



HOUSE COMMITTEE ON APPROPRIATIONS
2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 173

PRINTER'S NO: 1151

PRIME SPONSOR: Eachus

FISCAL IMPACT SUMMARY	FY 2008/09	FY 2009/10
Expenditure Increase/(Decrease):		
General Fund	See Analysis	See Analysis

OVERVIEW:

House Bill 173 amends the Health Care Cost Containment Council Act by extending the sunset date to December 31, 2014. It amends Section 6 of the act to prohibit the council from requiring data sources to contract with a single vendor for the submission of any specific data elements to the council, and it requires the council to maintain a vendor list of at least two vendors that data sources may choose to use to submit specific data elements. The bill further amends Section 6 to require additional quality data elements be defined and released for public comment prior to the promulgation of regulations.

House Bill 173 establishes a payment advisory group to produce recommendations regarding the collection, analysis and public reporting of payment data by the council. The advisory group shall include one member representing each Blue Cross and Blue Shield plan in the Commonwealth, two members representing commercial insurance carriers, three members representing hospitals and two members representing physicians.

The bill also establishes a fifteen-member independent committee, to be known as the Health Care Cost Containment Council Act Review Committee, to study, review and recommend changes to this act. By March 1, 2010, the committee must submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report containing its recommended statutory changes to the Health Care Cost Containment Council Act. The Health Care Cost Containment Council shall offer staff and administrative support necessary for the committee to carry out its duties. Members of the committee shall be reimbursed for actual and necessary expenses incurred in the performance of their duties.

By December 31, 2013, the Legislative Budget and Finance Committee must submit to the Senate Public Health and Welfare Committee and the House Health and Human Services Committee a report evaluating the management and performance of the council

The amendment of Section 6 of the act shall take effect June 30, 2010. The remainder of the act shall take effect immediately.

ANALYSIS:

Although Health Care Cost Containment Council Act expired June 30, 2008, Governor Rendell issued Executive Orders that provided a transition period for the Health Care Cost Containment Council, allowing Council members and staff to continue to operate through June 30, 2009. The 2008/09 enacted General Fund budget included \$5.353 million for the operation of the Health Care Cost Containment Council. The 2009/10 Executive Budget recommends \$2.963 million for the Council and includes funding for 22 filled positions, representing a decrease of 13 filled positions from 2008/09.

It is assumed that the Council can carry out its data collection/reporting responsibilities under this act and that it can also cover the costs of the Health Care Cost Containment Council Act Review Committee (estimated at approximately \$5,000) with the budgeted resources recommended in the Executive Budget. However, it is possible that the proposed staff reduction could impact the number of projects completed by the Council in 2009/10.

Any cost to the Legislative Budget and Finance Committee to evaluate the Council should be absorbed by the committee's annual operating budget.

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House Appropriations Committee, (D)

DATE: March 24, 2009

General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*