general circulation within each
8 region the date, time and location of the public hearing within
9 that region.

10 (c) Additional public meetings.--During the 60-day comment
11 period on the plan, subsequent to its publication in the
12 Pennsylvania Bulletin, the board shall hold at least one public
13 meeting in each of the regions identified in section 701. The
14 board shall publish in a paper of general circulation within
15 each region the date, time and location of the public meeting
16 within that region.

17 (d) Public opinion.--The board is authorized to sample and
18 survey public opinion on the elements of the plan.

19 (e) Summaries of hearings and meetings.--In addition to
20 those items which the board is required to transmit to the
21 General Assembly, the board shall also submit:

22 (1) a written summary of each public hearing and public
23 meeting;

24 (2) a written summary of any sample or survey conducted
25 by or on behalf of the board; and

26 (3) a written summary of all written comments received
27 by the board on the plan.

28 Section 504. Basic benefit package.

29 (a) General rule.--The board, in developing the guaranteed
30 benefits package to be submitted under this act, shall define a

1 comprehensive range of services that provide effective and
2 necessary care in order to maintain the health of all citizens.
3 All residents are entitled to receive benefits for any covered
4 service furnished by a participating provider if the service is
5 necessary or appropriate for the maintenance of health or for
6 the diagnosis or treatment of or rehabilitation following
7 injury, disability or disease.

8 (b) Consultation and public input.--In developing the
9 guaranteed benefits package the board shall consider the
10 recommendations of other administrative agencies consistent with
11 section 306. The agency shall establish the Clinical Advisory
12 Council for the purpose of making informed recommendations on
13 the medical effectiveness and the medical necessity of benefits
14 contained in the package. The agency shall establish a process
15 of public hearing and comment to encourage full public
16 participation consistent with section 503.

17 (c) Guaranteed benefit package.--The guaranteed benefits
18 package shall include, but not be limited to, the following:

19 (1) Family planning and reproductive health services.

20 (2) Any health benefit currently mandated under Federal
21 or State laws, including care for newborn children, childhood
22 immunizations, mammography screening, chemotherapy, alcohol
23 and substance abuse treatment, and continuing care for
24 persons with physical or mental disabilities.

25 (3) Comprehensive maternal and child health care,
26 including prenatal, delivery and post partum care, and well-
27 baby and well-child visits, routine and preventive dental
28 services and routine vision and hearing services for
29 children.

30 (4) Health care provider services.

1 (5) Inpatient, outpatient and emergency hospital care.

2 (6) Preventive examinations, screenings and diagnostic
3 services, including routine periodic physicals, cancer
4 screening and pap smears.

5 (7) Laboratory, radiological and testing services.

6 (8) (i) Long-term care services which are necessary for
7 the health, social and personal needs of an individual
8 with limited self-care capabilities. Long-term care
9 services shall include: institutional and residential
10 care; home health care; hospice care; and home, respite
11 and community-based services, including personal
12 assistant and attendant care. Individual needs for long-
13 term care shall be determined through a standardized
14 assessment of the individual's ability for self-care and
15 shall include: medical examinations necessary to
16 determine what, if any, level of medical care is
17 required; environmental and psychological evaluations to
18 determine the ability of the individual for self-care,
19 physically as well as mentally; and services, service
20 coordination or case management to insure that necessary
21 services are provided to enable the individual to remain
22 safely in the least restrictive setting. Reassessment
23 shall be conducted at appropriate intervals, but not less
24 than once a year.

25 (ii) In providing long-term care services under this
26 paragraph the program shall, to save program funds,
27 encourage and reimburse noninstitutional community and
28 home-based long-term care services where appropriate, as
29 determined pursuant to the assessment process, to allow
30 persons needing long-term care services to remain safely

1 in their homes to the maximum extent possible.

2 (9) Durable medical equipment and coverage for medical
3 devices and substances required in the administration of
4 other medical services.

5 (10) Inpatient and outpatient mental health services.

6 (11) Physical therapy and rehabilitation.

7 (12) Inpatient and outpatient prescription drugs.

8 (13) Nutritional supplements when medically indicated.

9 (14) Medical, social and rehabilitative services,
10 including for people with AIDS, cancer and children with
11 special needs.

12 (15) Medical, social and rehabilitative services for
13 substance abuse.

14 (16) Workers' compensation health care services.

15 (17) Podiatry services.

16 (18) Transportation and day-care services necessary for
17 access to preventive, maintenance and emergency health care
18 services.

19 (19) Community-based outreach and educational services.

20 (20) Dental services.

21 (21) Mental health benefits. All of the mental health
22 benefits listed in this section are covered benefits of the
23 plan. Benefits shall include inpatient and ambulatory mental
24 health care services. The plan shall encourage the use of
25 service coordination and case management which will enable
26 the individual to remain in the least restrictive setting.
27 Services may be provided through community based, residential
28 or institutional programs.

29 (22) Other medical treatments, procedures and services
30 that are determined by the board and the Clinical Advisory

1 Council to be medically effective and medically appropriate
2 for a particular group of patients or set of clinical
3 circumstances.

4 (d) Nondiscriminatory reimbursement required.--The
5 guaranteed benefits package shall be subject to the
6 nondiscriminatory reimbursement provisions of the act of August
7 12, 1971 (P.L.313, No.78), entitled "An act providing for
8 elimination of discriminatory provisions relating to
9 compensation for services and treatment under sickness and
10 accident insurance contracts and providing for nondiscriminatory
11 reimbursement of sickness and bodily injury claims thereunder."

12 (e) Out-of-plan providers.--The guaranteed benefits package
13 shall include provisions for the use of out-of-plan providers,
14 as deemed appropriate by the board.

15 (f) Consideration of automobile insurance coordination.--It
16 shall be the responsibility of the board to include medical
17 benefits in the guaranteed benefits package which are currently
18 provided by auto insurers through auto insurance policies issued
19 in this Commonwealth. Auto insurers shall be required to reduce
20 automobile insurance premiums to reflect the exclusion of
21 medical benefits provided under the guaranteed benefits package
22 from automobile insurance policies.

23 CHAPTER 7

24 REGIONAL HEALTH SERVICE ORGANIZATIONS

25 Section 701. Establishment of regions.

26 (a) General rule.--The board shall establish a procedure for
27 applications for approval of regional health service
28 organizations which meet the standards and requirements of this
29 chapter and such other requirements as the board may adopt by
30 regulation.

(b) Requirements.--The regions established through proposed regulations, promulgated by the board in accordance with this act, shall be subject to a review and approval by the General Assembly to determine whether:

(1) Each region reasonably represents existing geographic patterns of health services utilization.

(2) Individuals within each region have reasonable access to primary care providers within the region.

(3) The cost of providing services within each region is sufficiently similar across the entire region.

(4) Individuals within each region have reasonable access to tertiary care resources within the region.

(5) Each region shall have an ombudsman for the reporting and resolution of consumer and provider complaints.

(c) Grievance procedures.--The board shall establish grievance procedures by regulation that are not inconsistent with this act which include the following:

(1) Have reasonable time limits for processing and resolving grievances.

(2) Include special procedures for expedited review of grievances involving medically urgent problems requiring immediate consideration and determination.

The board shall provide to all residents a description of the grievance system and process in a general mailing or newsletter furnished to all residents.

Section 702. Responsibilities.

The primary responsibilities of the Regional Health Service Organization shall be:

(1) The election every three years of a representative and alternate representative to the board.

1 (2) To cosponsor with the board's Office of the
2 Ombudsman, a regional ombudsman service which will receive,
3 endeavor to resolve and report on consumer and provider
4 problems and grievances; this service shall be implemented in
5 accordance with the relevant regulations of the board,
6 including reasonable time limits for processing and resolving
7 grievances with expedited processing for health-threatening
8 problems requiring immediate consideration and determination.

9 (3) The establishment of Community Health Care
10 Partnerships in every part of Pennsylvania.

11 (4) To study regional health care needs, resources and
12 health promoting opportunities and to seek the means from the
13 board and elsewhere for implementing the recommendations of
14 such studies.

15 (5) To supplement funds to support regional-based
16 programs as identified by common problems among the Community
17 Health Care Partnerships.

18 Section 703. Clinical Advisory Council.

19 (a) Establishment.--The Clinical Advisory Council to the
20 board is hereby established within each region.

21 (b) Membership.--The membership of the council shall consist
22 of:

23 (1) The Secretary of Health.

24 (2) Two physicians in individual practices, one of which
25 shall be a primary care provider and the other from a rural
26 area.

27 (3) One physician representing hospitals.

28 (4) At least two advanced degree nonphysician health
29 care providers; one of whom shall be a registered nurse.

30 (5) At least one public health clinician.

1 (6) At least one biostatistician.

2 (7) At least one health researcher.

3 (8) Others as deemed necessary by the board.

4 (c) Appointment and chairperson.--All members shall be
5 appointed by the Regional Health Service Organization, and the
6 Secretary of Health shall serve as chairperson to each regional
7 council.

8 (d) Duties.--The Clinical Advisory Council shall advise the
9 board on matters requiring clinical expertise, as requested by
10 the board, render advice to the board on other matters as
11 requested by the board, and render advice to the board as to the
12 specification of appropriate medical practice parameters. The
13 council shall also study and efficacy of new and experimental
14 procedures.

15 (e) Compensation.--The members of the council shall serve
16 without compensation, but shall be entitled to be compensated
17 for all necessary expenses incurred in discharge of their
18 duties.

19 CHAPTER 9

20 UNIFIED HEALTH SYSTEM PAYMENT FUND

21 Section 901. Establishment.

22 There is hereby created in the State Treasury a special fund
23 separate and apart from all other public moneys, funds or
24 accounts, known as the Unified Health System Payment Fund. This
25 fund shall establish and maintain separate accounts for
26 operating expenses and capital expenses of the plan and the
27 administrative agency.

28 Section 902. Deposits.

29 (a) Deposits enumerated.--The following funds shall be
30 deposited in the fund:

1 (1) Federal payments received as a result of any waiver
2 of requirements granted by the United States Secretary of
3 Health and Human Services, which waiver requirement the
4 agency shall be required to make, under health care programs
5 established under Titles XVIII and XIX of the Social Security
6 Act (49 Stat. 620, 42 U.S.C. § 301 et seq.).

7 (2) The amounts paid by the Department of Public Welfare
8 and the Department of Aging that are equivalent to those
9 amounts that are paid on behalf of residents of this State
10 for health benefits under Titles XVIII and XIX of the Social
11 Security Act.

12 (3) Federal and State funds in an annual amount equal to
13 the Federal funds appropriated for health expenditure in
14 Federal fiscal year 1993 and the State funds appropriated for
15 expenditure in State fiscal year 1993 for purposes of the
16 program for the provision of health and social services
17 authorized by Title XX of the Social Security Act, that the
18 State used to provide services that would otherwise be
19 covered under the Pennsylvania Unified Health Plan. Such
20 funds shall increase in proportion to any increase in the
21 Federal or State funds appropriated for purposes of the
22 program for the provision of social services authorized by
23 Title XX of the Social Security Act.

24 (4) State moneys in an annual amount equal to the money
25 appropriated for expenditure in fiscal year 1993 to all State
26 departments or agencies, that was used to provide funding for
27 services that would otherwise be covered under the plan. Such
28 moneys shall increased in proportion to any increase in the
29 money appropriated to any other State department or agency,
30 if the department or agency would otherwise provide funding

1 for services covered under the plan. All amounts paid to the
2 board under relevant provisions of this act, together with
3 any penalties and interest thereon shall be deposited in the
4 Unified Health System Payment Fund.

5 (5) All other Federal, State and county funds already
6 spent on health care shall continue to be collected and shall
7 be deposited in the Unified Health System Payment Fund,
8 except that those funds which are used for the specific
9 support of a provider or institution which can continue to be
10 utilized for that purpose.

11 (6) If the Federal Government appropriates funds
12 enabling health care reform legislation, those moneys shall
13 be deposited in the Unified Health System Payment Fund.

14 (b) Federal payments.--The board and the Department of
15 Public Welfare shall explore and cooperate with, enter into any
16 necessary contracts or other arrangements with, and otherwise
17 pursue any other reasonable course of action with the Secretary
18 of Health and Human Services to establish procedures, standards
19 and conditions under which the Federal payments to the
20 Commonwealth for medical care may be transferred to the Unified
21 Health System Payment Fund.

22 Section 903. Disbursements allowed.

23 The board shall have the authority to and shall disperse
24 moneys from the Unified Health System Payment Fund to health
25 care providers for payments specified in this act.

26 Section 904. Budget.

27 The board shall develop a Commonwealth health expenditure
28 global budget as follows:

29 (1) A Pennsylvania health expenditure budget will be set
30 by statute for total Commonwealth public and private spending

1 for health services in each year, beginning with 1994.

2 (2) The health expenditure budget for each year will be
3 based on the health expenditure budget for the preceding
4 year, increased by the sum of the five-year moving average of
5 the annual rate of growth in the Pennsylvania gross domestic
6 product (GDP) plus an adjustment factor, if necessary.

7 (3) The budget will be divided into separate categories
8 of services. The categories will initially be specified as
9 those services covered by the guaranteed benefit package in
10 this act.

11 (4) The health expenditure budget will annually be
12 allocated to each category of health services in order to
13 provide for the establishment of maximum payment rates for
14 each type of service.

15 (5) Allocation of the budget to the categories will not
16 be based on the historic allocation of health care spending
17 to each category, but rather based on the needs identified by
18 the Community Health Care Partnerships and Regional Health
19 Service Organizations.

20 (6) Data collected by the Health Care Cost Containment
21 Council and Pennsylvania Vital Statistics will be used to
22 prioritize and allocate funds from the Pennsylvania Health
23 Security For All Trust Fund.

24 CHAPTER 21

25 MISCELLANEOUS PROVISIONS

26 Section 2101. Severability.

27 The provisions of this act are severable. If any provision of
28 this act or its application to any person or circumstance is
29 held invalid, the invalidity shall not affect other provisions
30 or applications of this act which can be given effect without

1 the invalid provision or application.

2 Section 2102. Repeals.

3 (a) Inconsistent.--The following acts and parts of acts are
4 repealed insofar as they are inconsistent with this act:

5 Act of May 17, 1921 (P.L.682, No.284), known as The Insurance
6 Company Law of 1921.

7 Act of June 13, 1967 (P.L.31, No.21), known as the Public
8 Welfare Code.

9 Act of December 29, 1972 (P.L.1701, No.364), known as the
10 Health Maintenance Organization Act.

11 40 Pa.C.S. Ch. 61.

12 40 Pa.C.S. Ch. 63.

13 (b) General.--All other acts and parts of acts are repealed
14 insofar as they are inconsistent with this act.

15 Section 2103. Effective date.

16 This act shall take effect in 60 days.