

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1767 Session of
2003

INTRODUCED BY EACHUS, LaGROTTA, SOLOBAY, GRUCELA, MUNDY,
TANGRETTI, GOODMAN, MANDERINO, PRESTON, RUBLEY, HARHAI,
CURRY, GEORGE, BEBKO-JONES, WANSACZ, STURLA, SHANER,
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YUDICHAK, STABACK, LEVDANSKY, LAUGHLIN, GERGELY, TIGUE AND
BISHOP, JUNE 30, 2003

REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES,
JUNE 30, 2003

AN ACT

1 Amending the act of July 8, 1986 (P.L.408, No.89), entitled, as
2 reenacted and amended, "An act providing for the creation of
3 the Health Care Cost Containment Council, for its powers and
4 duties, for health care cost containment through the
5 collection and dissemination of data, for public
6 accountability of health care costs and for health care for
7 the indigent; and making an appropriation," further providing
8 for the Health Care Cost Containment Council members, for
9 council powers and duties and for data submission and
10 collection; and deleting sunset provision.

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

13 Section 1. Section 4(b), (d) and (h) and 5(a) of the act of
14 July 8, 1986 (P.L.408, No.89), known as the Health Care Cost
15 Containment Act, reenacted and amended June 28, 1993 (P.L.146,
16 No.34), are amended to read:

17 Section 4. Health Care Cost Containment Council.

18 * * *

19 (b) Composition.--The council shall consist of [21] 23

voting members, composed of and appointed in accordance with the following:

(1) The Secretary of Health.

(2) The Secretary of Public Welfare.

(3) The Insurance Commissioner.

(4) Six representatives of the business community, at least one of whom represents small business, who are purchasers of health care as defined in section 3, none of which is primarily involved in the provision of health care or health insurance, three of which shall be appointed by the President pro tempore of the Senate and three of which shall be appointed by the Speaker of the House of Representatives from a list of twelve qualified persons recommended by the Pennsylvania Chamber of Business and Industry. Three nominees shall be representatives of small business.

(5) Six representatives of organized labor, three of which shall be appointed by the President pro tempore of the Senate and three of which shall be appointed by the Speaker of the House of Representatives from a list of twelve qualified persons recommended by the Pennsylvania AFL-CIO.

(6) One representative of consumers who is not primarily involved in the provision of health care or health care insurance, appointed by the Governor from a list of three qualified persons recommended jointly by the Speaker of the House of Representatives and the President pro tempore of the Senate.

(6.1) One representative of patient advocacy groups, appointed by the Governor, who shall be an employee of a not-for-profit patient safety advocacy organization.

(7) One representative of hospitals, appointed by the

1 Governor from a list of three qualified hospital
2 representatives recommended by the Hospital Association of
3 Pennsylvania. The representative under this paragraph may
4 appoint two additional delegates to act for the
5 representative only at meetings of committees, as provided
6 for in subsection (f).

7 (8) One representative of physicians, appointed by the
8 Governor from a list of three qualified physician
9 representatives recommended jointly by the Pennsylvania
10 Medical Society and the Pennsylvania Osteopathic Medical
11 Society. The representative under this paragraph may appoint
12 two additional delegates to act for the representative only
13 at meetings of committees, as provided for in subsection (f).

14 (8.1) An individual who is certified in continuous
15 quality improvement methods, appointed by the Governor.

16 (9) One representative of the Blue Cross and Blue Shield
17 plans in Pennsylvania, appointed by the Governor from a list
18 of three qualified persons recommended jointly by the Blue
19 Cross and Blue Shield plans of Pennsylvania.

20 (10) One representative of commercial insurance
21 carriers, appointed by the Governor from a list of three
22 qualified persons recommended by the Insurance Federation of
23 Pennsylvania, Inc.

24 (11) One representative of health maintenance
25 organizations, appointed by the Governor from a list of three
26 qualified persons recommended by the Pennsylvania Association
27 of Health Maintenance Organizations.

28 (12) In the case of each appointment to be made from a
29 list supplied by a specified organization, it is incumbent
30 upon that organization to consult with and provide a list

1 which reflects the input of other equivalent organizations
2 representing similar interests. Each appointing authority
3 will have the discretion to request additions to the list
4 originally submitted. Additional names will be provided not
5 later than 15 days after such request. Appointments shall be
6 made by the appointing authority no later than 90 days after
7 receipt of the original list. If, for any reason, any
8 specified organization supplying a list should cease to
9 exist, then the respective appointing authority shall specify
10 a new equivalent organization to fulfill the responsibilities
11 of this act.

12 * * *

13 (d) Quorum.--[Eleven] Twelve members, a majority of which in
14 any combination shall be made up of representatives of business
15 and labor, shall constitute a quorum for the transaction of any
16 business, and the act by the majority of the members present at
17 any meeting in which there is a quorum shall be deemed to be the
18 act of the council.

19 * * *

20 (h) Terms of council members.--

21 (1) The terms of the Secretary of Health, the Secretary
22 of Public Welfare and the Insurance Commissioner shall be
23 concurrent with their holding of public office. The
24 [eighteen] twenty appointed council members shall each serve
25 for a term of three years and shall continue to serve
26 thereafter until their successor is appointed, except that,
27 of the members first appointed:

28 (i) Two each of the representatives of business and
29 organized labor and the representative of consumers shall
30 serve for a term to expire on June 30 of the year

1 following their appointment.

2 (ii) Two each of the representatives of business and
3 organized labor and the representatives of the Blue Cross
4 and Blue Shield plans of Pennsylvania and the commercial
5 insurance carriers shall serve for a term to expire on
6 June 30 of the second year following their appointment.

7 (iii) Two each of the representatives of business
8 and organized labor and the representatives of hospitals,
9 physicians and health maintenance organizations shall
10 serve for a term to expire on June 30 of the third year
11 following their appointment.

12 (2) Vacancies on the council shall be filled in the same
13 manner in which they were originally designated under
14 subsection (b), within 60 days of the vacancy, except that
15 when vacancies occur among the representatives of business or
16 organized labor, two nominations shall be submitted by the
17 organization specified in subsection (b) for each vacancy on
18 the council. If the officer required in subsection (b) to
19 make appointments to the council fails to act within 60 days
20 of the vacancy, the council chairperson may appoint one of
21 the persons recommended for the vacancy until the appointing
22 authority makes the appointment.

23 (3) A member may be removed for just cause by the
24 appointing authority after recommendation by a vote of at
25 least 14 members of the council.

26 * * *

27 Section 5. Powers and duties of the council.

28 (a) General powers.--The council shall exercise all powers
29 necessary and appropriate to carry out its duties, including the
30 following:

1 (1) To employ an executive director, investigators and
2 other staff necessary to comply with the provisions of this
3 act and regulations promulgated thereunder, to employ or
4 retain legal counsel and to engage professional consultants,
5 as it deems necessary to the performance of its duties. Any
6 consultants, other than sole source consultants, engaged by
7 the council shall be selected in accordance with the
8 provisions for contracting with vendors set forth in section
9 16.

10 (2) To fix the compensation of all employees and to
11 prescribe their duties. Notwithstanding the independence of
12 the council under section 4(a), employees under this
13 paragraph shall be deemed employees of the Commonwealth for
14 the purposes of participation in the Pennsylvania Employee
15 Benefit Trust Fund.

16 (3) To make and execute contracts and other instruments,
17 including those for purchase of services and purchase or
18 leasing of equipment and supplies, necessary or convenient to
19 the exercise of the powers of the council. Any such contract
20 shall be let only in accordance with the provision for
21 contracting with vendors set forth in section 16.

22 (4) To conduct examinations and investigations, to
23 conduct audits, pursuant to the provisions of subsection (c),
24 and to hear testimony and take proof, under oath or
25 affirmation, at public or private hearings, on any matter
26 necessary to its duties.

27 (4.1) To provide hospitals with individualized data on
28 adverse medical events, complications and hospital
29 infections. The data shall be risk-adjusted and made
30 available to hospitals electronically and free of charge on a

quarterly basis within 45 days of receipt of the corrected
quarterly data from the hospital. This data is intended to
provide the patient safety committee of each hospital with
information necessary to assist them in conducting root cause
analysis.

(5) To do all things necessary to carry out its duties
under the provisions of this act.

* * *

Section 2. Section 6(c) of the act is amended and the
section is amended by adding subsections to read:

Section 6. Data submission and collection.

* * *

(c) Data elements.--For each covered service performed in
Pennsylvania, the council shall be required to collect the
following data elements:

(1) uniform patient identifier, continuous across
multiple episodes and providers;

(2) patient date of birth;

(3) patient sex;

(3.1) patient race, consistent with the method of
collection of race/ethnicity data by the United States Bureau
of the Census and the United States Standard Certificates of
Live Birth and Death;

(4) patient ZIP Code number;

(5) date of admission;

(6) date of discharge;

(7) principal and up to five secondary diagnoses by
standard code, including external cause code;

(8) principal procedure by council-specified standard
code and date;

(9) up to three secondary procedures by council-
specified standard codes and dates;

(10) uniform health care facility identifier, continuous
across episodes, patients and providers;

(11) uniform identifier of admitting physician, by
unique physician identification number established by the
council, continuous across episodes, patients and providers;

(12) uniform identifier of consulting physicians, by
unique physician identification number established by the
council, continuous across episodes, patients and providers;

(13) total charges of health care facility, segregated
into major categories, including, but not limited to, room
and board, radiology, laboratory, operating room, drugs,
medical supplies and other goods and services according to
guidelines specified by the council;

(14) actual payments to health care facility,
segregated, if available, according to the categories
specified in paragraph (13);

(15) charges of each physician or professional rendering
service relating to an incident of hospitalization or
treatment in an ambulatory service facility;

(16) actual payments to each physician or professional
rendering service pursuant to paragraph (15);

(17) uniform identifier of primary payor;

(18) ZIP Code number of facility where health care
service is rendered;

(19) uniform identifier for payor group contract number;

(20) patient discharge status; [and]

(21) provider service effectiveness and provider quality
pursuant to section 5(d)(4) and subsection (d)[.];

1 (22) all external cause of injury codes, commonly called
2 E-codes;
3 (23) codes indicating complications;
4 (24) codes indicating infections; and
5 (25) baby and mother birth codes.

6 * * *

7 (g.1) Allowance for correction.--The council shall verify
8 the data submitted by hospitals pursuant to subsection (c)(22)
9 through (25) within 60 days of receipt. The council may allow
10 hospitals to make changes to the data submitted during the
11 verification period. Thereafter, within 45 days of receipt of
12 the adjusted hospital data, the council shall risk-adjust the
13 information and provide reports to the patient safety committee
14 of the relevant hospital.

15 * * *

16 (i) Time.--The reporting of all data shall be filed
17 quarterly to the council, no later than 45 days after the close
18 of each quarter.

19 Section 3. Section 19 of the act is repealed.

20 Section 4. The repeal of section 19 of the act shall be
21 retroactive to June 30, 2003.

22 Section 5. This act shall take effect as follows:

23 (1) The following provisions shall take effect
24 immediately:

25 (i) This section.

26 (ii) The repeal of section 19 of the act.

27 (iii) Section 4 of this act.

28 (2) The remainder of this act shall take effect in 60
29 days.