

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1244 Session of
2003

INTRODUCED BY MICOZZIE, DeLUCA, FICHTER, FRANKEL, GANNON,
GODSHALL, HENNESSEY, NICKOL, VANCE, WALKO, WRIGHT,
WOJNAROSKI, BELFANTI, BENNINGHOFF, CAPPELLI, CREIGHTON,
FLEAGLE, FREEMAN, GEIST, HERMAN, HORSEY, JAMES, LAUGHLIN,
MARKOSEK, PHILLIPS, REICHLEY, RUBLEY, SHANER, B. SMITH,
SOLOBAY, STERN, E. Z. TAYLOR, TIGUE, WASHINGTON, WATSON,
SEMMELE, S. MILLER, MUNDY, RAYMOND, LEACH AND YOUNGBLOOD,
APRIL 29, 2003

REFERRED TO COMMITTEE ON INSURANCE, APRIL 29, 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 regulatory review, for data submission and collection,
9 for mandated health benefits and for termination.

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

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

15 Section 5. Powers and duties of the council.

16 * * *

17 (b) Rules and regulations.--The council [may, in a manner
18 provided by law,] shall promulgate rules and regulations in

1 accordance with the act of June 25, 1982 (P.L.633, No.181),
2 known as the Regulatory Review Act, necessary to carry out its
3 duties under this act.

4 * * *

5 Section 2. Section 6(a) and (d) of the act are amended and
6 the section is amended by adding a subsection to read:

7 Section 6. Data submission and collection.

8 (a) Submission of data.--The council is hereby authorized to
9 collect and data sources are hereby required to submit, upon
10 request of the council, all data required in this section,
11 according to uniform submission formats, coding systems and
12 other technical specifications necessary to render the incoming
13 data substantially valid, consistent, compatible and manageable
14 using electronic data processing according to data submission
15 schedules, such schedules to avoid, to the extent possible,
16 submission of identical data from more than one data source,
17 established and promulgated by the council in regulations
18 pursuant to its authority under section 5(b). If payor data is
19 requested by the council, it shall, to the extent possible, be
20 obtained from primary payor sources. Any data submission
21 requirements of the council in effect by regulation, policy or
22 otherwise as of the date of this act shall automatically expire
23 and be of no force and effect one year after the effective date
24 of this act unless sooner promulgated as a regulation in
25 accordance with section 5(b).

26 * * *

27 (d) [Provider quality and provider] Quality and service
28 effectiveness data elements.--

29 (1) In carrying out its duty to collect data on provider
30 quality and provider service effectiveness under section

1 5(d)(4) and subsection (c)(21), the council shall define a
2 methodology to measure provider service effectiveness which
3 may include additional data elements to be specified by the
4 council sufficient to carry out its responsibilities under
5 section 5(d)(4). The council may adopt a nationally
6 recognized methodology of quantifying and collecting data on
7 provider quality and provider service effectiveness until
8 such time as the council has the capability of developing its
9 own methodology and standard data elements. The council shall
10 include in the Pennsylvania Uniform Claims and Billing Form a
11 field consisting of the data elements required pursuant to
12 subsection (c)(21) to provide information on each provision
13 of covered services sufficient to permit analysis of provider
14 quality and provider service effectiveness within 180 days of
15 commencement of its operations pursuant to section 4.

16 (2) In carrying out its responsibilities, the council
17 shall not require health care insurers to report on
18 additional data elements that are not reported to nationally
19 recognized accrediting organizations or to the Department of
20 Health or the Insurance Department in quarterly or annual
21 reports. Furthermore, the council shall not require reporting
22 by health care insurers in different formats than are
23 required for reporting to nationally recognized accrediting
24 organizations or on quarterly or annual reports submitted to
25 the Department of Health or the Insurance Department as
26 required by regulations of either department. The council may
27 adopt the quality findings as reported to nationally
28 recognized accrediting organizations.

29 * * *

30 (f.1) Review and correction of data.--The council shall

1 provide a period for data sources to review and correct the data
2 submitted by them under section 6 that the council intends to
3 prepare and issue in reports to the General Assembly, to the
4 general public or in special studies and reports under section
5 11. When corrections are provided, the council shall correct the
6 appropriate data in its data files and subsequent reports.

7 * * *

8 Section 3. Section 9(1) of the act is amended and the
9 section is amended by adding paragraphs to read:

10 Section 9. Mandated health benefits.

11 In relation to current law or proposed legislation, the
12 council shall, upon the request of the appropriate committee
13 chairman in the Senate and in the House of Representatives or
14 upon the request of the Secretary of Health, provide information
15 on the proposed mandated health benefit pursuant to the
16 following:

17 (1) The General Assembly hereby declares that proposals
18 for mandated health benefits or mandated health insurance
19 coverage should be accompanied by adequate, independently
20 certified documentation defining the social and financial
21 impact, including a cost-benefit analysis that demonstrates
22 the cost-effectiveness of the mandated health benefits or
23 mandated health insurance coverage, and medical efficacy of
24 the proposal. To that end the council, upon receipt of such
25 requests, is hereby authorized to conduct a preliminary
26 review of the material submitted by both proponents and
27 opponents concerning the proposed mandated benefit. If, after
28 this preliminary review, the council is satisfied that both
29 proponents and opponents have submitted sufficient
30 documentation necessary for a review pursuant to paragraphs

1 (3) and (4), the council is directed to contract with
2 individuals, pursuant to the selection procedures for vendors
3 set forth in section 16, who will constitute a Mandated
4 Benefits Review Panel to review mandated benefits proposals
5 and provide independently certified documentation, as
6 provided for in this section.

7 (1.1) Except as otherwise provided in paragraph (1.5),
8 no bill proposing any mandated health benefits including
9 those offered by public and private employers shall be given
10 second consideration in either house of the General Assembly,
11 until the council has attached a cost-benefit analysis which
12 shall include a reliable estimate of the cost and actuarial
13 effect of the proposed mandate.

14 (1.2) Except as otherwise provided in paragraph (1.6),
15 no amendment proposing a mandated health benefit including
16 those offered by public and private employers shall be
17 considered by either house of the General Assembly until the
18 council has attached a cost-benefit analysis which shall
19 include a reliable estimate of the cost and actuarial effect
20 of the proposed mandate.

21 (1.3) The council may retain the services of an actuary
22 to assist it in preparing the actuarial estimate portion of
23 the cost-benefit analysis, which shall include a reliable
24 estimate of the financial and actuarial effect of the
25 proposed mandated health benefit.

26 (1.4) The cost-benefit analysis shall be factual, and
27 shall, if possible, provide a reliable estimate of both the
28 immediate cost and effect of the bill and, if determinable or
29 reasonably foreseeable, the long-range actuarial cost and
30 effect of the measure.

1 (1.5) If the council fails to attach a cost-benefit
2 analysis within 20 legislative days after a bill proposing a
3 mandated health benefit to any public or private health plan
4 has received first consideration in either house of the
5 General Assembly, the bill may be further considered in the
6 same manner as if the cost-benefit analysis had been attached
7 to the bill.

8 (1.6) If the council fails to attach a cost-benefit
9 analysis within 20 legislative days after an amendment to a
10 bill proposing a mandated health benefit to any public or
11 private health plan, the amendment may be considered in the
12 same manner as if the cost-benefit analysis had been attached
13 to the amendment.

14 * * *

15 Section 4. Sections 10(b)(5) and 19 of the act are amended
16 to read:

17 Section 10. Access to council data.

18 * * *

19 (b) Limitations on access.--Unless specifically provided for
20 in this act, neither the council nor any contracting system
21 vendor shall release and no data source, person, member of the
22 public or other user of any data of the council shall gain
23 access to:

24 * * *

25 (5) Any raw data disclosing discounts or differentials
26 between payments accepted by providers for services and their
27 billed charges obtained by identified payors from identified
28 providers. [unless comparable data on all other payors is
29 also released and the council determines that the release of
30 such information is not prejudicial or inequitable to any

1 individual payor or provider or group thereof. In making such
2 determination the council shall consider that it is primarily
3 concerned with the analysis and dissemination of payments to
4 providers, not with discounts.]

5 * * *

6 Section 19. Sunset.

7 This act shall expire June 30, [2003] 2006, unless reenacted
8 prior to that date.

9 Section 5. This act shall take effect immediately.