

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 387 Session of  
2003

INTRODUCED BY M. WHITE, MOWERY, WENGER, KUKOVICH, PILEGGI, DENT,  
LAVALLE, MUSTO, ERICKSON, PUNT, CORMAN, SCHWARTZ, GREENLEAF,  
RAFFERTY, ORIE, KASUNIC, PICCOLA, TARTAGLIONE, MADIGAN,  
STACK, WONDERLING, WOZNIAK, RHOADES, THOMPSON AND BOSCOLA,  
MARCH 3, 2003

AS REPORTED FROM COMMITTEE ON HEALTH AND HUMAN SERVICES, HOUSE  
OF REPRESENTATIVES, AS AMENDED, JUNE 25, 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 membership of the council, its bylaws and terms of its~~ <—  
9 ~~members, for powers and duties of the council, for data~~  
10 ~~submission and collection, for data dissemination and~~  
11 ~~publication, for access to council data and for enforcement~~  
12 ~~and penalties; requiring a certain report from the~~  
13 ~~Legislative Budget and Finance Committee; and extending the~~  
14 ~~sunset date of the act.~~ FOR THE HEALTH CARE COST CONTAINMENT <—  
15 COUNCIL, FOR POWERS AND DUTIES OF THE COUNCIL, FOR DATA  
16 SUBMISSION AND COLLECTION, FOR ACCESS TO COUNCIL DATA, FOR  
17 ENFORCEMENT AND PENALTY AND FOR EXPIRATION; AND PROVIDING FOR  
18 PENALTIES.

19 The General Assembly of the Commonwealth of Pennsylvania  
20 hereby enacts as follows:

21 ~~Section 1. Sections 4(b), (d) and (f) and 5(b) and (d)(11)~~ <—  
22 ~~of the act of July 8, 1986 (P.L.408, No.89), known as the Health~~  
23 ~~Care Cost Containment Act, reenacted and amended June 28, 1993~~

1 ~~(P.L.146, No.34), are amended to read:~~

2 ~~Section 4. Health Care Cost Containment Council.~~

3 ~~\* \* \*~~

4 ~~(b) Composition. The council shall consist of [21] 28~~  
5 ~~voting members, composed of and appointed in accordance with the~~  
6 ~~following:~~

7 ~~(1) The Secretary of Health.~~

8 ~~(2) The Secretary of Public Welfare.~~

9 ~~(3) The Insurance Commissioner.~~

10 ~~(3.1) Four members of the General Assembly, which shall~~  
11 ~~consist of the chairman and minority chairman of the Public~~  
12 ~~Health and Welfare Committee of the Senate and the chairman~~  
13 ~~and minority Chairman of the Health and Human Services~~  
14 ~~Committee of the House of Representatives. Members under this~~  
15 ~~paragraph may appoint a designee to act on behalf of the~~  
16 ~~member at meetings of the council and of committees, as~~  
17 ~~provided in subsection (f). Designees shall be counted for~~  
18 ~~purposes of determining a quorum.~~

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

29 ~~(5) Six representatives of organized labor, three of~~  
30 ~~which shall be appointed by the President pro tempore of the~~

1 ~~Senate and three of which shall be appointed by the Speaker~~  
2 ~~of the House of Representatives from a list of twelve~~  
3 ~~qualified persons recommended by the Pennsylvania AFL-CIO.~~

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

10 ~~(7) [One representative] Two representatives of~~  
11 ~~hospitals, one of which shall represent rural hospitals,~~  
12 ~~appointed by the Governor from a list of [three] five~~  
13 ~~qualified hospital representatives recommended by the~~  
14 ~~Hospital and Healthsystem Association of Pennsylvania. The~~  
15 ~~[representative] representatives under this paragraph may~~  
16 ~~each appoint two additional delegates to act for the~~  
17 ~~representative only at meetings of committees, as provided~~  
18 ~~for in subsection (f).~~

19 ~~(8) [One representative] Two representatives of~~  
20 ~~physicians, appointed by the Governor from a list of [three]~~  
21 ~~five qualified physician representatives recommended jointly~~  
22 ~~by the Pennsylvania Medical Society and the Pennsylvania~~  
23 ~~Osteopathic Medical Society. The [representative]~~  
24 ~~representatives under this paragraph may each appoint two~~  
25 ~~additional delegates to act for the representative only at~~  
26 ~~meetings of committees, as provided for in subsection (f).~~

27 ~~(8.1) One representative of nurses, appointed by the~~  
28 ~~Governor from a list of three qualified representatives~~  
29 ~~recommended by the Pennsylvania State Nurses Association.~~

30 ~~(9) One representative of the Blue Cross and Blue Shield~~

1 ~~plans in Pennsylvania, appointed by the Governor from a list~~  
2 ~~of three qualified persons recommended jointly by the Blue~~  
3 ~~Cross and Blue Shield plans of Pennsylvania.~~

4 ~~(10) One representative of commercial insurance~~  
5 ~~carriers, appointed by the Governor from a list of three~~  
6 ~~qualified persons recommended by the Insurance Federation of~~  
7 ~~Pennsylvania, Inc.~~

8 ~~(11) One representative of health maintenance~~  
9 ~~organizations, appointed by the Governor from a list of three~~  
10 ~~qualified persons recommended by the [Pennsylvania~~  
11 ~~Association of Health Maintenance Organizations] Managed Care~~  
12 ~~Association of Pennsylvania.~~

13 ~~(12) In the case of each appointment to be made from a~~  
14 ~~list supplied by a specified organization, it is incumbent~~  
15 ~~upon that organization to consult with and provide a list~~  
16 ~~which reflects the input of other equivalent organizations~~  
17 ~~representing similar interests. Each appointing authority~~  
18 ~~will have the discretion to request additions to the list~~  
19 ~~originally submitted. Additional names will be provided not~~  
20 ~~later than 15 days after such request. Appointments shall be~~  
21 ~~made by the appointing authority no later than 90 days after~~  
22 ~~receipt of the original list. If, for any reason, any~~  
23 ~~specified organization supplying a list should cease to~~  
24 ~~exist, then the respective appointing authority shall specify~~  
25 ~~a new equivalent organization to fulfill the responsibilities~~  
26 ~~of this act.~~

27 ~~\* \* \*~~

28 ~~(d) Quorum. [Eleven] Fifteen members, [a majority] six of~~  
29 ~~which in any combination shall be made up of representatives of~~  
30 ~~business and labor, shall constitute a quorum for the~~

1 ~~transaction of any business, and the act by the majority of the~~  
2 ~~members present at any meeting in which there is a quorum shall~~  
3 ~~be deemed to be the act of the council.~~

4     ~~\* \* \*~~

5     ~~(f) Bylaws. The council shall adopt bylaws, not~~  
6 ~~inconsistent with this act, and may appoint such committees or~~  
7 ~~elect such officers subordinate to those provided for in~~  
8 ~~subsection (c) as it deems advisable. The council shall provide~~  
9 ~~for the approval and participation of additional delegates~~  
10 ~~appointed under subsection [(b)(7)] (b)(3.1), (7) and (8) so~~  
11 ~~that each [organization] member represented by delegates under~~  
12 ~~those paragraphs shall not have more than one vote on any~~  
13 ~~committee to which they are appointed. The council shall also~~  
14 ~~appoint a technical advisory group which shall, on an ad hoc~~  
15 ~~basis, respond to issues presented to it by the council or~~  
16 ~~committees of the council and shall make recommendations to the~~  
17 ~~council. The technical advisory group shall include physicians,~~  
18 ~~researchers and biostatisticians. In appointing the technical~~  
19 ~~advisory group, the council shall consult with and take~~  
20 ~~nominations from the representatives of the Hospital Association~~  
21 ~~of Pennsylvania, the Pennsylvania Medical Society, the~~  
22 ~~Pennsylvania Osteopathic Medical Society or other like~~  
23 ~~organizations. At its discretion, nominations shall be approved~~  
24 ~~by the executive committee of the council. The Hospital and~~  
25 ~~Healthsystem Association of Pennsylvania and the Pennsylvania~~  
26 ~~Medical Society shall each be afforded one representative not~~  
27 ~~subject to executive committee approval. If the subject matter~~  
28 ~~of any project exceeds the expertise of the technical advisory~~  
29 ~~group, physicians in appropriate specialties who possess current~~  
30 ~~knowledge of the issue under study may be consulted. The~~

~~technical advisory group shall also review the availability and reliability of severity of illness measurements as they relate to small hospitals and psychiatric, rehabilitation and children's hospitals and shall make recommendations to the council based upon this review.~~

~~\* \* \*~~

~~Section 5. Powers and duties of the council.~~

~~\* \* \*~~

~~(b) Rules and regulations. The council [may, in a manner provided by law,] shall promulgate rules and regulations in accordance with the act of June 25, 1982 (P.L. 633, No. 181), known as the Regulatory Review Act, necessary to carry out its duties under this act.~~

~~\* \* \*~~

~~(d) General duties and functions. The council is hereby authorized to and shall perform the following duties and functions:~~

~~\* \* \*~~

~~{(11) Adopt, within one year, a model patient itemized statement for all providers, which itemizes all charges for services, equipment, supplies and medicine, designed to be more understandable than current patient bills. Each provider shall be required to utilize said model patient itemized statement for covered services within 90 days of adoption of said form by the council. Such model patient itemized statements shall be written in language that is understandable to the average person and be presented to each patient upon discharge from a health care facility or provision of patient services or within a reasonable time thereafter. Patients may request a copy of their Pennsylvania~~

1 Uniform Claims and Billing Form, and, upon request, the  
2 provider shall furnish this form to the patient within 30  
3 days.}]

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.~~

9 ~~(1) The council is hereby authorized to collect and data~~  
10 ~~sources are hereby required to submit, upon request of the~~  
11 ~~council, all data required in this section, according to~~  
12 ~~uniform submission formats, coding systems and other~~  
13 ~~technical specifications necessary to render the incoming~~  
14 ~~data substantially valid, consistent, compatible and~~  
15 ~~manageable using electronic data processing according to data~~  
16 ~~submission schedules, such schedules to avoid, to the extent~~  
17 ~~possible, submission of identical data from more than one~~  
18 ~~data source, established and promulgated by the council in~~  
19 ~~regulations pursuant to its authority under section 5(b). If~~  
20 ~~payor data is requested by the council, it shall, to the~~  
21 ~~extent possible, be obtained from primary payor sources.~~

22 ~~(2) Within 90 days of the effective date of this~~  
23 ~~paragraph, the council shall publish in the Pennsylvania~~  
24 ~~Bulletin a list of diseases, procedures or medical~~  
25 ~~conditions, not to exceed 75, for which data required under~~  
26 ~~subsections (c)(21) and (d) shall be required. The chosen~~  
27 ~~list shall not represent more than 50% of total hospital~~  
28 ~~admissions, based upon the previous year's data. Subsequent~~  
29 ~~to the publication of said list, any data submission~~  
30 ~~requirements under subsections (c)(21) and (d), previously in~~

~~effect, will be null and void for any diseases, procedures or medical conditions not contained on said list. All other data elements shall continue to be required from data sources. The council shall review this list at least once annually and may adjust the list of diseases, procedures or medical conditions, subject to the original limitation of 75 diseases, procedures or medical conditions and 50% of total hospital admissions.~~

~~\* \* \*~~

~~(d) [Provider quality] Quality and [provider] service effectiveness data elements. In carrying out its duty to collect data on provider quality and provider service effectiveness under section 5(d)(4) and subsection (c)(21), the council shall define a methodology to measure provider service effectiveness which may include additional data elements to be specified by the council sufficient to carry out its responsibilities under section 5(d)(4). The council may adopt a nationally recognized methodology of quantifying and collecting data on provider quality and provider service effectiveness until such time as the council has the capability of developing its own methodology and standard data elements. The council shall include in the Pennsylvania Uniform Claims and Billing Form a field consisting of the data elements required pursuant to subsection (c)(21) to provide information on each provision of covered services sufficient to permit analysis of provider quality and provider service effectiveness within 180 days of commencement of its operations pursuant to section 4. In carrying out its responsibilities, the council may not require health care insurers to report on additional data elements that are not reported to nationally recognized accrediting~~



~~organizations or to the Department of Health or the Insurance  
Department in quarterly or annual reports. The council may not  
require reporting by health care insurers in different formats  
than are required for reporting to nationally recognized  
accrediting organizations or on quarterly or annual reports  
submitted to the Department of Health or the Insurance  
Department as required by regulations of either department. The  
council may adopt the quality findings as reported to nationally  
recognized accrediting organizations.~~

~~\* \* \*~~

~~(f.1) Review and correction of data. The council shall  
provide a reasonable period for data sources to review and  
correct the data submitted by them under section 6 that the  
council intends to prepare and issue in reports to the General  
Assembly, to the general public or in special studies and  
reports under section 11. When corrections are provided, the  
council shall correct the appropriate data in its data files and  
subsequent reports.~~

~~\* \* \*~~

~~Section 3. Sections 7(a), 10(b)(5) and 12(b) of the act are  
amended to read:~~

~~Section 7. Data dissemination and publication.~~

~~{(a) Public reports. Subject to the restrictions on access  
to council data set forth in section 10 and utilizing the data  
collected under section 6 as well as other data, records and  
matters of record available to it, the council shall prepare and  
issue reports to the General Assembly and to the general public,  
according to the following provisions:~~

~~(1) The council shall, for every provider within the~~

~~Commonwealth and within appropriate regions and subregions~~

1 ~~within the Commonwealth and for those inpatient and~~  
2 ~~outpatient services which, when ranked by order of frequency,~~  
3 ~~account for at least 65% of all covered services and which,~~  
4 ~~when ranked by order of total payments, account for at least~~  
5 ~~65% of total payments, prepare and issue reports that at~~  
6 ~~least provide information on the following:~~

7 ~~(i) Comparisons among all providers of payments~~  
8 ~~received, charges, population based admission or~~  
9 ~~incidence rates, and provider service effectiveness, such~~  
10 ~~comparisons to be grouped according to diagnosis and~~  
11 ~~severity, and to identify each provider by name and type~~  
12 ~~or specialty.~~

13 ~~(ii) Comparisons among all providers, except~~  
14 ~~physicians, of inpatient and outpatient charges and~~  
15 ~~payments for room and board, ancillary services, drugs,~~  
16 ~~equipment and supplies and total services, such~~  
17 ~~comparisons to be grouped according to provider quality~~  
18 ~~and provider service effectiveness and according to~~  
19 ~~diagnosis and severity, and to identify each health care~~  
20 ~~facility by name and type.~~

21 ~~(iii) Until and unless a methodology to measure~~  
22 ~~provider quality and provider service effectiveness~~  
23 ~~pursuant to sections 5(d)(4) and 6(c) and (d) is~~  
24 ~~available to the council, comparisons among all~~  
25 ~~providers, grouped according to diagnosis, procedure and~~  
26 ~~severity, which identify facilities by name and type and~~  
27 ~~physicians by name and specialty, of charges and payments~~  
28 ~~received, readmission rates, mortality rates, morbidity~~  
29 ~~rates and infection rates. Following adoption of the~~  
30 ~~methodology specified in sections 5(d)(4) and 6(c) and~~

~~(d), the council may, at its discretion, discontinue publication of this component of the report.~~

~~(iv) The incidence rate of selected medical or surgical procedures, the provider service effectiveness and the payments received for those providers, identified by the name and type or specialty, for which these elements vary significantly from the norms for all providers.~~

~~(2) In preparing its reports under paragraph (1), the council shall ensure that factors which have the effect of either reducing provider revenue or increasing provider costs, and other factors beyond a provider's control which reduce provider competitiveness in the market place, are explained in the reports. It shall also ensure that any clarifications and dissents submitted by individual providers under section 6(g) are noted in any reports that include release of data on that individual provider.~~

~~(3) The council shall, for all providers within the Commonwealth and within appropriate regions and subregions within the Commonwealth, prepare and issue quarterly reports that at least provide information on the number of physicians, by speciality, on the staff of each hospital or ambulatory service facility and those physicians on the staff that accept Medicare assignment as full payment and that accept Medical Assistance patients.~~

~~(4) The council shall publish all reports required in this section in the Pennsylvania Bulletin and shall publish, in at least one newspaper of general circulation in each subregion within the Commonwealth, reports on the providers in that subregion and subregions adjacent to it. In addition,~~

1     ~~the council shall advertise annually the availability of~~  
2     ~~these reports and the charge for duplication in the~~  
3     ~~Pennsylvania Bulletin and in at least one newspaper of~~  
4     ~~general circulation in each subregion within the Commonwealth~~  
5     ~~at least once in each calendar quarter.}~~

6     ~~(a) Public reports. Subject to the restrictions on access~~  
7     ~~to council data set forth in section 10 and utilizing the data~~  
8     ~~collected under section 6 as well as other data, records and~~  
9     ~~matters of record available to it, the council shall prepare and~~  
10    ~~issue reports to the General Assembly and to the general public,~~  
11    ~~according to the following provisions:~~

12         ~~(1) The council shall, for every provider of both~~  
13         ~~inpatient and outpatient services within this Commonwealth~~  
14         ~~and within appropriate regions and subregions, prepare and~~  
15         ~~issue reports on provider quality and effectiveness on~~  
16         ~~diseases or procedures that, when ranked by volume, cost,~~  
17         ~~payment and high variation in outcome, represent the best~~  
18         ~~opportunity to improve overall provider quality, improve~~  
19         ~~patient safety and provide opportunities for cost reduction.~~  
20         ~~These reports shall provide comparative information on the~~  
21         ~~following:~~

22                 ~~(i) Differences in mortality rates; differences in~~  
23                 ~~length of stay; differences in complication rates;~~  
24                 ~~differences in readmission rates; differences in~~  
25                 ~~infection rates; and other comparative outcome measures~~  
26                 ~~the council may develop that will allow purchasers,~~  
27                 ~~providers and consumers to make purchasing and quality~~  
28                 ~~improvement decisions based upon quality patient care and~~  
29                 ~~to restrain costs.~~

30                 ~~(ii) The incidence rate of selected medical or~~

~~surgical procedures, the provider service effectiveness and the payments received for those providers, identified by the name and type or specialty, for which these elements vary significantly from the norms for all providers.~~

~~(2) In preparing its reports under paragraph (1), the council shall ensure that factors which have the effect of either reducing provider revenue or increasing provider costs and other factors beyond a provider's control which reduce provider competitiveness in the marketplace are explained in the reports. The council shall also ensure that any clarifications and dissents submitted by individual providers under section 6(g) are noted in any reports that include release of data on that individual provider.~~

~~\* \* \*~~

~~Section 10.— Access to council data.~~

~~\* \* \*~~

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

~~\* \* \*~~

~~(5) Any raw data disclosing discounts or differentials between payments accepted by providers for services and their billed charges obtained by identified payors from identified providers [unless comparable data on all other payors is also released and the council determines that the release of such information is not prejudicial or inequitable to any individual payor or provider or group thereof. In making such~~

1 ~~determination the council shall consider that it is primarily~~  
2 ~~concerned with the analysis and dissemination of payments to~~  
3 ~~providers, not with discounts].~~

4 ~~\* \* \*~~

5 ~~Section 12. Enforcement; penalty.~~

6 ~~\* \* \*~~

7 ~~(b) Penalty.—~~

8 ~~(1) Any person who fails to supply data pursuant to~~  
9 ~~section 6 [commits a misdemeanor of the third degree and~~  
10 ~~shall, upon conviction, be sentenced to pay a fine not to~~  
11 ~~exceed \$1,000. Each day on which the required data is not~~  
12 ~~submitted constitutes a separate offense under this~~  
13 ~~paragraph.] may be assessed a civil penalty not to exceed~~  
14 ~~\$1,000 for each day the data is not submitted.~~

15 ~~(2) Any person who[, after being sentenced under~~  
16 ~~paragraph (1), fails to supply data] knowingly submits~~  
17 ~~inaccurate data pursuant to section 6 commits a misdemeanor~~  
18 ~~of the third degree and shall, upon conviction, be sentenced~~  
19 ~~to pay a fine of \$10,000 or to imprisonment for not more than~~  
20 ~~five years, or both.~~

21 ~~Section 4. The act is amended by adding a section to read:~~

22 ~~Section 17.2. Legislative Budget and Finance Committee Report.~~

23 ~~(a) General rule. By December 31, 2006, the Legislative~~  
24 ~~Budget and Finance Committee shall complete a written report~~  
25 ~~evaluating the management, performance, visibility, awareness~~  
26 ~~and performance of the council and shall submit the report to~~  
27 ~~the Public Health and Welfare Committee of the Senate and the~~  
28 ~~Health and Human Services Committee of the House of~~  
29 ~~Representatives. The report shall determine whether the council~~  
30 ~~is:~~

~~(1) Conducting authorized activities in a manner consistent with accomplishing the objectives intended by the General Assembly.~~

~~(2) Conducting activities and expending funds made available in a faithful, efficient, economical and effective manner.~~

~~(b) Contents of report. The report shall include, but not be limited to, discussion of the following criteria:~~

~~(1) Whether there is overlap or duplication of effort by other agencies.~~

~~(2) Whether there is a more economical way of accomplishing the objectives of the council.~~

~~(3) Whether there is a demonstrated need, based on service to the public, for the continuing existence of the council.~~

~~(4) Whether the operation of the council has been in the public interest.~~

~~(5) Whether the council has encouraged public participation in the making of its rules and decisions or whether the council has permitted participation solely by the persons its regulates.~~

~~(6) Whether there is an alternate, less restrictive method of providing the same services to the public.~~

~~(7) Such other criteria as may be established by the standing committees.~~

~~Section 5. Section 19 of the act is amended to read:~~

~~Section 19. Sunset.~~

~~This act shall expire June 30, [2003] 2009, unless reenacted prior to [that date] March 31, 2009.~~

~~Section 6. This act shall take effect as follows:~~

1           ~~(1) The amendment of section 19 of the act shall take~~  
2           ~~effect immediately.~~

3           ~~(2) This section shall take effect immediately.~~

4           ~~(3) The remainder of this act shall take effect in 60~~  
5           ~~days.~~

6           SECTION 1.   SECTIONS 4(B), (D), (F) AND (H) AND 5(B), (C) AND <—  
7           (D)(4) AND (11) OF THE ACT OF JULY 8, 1986 (P.L.408, NO.89),  
8           KNOWN AS THE HEALTH CARE COST CONTAINMENT ACT, REENACTED AND  
9           AMENDED JUNE 28, 1993 (P.L.146, NO.34), ARE AMENDED TO READ:

10          SECTION 4.   HEALTH CARE COST CONTAINMENT COUNCIL.

11          \* \* \*

12          (B)   COMPOSITION.--THE COUNCIL SHALL CONSIST OF [21] 24  
13          VOTING MEMBERS, COMPOSED OF AND APPOINTED IN ACCORDANCE WITH THE  
14          FOLLOWING:

15               (1)   THE SECRETARY OF HEALTH.

16               (2)   THE SECRETARY OF PUBLIC WELFARE.

17               (3)   THE INSURANCE COMMISSIONER.

18               (4)   SIX REPRESENTATIVES OF THE BUSINESS COMMUNITY, AT  
19          LEAST ONE OF WHOM REPRESENTS SMALL BUSINESS, WHO ARE  
20          PURCHASERS OF HEALTH CARE AS DEFINED IN SECTION 3, NONE OF  
21          WHICH IS PRIMARILY INVOLVED IN THE PROVISION OF HEALTH CARE  
22          OR HEALTH INSURANCE, THREE OF WHICH SHALL BE APPOINTED BY THE  
23          PRESIDENT PRO TEMPORE OF THE SENATE AND THREE OF WHICH SHALL  
24          BE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES  
25          FROM A LIST OF TWELVE QUALIFIED PERSONS RECOMMENDED BY THE  
26          PENNSYLVANIA CHAMBER OF BUSINESS AND INDUSTRY. THREE NOMINEES  
27          SHALL BE REPRESENTATIVES OF SMALL BUSINESS.

28               (5)   SIX REPRESENTATIVES OF ORGANIZED LABOR, THREE OF  
29          WHICH SHALL BE APPOINTED BY THE PRESIDENT PRO TEMPORE OF THE  
30          SENATE AND THREE OF WHICH SHALL BE APPOINTED BY THE SPEAKER



1 OF THE HOUSE OF REPRESENTATIVES FROM A LIST OF TWELVE  
2 QUALIFIED PERSONS RECOMMENDED BY THE PENNSYLVANIA AFL-CIO.

3 (6) ONE REPRESENTATIVE OF CONSUMERS WHO IS NOT PRIMARILY  
4 INVOLVED IN THE PROVISION OF HEALTH CARE OR HEALTH CARE  
5 INSURANCE, APPOINTED BY THE GOVERNOR FROM A LIST OF THREE  
6 QUALIFIED PERSONS RECOMMENDED JOINTLY BY THE SPEAKER OF THE  
7 HOUSE OF REPRESENTATIVES AND THE PRESIDENT PRO TEMPORE OF THE  
8 SENATE.

9 (7) [ONE REPRESENTATIVE] THREE REPRESENTATIVES OF  
10 HOSPITALS, APPOINTED BY THE GOVERNOR FROM A LIST OF [THREE]  
11 FIVE QUALIFIED HOSPITAL REPRESENTATIVES RECOMMENDED BY THE  
12 HOSPITAL AND HEALTH SYSTEM ASSOCIATION OF PENNSYLVANIA.  
13 REPRESENTATIVES UNDER THIS PARAGRAPH SHALL INCLUDE ONE  
14 REPRESENTATIVE OF ACADEMIC TEACHING HOSPITALS AND ONE  
15 REPRESENTATIVE OF RURAL HOSPITALS. [THE] EACH REPRESENTATIVE  
16 UNDER THIS PARAGRAPH MAY APPOINT TWO ADDITIONAL DELEGATES TO  
17 ACT FOR THE REPRESENTATIVE ONLY AT MEETINGS OF COMMITTEES, AS  
18 PROVIDED FOR IN SUBSECTION (F).

19 (8) ONE REPRESENTATIVE OF PHYSICIANS, APPOINTED BY THE  
20 GOVERNOR FROM A LIST OF THREE QUALIFIED PHYSICIAN  
21 REPRESENTATIVES RECOMMENDED JOINTLY BY THE PENNSYLVANIA  
22 MEDICAL SOCIETY AND THE PENNSYLVANIA OSTEOPATHIC MEDICAL  
23 SOCIETY. THE REPRESENTATIVE UNDER THIS PARAGRAPH MAY APPOINT  
24 TWO ADDITIONAL DELEGATES TO ACT FOR THE REPRESENTATIVE ONLY  
25 AT MEETINGS OF COMMITTEES, AS PROVIDED FOR IN SUBSECTION (F).

26 (9) ONE REPRESENTATIVE OF NURSES, APPOINTED BY THE  
27 GOVERNOR FROM A LIST OF THREE QUALIFIED REPRESENTATIVES  
28 RECOMMENDED BY THE PENNSYLVANIA STATE NURSES ASSOCIATION.

29 [(9)] (10) ONE REPRESENTATIVE OF THE BLUE CROSS AND BLUE  
30 SHIELD PLANS IN PENNSYLVANIA, APPOINTED BY THE GOVERNOR FROM

1 A LIST OF THREE QUALIFIED PERSONS RECOMMENDED JOINTLY BY THE  
2 BLUE CROSS AND BLUE SHIELD PLANS OF PENNSYLVANIA.

3 [(10)] (11) ONE REPRESENTATIVE OF COMMERCIAL INSURANCE  
4 CARRIERS, APPOINTED BY THE GOVERNOR FROM A LIST OF THREE  
5 QUALIFIED PERSONS RECOMMENDED BY THE INSURANCE FEDERATION OF  
6 PENNSYLVANIA, INC.

7 [(11)] (12) ONE REPRESENTATIVE OF HEALTH MAINTENANCE  
8 ORGANIZATIONS, APPOINTED BY THE GOVERNOR FROM A LIST OF THREE  
9 QUALIFIED PERSONS RECOMMENDED BY THE [PENNSYLVANIA  
10 ASSOCIATION OF HEALTH MAINTENANCE ORGANIZATIONS] MANAGED CARE  
11 ASSOCIATION OF PENNSYLVANIA.

12 [(12)] (13) IN THE CASE OF EACH APPOINTMENT TO BE MADE  
13 FROM A LIST SUPPLIED BY A SPECIFIED ORGANIZATION, IT IS  
14 INCUMBENT UPON THAT ORGANIZATION TO CONSULT WITH AND PROVIDE  
15 A LIST WHICH REFLECTS THE INPUT OF OTHER EQUIVALENT  
16 ORGANIZATIONS REPRESENTING SIMILAR INTERESTS. EACH APPOINTING  
17 AUTHORITY WILL HAVE THE DISCRETION TO REQUEST ADDITIONS TO  
18 THE LIST ORIGINALLY SUBMITTED. ADDITIONAL NAMES WILL BE  
19 PROVIDED NOT LATER THAN 15 DAYS AFTER SUCH REQUEST.

20 APPOINTMENTS SHALL BE MADE BY THE APPOINTING AUTHORITY NO  
21 LATER THAN 90 DAYS AFTER RECEIPT OF THE ORIGINAL LIST. IF,  
22 FOR ANY REASON, ANY SPECIFIED ORGANIZATION SUPPLYING A LIST  
23 SHOULD CEASE TO EXIST, THEN THE RESPECTIVE APPOINTING  
24 AUTHORITY SHALL SPECIFY A NEW EQUIVALENT ORGANIZATION TO  
25 FULFILL THE RESPONSIBILITIES OF THIS ACT.

26 \* \* \*

27 (D) QUORUM.--[ELEVEN] THIRTEEN MEMBERS, A MAJORITY OF WHICH  
28 IN ANY COMBINATION SHALL BE MADE UP OF REPRESENTATIVES OF  
29 BUSINESS AND LABOR, SHALL CONSTITUTE A QUORUM FOR THE  
30 TRANSACTION OF ANY BUSINESS, AND THE ACT BY THE MAJORITY OF THE

1 MEMBERS PRESENT AT ANY MEETING IN WHICH THERE IS A QUORUM SHALL  
2 BE DEEMED TO BE THE ACT OF THE COUNCIL.

3 \* \* \*

4 (F) BYLAWS.--THE COUNCIL SHALL ADOPT BYLAWS, NOT  
5 INCONSISTENT WITH THIS ACT, AND MAY APPOINT SUCH COMMITTEES OR  
6 ELECT SUCH OFFICERS SUBORDINATE TO THOSE PROVIDED FOR IN  
7 SUBSECTION (C) AS IT DEEMS ADVISABLE. THE COUNCIL SHALL PROVIDE  
8 FOR THE APPROVAL AND PARTICIPATION OF ADDITIONAL DELEGATES  
9 APPOINTED UNDER SUBSECTION (B)(7) AND (8) SO THAT EACH  
10 ORGANIZATION REPRESENTED BY DELEGATES UNDER THOSE PARAGRAPHS  
11 SHALL NOT HAVE MORE THAN ONE VOTE ON ANY COMMITTEE TO WHICH THEY  
12 ARE APPOINTED. THE COUNCIL SHALL ALSO APPOINT A TECHNICAL  
13 ADVISORY GROUP WHICH SHALL, ON AN AD HOC BASIS, RESPOND TO  
14 ISSUES PRESENTED TO IT BY THE COUNCIL OR COMMITTEES OF THE  
15 COUNCIL AND SHALL MAKE RECOMMENDATIONS TO THE COUNCIL. THE  
16 TECHNICAL ADVISORY GROUP SHALL INCLUDE [PHYSICIANS, RESEARCHERS  
17 AND BIOSTATISTICIANS. IN APPOINTING THE TECHNICAL ADVISORY  
18 GROUP, THE COUNCIL SHALL CONSULT WITH AND TAKE NOMINATIONS FROM  
19 THE REPRESENTATIVES OF THE HOSPITAL ASSOCIATION OF PENNSYLVANIA,  
20 THE PENNSYLVANIA MEDICAL SOCIETY, THE PENNSYLVANIA OSTEOPATHIC  
21 MEDICAL SOCIETY OR OTHER LIKE ORGANIZATIONS.] AT A MINIMUM ONE  
22 PHYSICIAN, ONE NURSE, ONE HEALTH RESEARCHER, ONE  
23 BIOSTATISTICIAN, ONE HOSPITAL REPRESENTATIVE, ONE REPRESENTATIVE  
24 OF A HEALTH CARE PLAN, ONE HEALTH ECONOMIST AND ONE  
25 REPRESENTATIVE OF THE PUBLIC HEALTH SECTOR. AT ITS DISCRETION,  
26 NOMINATIONS SHALL BE APPROVED BY THE EXECUTIVE COMMITTEE OF THE  
27 COUNCIL. THE HOSPITAL AND HEALTHSYSTEM ASSOCIATION OF  
28 PENNSYLVANIA AND THE PENNSYLVANIA MEDICAL SOCIETY SHALL EACH BE  
29 AFFORDED ONE REPRESENTATIVE NOT SUBJECT TO EXECUTIVE COMMITTEE  
30 APPROVAL. IF THE SUBJECT MATTER OF ANY PROJECT EXCEEDS THE

1 EXPERTISE OF THE TECHNICAL ADVISORY GROUP, PHYSICIANS IN  
2 APPROPRIATE SPECIALTIES WHO POSSESS CURRENT KNOWLEDGE OF THE  
3 ISSUE UNDER STUDY MAY BE CONSULTED. THE TECHNICAL ADVISORY GROUP  
4 SHALL ALSO REVIEW THE AVAILABILITY AND RELIABILITY OF SEVERITY  
5 OF ILLNESS MEASUREMENTS AS THEY RELATE TO SMALL HOSPITALS AND  
6 PSYCHIATRIC, REHABILITATION AND CHILDREN'S HOSPITALS AND SHALL  
7 MAKE RECOMMENDATIONS TO THE COUNCIL BASED UPON THIS REVIEW.

8 \* \* \*

9 (H) TERMS OF COUNCIL MEMBERS.--

10 (1) THE TERMS OF THE SECRETARY OF HEALTH, THE SECRETARY  
11 OF PUBLIC WELFARE AND THE INSURANCE COMMISSIONER SHALL BE  
12 CONCURRENT WITH THEIR HOLDING OF PUBLIC OFFICE. THE  
13 [EIGHTEEN] TWENTY-ONE APPOINTED COUNCIL MEMBERS SHALL EACH  
14 SERVE FOR A TERM OF [THREE] FOUR YEARS AND SHALL CONTINUE TO  
15 SERVE THEREAFTER UNTIL THEIR SUCCESSOR IS APPOINTED, EXCEPT  
16 THAT, OF THE MEMBERS FIRST APPOINTED:

17 (I) TWO EACH OF THE REPRESENTATIVES OF BUSINESS AND  
18 ORGANIZED LABOR AND THE REPRESENTATIVE OF CONSUMERS SHALL  
19 SERVE FOR A TERM TO EXPIRE ON JUNE 30 OF THE YEAR  
20 FOLLOWING THEIR APPOINTMENT.

21 (II) TWO EACH OF THE REPRESENTATIVES OF BUSINESS AND  
22 ORGANIZED LABOR AND THE REPRESENTATIVES OF THE BLUE CROSS  
23 AND BLUE SHIELD PLANS OF PENNSYLVANIA AND THE COMMERCIAL  
24 INSURANCE CARRIERS SHALL SERVE FOR A TERM TO EXPIRE ON  
25 JUNE 30 OF THE SECOND YEAR FOLLOWING THEIR APPOINTMENT.

26 (III) TWO EACH OF THE REPRESENTATIVES OF BUSINESS  
27 AND ORGANIZED LABOR AND THE REPRESENTATIVES OF HOSPITALS,  
28 PHYSICIANS AND HEALTH MAINTENANCE ORGANIZATIONS SHALL  
29 SERVE FOR A TERM TO EXPIRE ON JUNE 30 OF THE THIRD YEAR  
30 FOLLOWING THEIR APPOINTMENT.

1           (2) VACANCIES ON THE COUNCIL SHALL BE FILLED IN THE SAME  
2 MANNER IN WHICH THEY WERE ORIGINALLY DESIGNATED UNDER  
3 SUBSECTION (B), WITHIN 60 DAYS OF THE VACANCY, EXCEPT THAT  
4 WHEN VACANCIES OCCUR AMONG THE REPRESENTATIVES OF BUSINESS OR  
5 ORGANIZED LABOR, TWO NOMINATIONS SHALL BE SUBMITTED BY THE  
6 ORGANIZATION SPECIFIED IN SUBSECTION (B) FOR EACH VACANCY ON  
7 THE COUNCIL. IF THE OFFICER REQUIRED IN SUBSECTION (B) TO  
8 MAKE APPOINTMENTS TO THE COUNCIL FAILS TO ACT WITHIN 60 DAYS  
9 OF THE VACANCY, THE COUNCIL CHAIRPERSON MAY APPOINT ONE OF  
10 THE PERSONS RECOMMENDED FOR THE VACANCY UNTIL THE APPOINTING  
11 AUTHORITY MAKES THE APPOINTMENT.

12           (3) A MEMBER MAY BE REMOVED FOR JUST CAUSE BY THE  
13 APPOINTING AUTHORITY AFTER RECOMMENDATION BY A VOTE OF AT  
14 LEAST 14 MEMBERS OF THE COUNCIL.

15           (4) NO APPOINTED MEMBER SHALL BE ELIGIBLE TO SERVE MORE  
16 THAN TWO FULL CONSECUTIVE TERMS OF FOUR YEARS BEGINNING ON  
17 JULY 1, 2003.

18       \* \* \*

19 SECTION 5. POWERS AND DUTIES OF THE COUNCIL.

20       \* \* \*

21       (B) RULES AND REGULATIONS.--THE COUNCIL [MAY, IN A MANNER  
22 PROVIDED BY LAW, PROMULGATE RULES AND REGULATIONS] SHALL  
23 PROMULGATE RULES AND REGULATIONS IN ACCORDANCE WITH THE ACT OF  
24 JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE REGULATORY REVIEW  
25 ACT, NECESSARY TO CARRY OUT ITS DUTIES UNDER THIS ACT.

26       (C) [AUDIT POWERS.--THE COUNCIL SHALL HAVE THE RIGHT TO  
27 INDEPENDENTLY AUDIT ALL INFORMATION REQUIRED TO BE SUBMITTED BY  
28 DATA SOURCES AS NEEDED TO CORROBORATE THE ACCURACY OF THE  
29 SUBMITTED DATA, PURSUANT TO THE FOLLOWING:

30           (1) AUDITS OF INFORMATION SUBMITTED BY PROVIDERS OR

1 HEALTH CARE INSURERS SHALL BE PERFORMED ON A SAMPLE AND  
2 ISSUE-SPECIFIC BASIS, AS NEEDED BY THE COUNCIL, AND SHALL BE  
3 COORDINATED, TO THE EXTENT PRACTICABLE, WITH AUDITS PERFORMED  
4 BY THE COMMONWEALTH. ALL HEALTH CARE INSURERS AND PROVIDERS  
5 ARE HEREBY REQUIRED TO MAKE THOSE BOOKS, RECORDS OF ACCOUNTS  
6 AND ANY OTHER DATA NEEDED BY THE AUDITORS AVAILABLE TO THE  
7 COUNCIL AT A CONVENIENT LOCATION WITHIN 30 DAYS OF A WRITTEN  
8 NOTIFICATION BY THE COUNCIL.

9 (2) AUDITS OF INFORMATION SUBMITTED BY PURCHASERS SHALL  
10 BE PERFORMED ON A SAMPLE BASIS, UNLESS THERE EXISTS  
11 REASONABLE CAUSE TO AUDIT SPECIFIC PURCHASERS, BUT IN NO CASE  
12 SHALL THE COUNCIL HAVE THE POWER TO AUDIT FINANCIAL  
13 STATEMENTS OF PURCHASERS.

14 (3) ALL AUDITS PERFORMED BY THE COUNCIL SHALL BE  
15 PERFORMED AT THE EXPENSE OF THE COUNCIL.]

16 VERIFICATION OF DATA.--THE COUNCIL SHALL REQUIRE ATTESTATION BY  
17 DATA SOURCES AS TO THE ACCURACY OF THE SUBMITTED DATA. ANY  
18 PERSON WHO SUBMITS INACCURATE DATA SHALL BE SUBJECT TO CIVIL  
19 PENALTY UNDER THIS ACT.

20 (D) GENERAL DUTIES AND FUNCTIONS.--THE COUNCIL IS HEREBY  
21 AUTHORIZED TO AND SHALL PERFORM THE FOLLOWING DUTIES AND  
22 FUNCTIONS:

23 \* \* \*

24 (4) ADOPT AND IMPLEMENT A METHODOLOGY TO [COLLECT AND]  
25 DISSEMINATE DATA REFLECTING PROVIDER QUALITY AND PROVIDER  
26 SERVICE EFFECTIVENESS PURSUANT TO SECTION 6 [AND TO  
27 CONTINUOUSLY STUDY QUALITY OF CARE SYSTEMS].

28 \* \* \*

29 [(11) ADOPT, WITHIN ONE YEAR, A MODEL PATIENT ITEMIZED  
30 STATEMENT FOR ALL PROVIDERS, WHICH ITEMIZES ALL CHARGES FOR

SERVICES, EQUIPMENT, SUPPLIES AND MEDICINE, DESIGNED TO BE MORE UNDERSTANDABLE THAN CURRENT PATIENT BILLS. EACH PROVIDER SHALL BE REQUIRED TO UTILIZE SAID MODEL PATIENT ITEMIZED STATEMENT FOR COVERED SERVICES WITHIN 90 DAYS OF ADOPTION OF SAID FORM BY THE COUNCIL. SUCH MODEL PATIENT ITEMIZED STATEMENTS SHALL BE WRITTEN IN LANGUAGE THAT IS UNDERSTANDABLE TO THE AVERAGE PERSON AND BE PRESENTED TO EACH PATIENT UPON DISCHARGE FROM A HEALTH CARE FACILITY OR PROVISION OF PATIENT SERVICES OR WITHIN A REASONABLE TIME THEREAFTER. PATIENTS MAY REQUEST A COPY OF THEIR PENNSYLVANIA UNIFORM CLAIMS AND BILLING FORM, AND, UPON REQUEST, THE PROVIDER SHALL FURNISH THIS FORM TO THE PATIENT WITHIN 30 DAYS.]

\* \* \*

SECTION 2. SECTION 6(A), (C)(19), (20) AND (21), (D) AND (F) OF THE ACT ARE AMENDED AND THE SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

SECTION 6. DATA SUBMISSION AND COLLECTION.

(A) (1) SUBMISSION OF DATA.--THE COUNCIL IS HEREBY AUTHORIZED TO COLLECT AND DATA SOURCES ARE HEREBY REQUIRED TO SUBMIT, UPON REQUEST OF THE COUNCIL, ALL DATA REQUIRED IN THIS SECTION, ACCORDING TO UNIFORM SUBMISSION FORMATS, CODING SYSTEMS AND OTHER TECHNICAL SPECIFICATIONS NECESSARY TO RENDER THE INCOMING DATA SUBSTANTIALLY VALID, CONSISTENT, COMPATIBLE AND MANAGEABLE USING ELECTRONIC DATA PROCESSING ACCORDING TO DATA SUBMISSION SCHEDULES, SUCH SCHEDULES TO AVOID, TO THE EXTENT POSSIBLE, SUBMISSION OF IDENTICAL DATA FROM MORE THAN ONE DATA SOURCE, ESTABLISHED AND PROMULGATED BY THE COUNCIL IN REGULATIONS PURSUANT TO ITS AUTHORITY UNDER SECTION 5(B). IF PAYOR DATA IS REQUESTED BY THE COUNCIL, IT

1 SHALL, TO THE EXTENT POSSIBLE, BE OBTAINED FROM PRIMARY PAYOR  
2 SOURCES.

3 (2) ON AND AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH,  
4 THE COUNCIL MAY ADD OTHER ADDITIONAL DATA ELEMENTS SO LONG AS  
5 THEY ARE PROMULGATED AS REGULATIONS IN ACCORDANCE WITH  
6 SECTION 5(B). PRIOR TO APPROVING REGULATIONS ADDING ANY SUCH  
7 DATA ELEMENTS, THE INDEPENDENT REGULATORY REVIEW COMMISSION  
8 SHALL CONSIDER THE FOLLOWING FACTORS:

9 (I) UTILIZATION OF SAMPLING TO THE MAXIMUM EXTENT  
10 POSSIBLE;

11 (II) FEASIBILITY OF COLLECTING THE DATA ELEMENTS;

12 (III) COSTS AND BENEFITS OF COLLECTION AND  
13 SUBMISSION OF DATA; AND

14 (IV) THE EXCHANGE OF DATA ELEMENTS AS OPPOSED TO THE  
15 ADDITION OF DATA ELEMENTS.

16 (3) ADDITIONAL DATA REGARDING SPECIFIC CLINICAL  
17 FINDINGS, FOR SPECIAL STUDIES AND REPORTS, MAY BE COLLECTED.  
18 THESE ADDITIONAL DATA ELEMENTS SHALL BE REQUIRED ONLY WHEN  
19 THE COUNCIL PUBLISHES REPORTS THAT IDENTIFY INDIVIDUAL  
20 PHYSICIANS PROVIDING THE SERVICES INCLUDED IN THE REPORT OR  
21 STUDY. THE COUNCIL SHALL DETERMINE THE SUBJECT OR SUBJECTS OF  
22 THESE STUDIES AND REPORTS IN ADVANCE. THE COUNCIL SHALL ADD  
23 NO MORE THAN A NET OF 15 DATA ELEMENTS DIRECTLY OR INDIRECTLY  
24 TO THE HEALTH CARE FACILITY DATA SET OVER ANY FIVE-YEAR  
25 PERIOD. ELEMENTS, IN THE CASE OF HEALTH CARE FACILITIES,  
26 INCLUDED IN THE MANUAL DEVELOPED BY THE NATIONAL UNIFORM  
27 BILLING COMMITTEE, SHALL BE EXEMPT FROM THE 15-ELEMENT NET  
28 LIMIT.

29 \* \* \*

30 (C) DATA ELEMENTS.--FOR EACH COVERED SERVICE PERFORMED IN



PENNSYLVANIA, THE COUNCIL SHALL BE REQUIRED TO COLLECT THE  
FOLLOWING DATA ELEMENTS:

\* \* \*

(19) UNIFORM IDENTIFIER FOR PAYOR GROUP CONTRACT NUMBER;

AND

(20) PATIENT DISCHARGE STATUS[; AND].

[(21) PROVIDER SERVICE EFFECTIVENESS AND PROVIDER

QUALITY PURSUANT TO SECTION 5(D)(4) AND SUBSECTION (D).]

(D) [PROVIDER QUALITY AND PROVIDER SERVICE EFFECTIVENESS

DATA ELEMENTS.--IN CARRYING OUT ITS DUTY TO COLLECT DATA ON

PROVIDER QUALITY AND PROVIDER SERVICE EFFECTIVENESS UNDER

SECTION 5(D)(4) AND SUBSECTION (C)(21), THE COUNCIL SHALL DEFINE

A METHODOLOGY TO MEASURE PROVIDER SERVICE EFFECTIVENESS WHICH

MAY INCLUDE ADDITIONAL DATA ELEMENTS TO BE SPECIFIED BY THE

COUNCIL SUFFICIENT TO CARRY OUT ITS RESPONSIBILITIES UNDER

SECTION 5(D)(4). THE COUNCIL MAY ADOPT A NATIONALLY RECOGNIZED

METHODOLOGY OF QUANTIFYING AND COLLECTING DATA ON PROVIDER

QUALITY AND PROVIDER SERVICE EFFECTIVENESS UNTIL SUCH TIME AS

THE COUNCIL HAS THE CAPABILITY OF DEVELOPING ITS OWN METHODOLOGY

AND STANDARD DATA ELEMENTS. THE COUNCIL SHALL INCLUDE IN THE

PENNSYLVANIA UNIFORM CLAIMS AND BILLING FORM A FIELD CONSISTING

OF THE DATA ELEMENTS REQUIRED PURSUANT TO SUBSECTION (C)(21) TO

PROVIDE INFORMATION ON EACH PROVISION OF COVERED SERVICES

SUFFICIENT TO PERMIT ANALYSIS OF PROVIDER QUALITY AND PROVIDER

SERVICE EFFECTIVENESS WITHIN 180 DAYS OF COMMENCEMENT OF ITS

OPERATIONS PURSUANT TO SECTION 4.] QUALITY AND SERVICE

EFFECTIVENESS DATA ELEMENTS.--EXCEPT AS PROVIDED IN SECTION 5

AND SUBSECTION (A)(2):

(1) THE COUNCIL MAY ADOPT A NATIONALLY RECOGNIZED

METHODOLOGY FOR INTERNAL USE BY THE STAFF OF THE COUNCIL TO

1 ADJUST THE DATA SUBMITTED UNDER SUBSECTION (C) FOR SEVERITY  
2 OF ILLNESS. EVERY THREE YEARS, THE COUNCIL SHALL SOLICIT BIDS  
3 FROM THIRD-PARTY VENDORS TO ADJUST THE DATA SUBMITTED TO THE  
4 COUNCIL. THE SOLICITATION SHALL BE IN ACCORDANCE WITH 62  
5 PA.C.S. (RELATING TO PROCUREMENT). IN CARRYING OUT ITS  
6 RESPONSIBILITIES, THE COUNCIL SHALL NOT REQUIRE HEALTH CARE  
7 FACILITIES TO REPORT DATA ELEMENTS WHICH ARE NOT INCLUDED IN  
8 THE MANUAL DEVELOPED BY THE NATIONAL UNIFORM BILLING  
9 COMMITTEE.

10 (2) IN CARRYING OUT ITS RESPONSIBILITIES, THE COUNCIL  
11 SHALL NOT REQUIRE HEALTH CARE INSURERS TO REPORT ON DATA  
12 ELEMENTS THAT ARE NOT REPORTED TO NATIONALLY RECOGNIZED  
13 ACCREDITING ORGANIZATIONS, TO THE DEPARTMENT OF HEALTH OR TO  
14 THE INSURANCE DEPARTMENT IN QUARTERLY OR ANNUAL REPORTS. THE  
15 COUNCIL SHALL NOT REQUIRE REPORTING BY HEALTH CARE INSURERS  
16 IN DIFFERENT FORMATS THAN ARE REQUIRED FOR REPORTING TO  
17 NATIONALLY RECOGNIZED ACCREDITING ORGANIZATIONS OR ON  
18 QUARTERLY OR ANNUAL REPORTS SUBMITTED TO THE DEPARTMENT OF  
19 HEALTH OR TO THE INSURANCE DEPARTMENT. THE COUNCIL MAY ADOPT  
20 THE QUALITY FINDINGS AS REPORTED TO NATIONALLY RECOGNIZED  
21 ACCREDITING ORGANIZATIONS.

22 \* \* \*

23 (F) OTHER DATA REQUIRED TO BE SUBMITTED.--PROVIDERS [ARE  
24 HEREBY] MAY BE REQUIRED TO SUBMIT AND THE COUNCIL IS HEREBY  
25 AUTHORIZED TO COLLECT, IN ACCORDANCE WITH SUBMISSION DATES AND  
26 SCHEDULES ESTABLISHED BY THE COUNCIL, THE FOLLOWING ADDITIONAL  
27 DATA, PROVIDED SUCH DATA IS NOT AVAILABLE TO THE COUNCIL FROM  
28 PUBLIC RECORDS:

29 (1) AUDITED ANNUAL FINANCIAL REPORTS OF ALL HOSPITALS  
30 AND AMBULATORY SERVICE FACILITIES PROVIDING COVERED SERVICES

1 AS DEFINED IN SECTION 3.

2 (2) THE MEDICARE COST REPORT (OMB FORM 2552 OR  
3 EQUIVALENT FEDERAL FORM), OR THE AG-12 FORM FOR MEDICAL  
4 ASSISTANCE OR SUCCESSOR FORMS, WHETHER COMPLETED OR PARTIALLY  
5 COMPLETED, AND INCLUDING THE SETTLED MEDICARE COST REPORT AND  
6 THE CERTIFIED AG-12 FORM.

7 [(3) ADDITIONAL DATA, INCLUDING, BUT NOT LIMITED TO,  
8 DATA WHICH CAN BE USED TO PROVIDE AT LEAST THE FOLLOWING  
9 INFORMATION:

10 (I) THE INCIDENCE OF MEDICAL AND SURGICAL PROCEDURES  
11 IN THE POPULATION FOR INDIVIDUAL PROVIDERS;

12 (II) PHYSICIANS WHO PROVIDE COVERED SERVICES AND  
13 ACCEPT MEDICAL ASSISTANCE PATIENTS;

14 (III) PHYSICIANS WHO PROVIDE COVERED SERVICES AND  
15 ACCEPT MEDICARE ASSIGNMENT AS FULL PAYMENT;

16 (V) MORTALITY RATES FOR SPECIFIED DIAGNOSES AND  
17 TREATMENTS, GROUPED BY SEVERITY, FOR INDIVIDUAL  
18 PROVIDERS;

19 (VI) RATES OF INFECTION FOR SPECIFIED DIAGNOSES AND  
20 TREATMENTS, GROUPED BY SEVERITY, FOR INDIVIDUAL  
21 PROVIDERS;

22 (VII) MORBIDITY RATES FOR SPECIFIED DIAGNOSES AND  
23 TREATMENTS, GROUPED BY SEVERITY, FOR INDIVIDUAL  
24 PROVIDERS;

25 (VIII) READMISSION RATES FOR SPECIFIED DIAGNOSES AND  
26 TREATMENTS, GROUPED BY SEVERITY, FOR INDIVIDUAL  
27 PROVIDERS; AND

28 (IX) RATE OF INCIDENCE OF POSTDISCHARGE PROFESSIONAL  
29 CARE FOR SELECTED DIAGNOSES AND PROCEDURES, GROUPED BY  
30 SEVERITY, FOR INDIVIDUAL PROVIDERS.

(4) ANY OTHER DATA THE COUNCIL REQUIRES TO CARRY OUT ITS RESPONSIBILITIES PURSUANT TO SECTION 5(D).]

\* \* \*

(G.1) REVIEW AND CORRECTION OF DATA.--THE COUNCIL SHALL PROVIDE A REASONABLE PERIOD FOR DATA SOURCES TO REVIEW AND CORRECT THE DATA SUBMITTED UNDER SECTION 6 WHICH THE COUNCIL INTENDS TO PREPARE AND ISSUE IN REPORTS TO THE GENERAL ASSEMBLY, TO THE GENERAL PUBLIC OR IN SPECIAL STUDIES AND REPORTS UNDER SECTION 11. WHEN CORRECTIONS ARE PROVIDED, THE COUNCIL SHALL CORRECT THE APPROPRIATE DATA IN ITS DATA FILES AND SUBSEQUENT REPORTS.

\* \* \*

SECTION 3. SECTIONS 7(A), 10(B)(5), 12(B) AND 19 OF THE ACT ARE AMENDED TO READ:

SECTION 7. DATA DISSEMINATION AND PUBLICATION.

[(A) PUBLIC REPORTS.--SUBJECT TO THE RESTRICTIONS ON ACCESS TO COUNCIL DATA SET FORTH IN SECTION 10 AND UTILIZING THE DATA COLLECTED UNDER SECTION 6 AS WELL AS OTHER DATA, RECORDS AND MATTERS OF RECORD AVAILABLE TO IT, THE COUNCIL SHALL PREPARE AND ISSUE REPORTS TO THE GENERAL ASSEMBLY AND TO THE GENERAL PUBLIC, ACCORDING TO THE FOLLOWING PROVISIONS:

(1) THE COUNCIL SHALL, FOR EVERY PROVIDER WITHIN THE COMMONWEALTH AND WITHIN APPROPRIATE REGIONS AND SUBREGIONS WITHIN THE COMMONWEALTH AND FOR THOSE INPATIENT AND OUTPATIENT SERVICES WHICH, WHEN RANKED BY ORDER OF FREQUENCY, ACCOUNT FOR AT LEAST 65% OF ALL COVERED SERVICES AND WHICH, WHEN RANKED BY ORDER OF TOTAL PAYMENTS, ACCOUNT FOR AT LEAST 65% OF TOTAL PAYMENTS, PREPARE AND ISSUE REPORTS THAT AT LEAST PROVIDE INFORMATION ON THE FOLLOWING:

(I) COMPARISONS AMONG ALL PROVIDERS OF PAYMENTS

1 RECEIVED, CHARGES, POPULATION-BASED ADMISSION OR  
2 INCIDENCE RATES, AND PROVIDER SERVICE EFFECTIVENESS, SUCH  
3 COMPARISONS TO BE GROUPED ACCORDING TO DIAGNOSIS AND  
4 SEVERITY, AND TO IDENTIFY EACH PROVIDER BY NAME AND TYPE  
5 OR SPECIALTY.

6 (II) COMPARISONS AMONG ALL PROVIDERS, EXCEPT  
7 PHYSICIANS, OF INPATIENT AND OUTPATIENT CHARGES AND  
8 PAYMENTS FOR ROOM AND BOARD, ANCILLARY SERVICES, DRUGS,  
9 EQUIPMENT AND SUPPLIES AND TOTAL SERVICES, SUCH  
10 COMPARISONS TO BE GROUPED ACCORDING TO PROVIDER QUALITY  
11 AND PROVIDER SERVICE EFFECTIVENESS AND ACCORDING TO  
12 DIAGNOSIS AND SEVERITY, AND TO IDENTIFY EACH HEALTH CARE  
13 FACILITY BY NAME AND TYPE.

14 (III) UNTIL AND UNLESS A METHODOLOGY TO MEASURE  
15 PROVIDER QUALITY AND PROVIDER SERVICE EFFECTIVENESS  
16 PURSUANT TO SECTIONS 5(D)(4) AND 6(C) AND (D) IS  
17 AVAILABLE TO THE COUNCIL, COMPARISONS AMONG ALL  
18 PROVIDERS, GROUPED ACCORDING TO DIAGNOSIS, PROCEDURE AND  
19 SEVERITY, WHICH IDENTIFY FACILITIES BY NAME AND TYPE AND  
20 PHYSICIANS BY NAME AND SPECIALTY, OF CHARGES AND PAYMENTS  
21 RECEIVED, READMISSION RATES, MORTALITY RATES, MORBIDITY  
22 RATES AND INFECTION RATES. FOLLOWING ADOPTION OF THE  
23 METHODOLOGY SPECIFIED IN SECTIONS 5(D)(4) AND 6(C) AND  
24 (D), THE COUNCIL MAY, AT ITS DISCRETION, DISCONTINUE  
25 PUBLICATION OF THIS COMPONENT OF THE REPORT.

26 (IV) THE INCIDENCE RATE OF SELECTED MEDICAL OR  
27 SURGICAL PROCEDURES, THE PROVIDER SERVICE EFFECTIVENESS  
28 AND THE PAYMENTS RECEIVED FOR THOSE PROVIDERS, IDENTIFIED  
29 BY THE NAME AND TYPE OR SPECIALTY, FOR WHICH THESE  
30 ELEMENTS VARY SIGNIFICANTLY FROM THE NORMS FOR ALL

1 PROVIDERS.

2 (2) IN PREPARING ITS REPORTS UNDER PARAGRAPH (1), THE  
3 COUNCIL SHALL ENSURE THAT FACTORS WHICH HAVE THE EFFECT OF  
4 EITHER REDUCING PROVIDER REVENUE OR INCREASING PROVIDER  
5 COSTS, AND OTHER FACTORS BEYOND A PROVIDER'S CONTROL WHICH  
6 REDUCE PROVIDER COMPETITIVENESS IN THE MARKET PLACE, ARE  
7 EXPLAINED IN THE REPORTS. IT SHALL ALSO ENSURE THAT ANY  
8 CLARIFICATIONS AND DISSENTS SUBMITTED BY INDIVIDUAL PROVIDERS  
9 UNDER SECTION 6(G) ARE NOTED IN ANY REPORTS THAT INCLUDE  
10 RELEASE OF DATA ON THAT INDIVIDUAL PROVIDER.

11 (3) THE COUNCIL SHALL, FOR ALL PROVIDERS WITHIN THE  
12 COMMONWEALTH AND WITHIN APPROPRIATE REGIONS AND SUBREGIONS  
13 WITHIN THE COMMONWEALTH, PREPARE AND ISSUE QUARTERLY REPORTS  
14 THAT AT LEAST PROVIDE INFORMATION ON THE NUMBER OF  
15 PHYSICIANS, BY SPECIALTY, ON THE STAFF OF EACH HOSPITAL OR  
16 AMBULATORY SERVICE FACILITY AND THOSE PHYSICIANS ON THE STAFF  
17 THAT ACCEPT MEDICARE ASSIGNMENT AS FULL PAYMENT AND THAT  
18 ACCEPT MEDICAL ASSISTANCE PATIENTS.

19 (4) THE COUNCIL SHALL PUBLISH ALL REPORTS REQUIRED IN  
20 THIS SECTION IN THE PENNSYLVANIA BULLETIN AND SHALL PUBLISH,  
21 IN AT LEAST ONE NEWSPAPER OF GENERAL CIRCULATION IN EACH  
22 SUBREGION WITHIN THE COMMONWEALTH, REPORTS ON THE PROVIDERS  
23 IN THAT SUBREGION AND SUBREGIONS ADJACENT TO IT. IN ADDITION,  
24 THE COUNCIL SHALL ADVERTISE ANNUALLY THE AVAILABILITY OF  
25 THESE REPORTS AND THE CHARGE FOR DUPLICATION IN THE  
26 PENNSYLVANIA BULLETIN AND IN AT LEAST ONE NEWSPAPER OF  
27 GENERAL CIRCULATION IN EACH SUBREGION WITHIN THE COMMONWEALTH  
28 AT LEAST ONCE IN EACH CALENDAR QUARTER.]

29 (A) PUBLIC REPORTS.--SUBJECT TO THE RESTRICTIONS ON ACCESS  
30 TO COUNCIL DATA SET FORTH IN SECTION 10 AND UTILIZING THE DATA

1 COLLECTED UNDER SECTION 6 AS WELL AS OTHER DATA, RECORDS AND  
2 MATTERS OF RECORD AVAILABLE TO IT, THE COUNCIL SHALL PREPARE AND  
3 ISSUE REPORTS TO THE GENERAL ASSEMBLY AND TO THE GENERAL PUBLIC,  
4 ACCORDING TO THE FOLLOWING PROVISIONS:

5 (1) THE COUNCIL SHALL, FOR EVERY PROVIDER OF BOTH  
6 INPATIENT AND OUTPATIENT SERVICES WITHIN THIS COMMONWEALTH  
7 AND WITHIN APPROPRIATE REGIONS AND SUBREGIONS, PREPARE AND  
8 ISSUE REPORTS ON PROVIDER QUALITY AND SERVICE EFFECTIVENESS  
9 ON DISEASES OR PROCEDURES THAT, WHEN RANKED BY VOLUME, COST,  
10 PAYMENT AND HIGH VARIATION IN OUTCOME, REPRESENT THE BEST  
11 OPPORTUNITY TO IMPROVE OVERALL PROVIDER QUALITY, IMPROVE  
12 PATIENT SAFETY AND PROVIDE OPPORTUNITIES FOR COST REDUCTION.  
13 THESE REPORTS SHALL PROVIDE COMPARATIVE INFORMATION ON THE  
14 FOLLOWING:

15 (I) DIFFERENCES IN MORTALITY RATES; DIFFERENCES IN  
16 LENGTH OF STAY; DIFFERENCES IN COMPLICATION RATES;  
17 DIFFERENCES IN READMISSION RATES; DIFFERENCES IN  
18 INFECTION RATES; AND OTHER COMPARATIVE OUTCOME MEASURES  
19 THE COUNCIL MAY DEVELOP THAT WILL ALLOW PURCHASERS,  
20 PROVIDERS AND CONSUMERS TO MAKE PURCHASING AND QUALITY  
21 IMPROVEMENT DECISIONS BASED UPON QUALITY PATIENT CARE AND  
22 TO RESTRAIN COSTS.

23 (II) THE INCIDENCE RATE OF SELECTED MEDICAL OR  
24 SURGICAL PROCEDURES, THE QUALITY AND SERVICE  
25 EFFECTIVENESS AND THE PAYMENTS RECEIVED FOR THOSE  
26 PROVIDERS, IDENTIFIED BY THE NAME AND TYPE OR SPECIALTY,  
27 FOR WHICH THESE ELEMENTS VARY SIGNIFICANTLY FROM THE  
28 NORMS FOR ALL PROVIDERS.

29 (2) IN PREPARING ITS REPORTS UNDER PARAGRAPH (1), THE  
30 COUNCIL SHALL ENSURE THAT FACTORS WHICH HAVE THE EFFECT OF

1 EITHER REDUCING PROVIDER REVENUE OR INCREASING PROVIDER COSTS  
2 AND OTHER FACTORS BEYOND A PROVIDER'S CONTROL WHICH REDUCE  
3 PROVIDER COMPETITIVENESS IN THE MARKETPLACE ARE EXPLAINED IN  
4 THE REPORTS. THE COUNCIL SHALL ALSO ENSURE THAT ANY  
5 CLARIFICATIONS AND DISSENTS SUBMITTED BY INDIVIDUAL PROVIDERS  
6 UNDER SECTION 6(G) ARE NOTED IN ANY REPORTS THAT INCLUDE  
7 RELEASE OF DATA ON THAT INDIVIDUAL PROVIDER.

8 \* \* \*

9 SECTION 10. ACCESS TO COUNCIL DATA.

10 \* \* \*

11 (B) LIMITATIONS ON ACCESS.--UNLESS SPECIFICALLY PROVIDED FOR  
12 IN THIS ACT, NEITHER THE COUNCIL NOR ANY CONTRACTING SYSTEM  
13 VENDOR SHALL RELEASE AND NO DATA SOURCE, PERSON, MEMBER OF THE  
14 PUBLIC OR OTHER USER OF ANY DATA OF THE COUNCIL SHALL GAIN  
15 ACCESS TO:

16 \* \* \*

17 (5) ANY RAW DATA DISCLOSING DISCOUNTS OR DIFFERENTIALS  
18 BETWEEN PAYMENTS ACCEPTED BY PROVIDERS FOR SERVICES AND THEIR  
19 BILLED CHARGES OBTAINED BY IDENTIFIED PAYORS FROM IDENTIFIED  
20 PROVIDERS UNLESS [COMPARABLE DATA ON ALL OTHER PAYORS IS ALSO  
21 RELEASED] THE DATA IS RELEASED IN A STATEWIDE, AGGREGATE  
22 FORMAT THAT DOES NOT IDENTIFY ANY INDIVIDUAL PAYOR OR CLASS  
23 OF PAYORS AND THE COUNCIL [DETERMINES] ASSURES THAT THE  
24 RELEASE OF SUCH INFORMATION IS NOT PREJUDICIAL OR INEQUITABLE  
25 TO ANY INDIVIDUAL PAYOR OR PROVIDER OR GROUP THEREOF. [IN  
26 MAKING SUCH DETERMINATION THE COUNCIL SHALL CONSIDER THAT IT  
27 IS PRIMARILY CONCERNED WITH THE ANALYSIS AND DISSEMINATION OF  
28 PAYMENTS TO PROVIDERS, NOT WITH DISCOUNTS.]

29 \* \* \*

30 SECTION 12. ENFORCEMENT; PENALTY.



1 \* \* \*

2 (B) PENALTY.--

3 (1) ANY PERSON WHO FAILS TO SUPPLY DATA PURSUANT TO  
4 SECTION 6 [COMMITTS A MISDEMEANOR OF THE THIRD DEGREE AND  
5 SHALL, UPON CONVICTION, BE SENTENCED TO PAY A FINE NOT TO  
6 EXCEED \$1,000. EACH DAY ON WHICH THE REQUIRED DATA IS NOT  
7 SUBMITTED CONSTITUTES A SEPARATE OFFENSE UNDER THIS  
8 PARAGRAPH.] MAY BE ASSESSED A CIVIL PENALTY NOT TO EXCEED  
9 \$1,000 FOR EACH DAY THE DATA IS NOT SUBMITTED.

10 (2) [ANY PERSON WHO, AFTER BEING SENTENCED UNDER  
11 PARAGRAPH (1), FAILS TO SUPPLY DATA PURSUANT TO SECTION 6  
12 COMMITTS A MISDEMEANOR OF THE THIRD DEGREE AND SHALL, UPON  
13 CONVICTION, BE SENTENCED TO PAY A FINE OF \$10,000 OR TO  
14 IMPRISONMENT FOR NOT MORE THAN FIVE YEARS, OR BOTH.] ANY  
15 PERSON WHO KNOWINGLY SUBMITS INACCURATE DATA COMMITTS A  
16 MISDEMEANOR OF THE THIRD DEGREE AND SHALL, UPON CONVICTION,  
17 BE SENTENCED TO PAY A FINE OF \$10,000 OR TO IMPRISONMENT FOR  
18 NOT MORE THAN FIVE YEARS, OR BOTH.

19 SECTION 19. SUNSET.

20 THIS ACT SHALL EXPIRE JUNE 30, [2003] 2009, UNLESS REENACTED  
21 PRIOR TO [THAT DATE.] SEPTEMBER 1, 2008. BY MARCH 1, 2008, A  
22 WRITTEN REPORT BY THE LEGISLATIVE BUDGET AND FINANCE COMMITTEE  
23 EVALUATING THE MANAGEMENT, VISIBILITY, AWARENESS AND PERFORMANCE  
24 OF THE COUNCIL SHALL BE PROVIDED TO THE PUBLIC HEALTH AND  
25 WELFARE COMMITTEE OF THE SENATE AND THE HEALTH AND HUMAN  
26 SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES. THE REPORT  
27 SHALL INCLUDE A REVIEW OF THE COUNCIL'S PROCEDURES AND POLICIES,  
28 THE AVAILABILITY AND QUALITY OF DATA FOR COMPLETING REPORTS TO  
29 HOSPITALS AND OUTSIDE VENDOR PURCHASERS; THE ABILITY OF THE  
30 COUNCIL TO BECOME SELF-SUFFICIENT BY SELLING DATA TO OUTSIDE

1 PURCHASERS; WHETHER THERE IS A MORE COST-EFFICIENT WAY OF  
2 ACCOMPLISHING THE OBJECTIVES OF THE COUNCIL AND THE NEED FOR  
3 REAUTHORIZATION OF THE COUNCIL.

4       SECTION 4.   THIS ACT SHALL TAKE EFFECT IMMEDIATELY.