

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 89

PRINTER'S NO. 675

AMOUNT

No Significant Fiscal Impact

FUND

General

DATE INTRODUCED

Jan. 29, 2009

PRIME SPONSOR

Senator Vance

HISTORY OF BILL

Referred to PUBLIC HEALTH AND WELFARE, Jan. 29, 2009

Reported as amended, March 17, 2009

First consideration, March 17, 2009

Re-referred to APPROPRIATIONS, March 18, 2009

Re-reported as committed, March 23, 2009

DESCRIPTION AND PURPOSE OF BILL

An Act reenacting and amending the act of July 8, 1986 (P.L. 408, No. 89), known as the Health Care Cost Containment Act, further providing for policy declaration, for definitions, for the Health Care Cost Containment Council and its powers and duties, for data submission and collection and for access to council data; providing for the establishment of a Health Care Cost Containment Council Act Review Committee; and further providing for sunset of act.

SB 89 reenacts and amends the Health Care Cost Containment Act which expired on June 30, 2008. The bill extends the sunset date to June 30, 2014, and establishes a Health Care Cost Containment Council Act Review Committee, and a Payment Data Advisory Group. A new section is added to the Act which establishes the fifteen-member Health Care Cost Containment Council Act Review Committee (the Committee). The Committee would be charged with studying, reviewing, and recommending changes to the Act; reviewing and accepting changes recommended by Committee members;

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establishment of a public-accessible Internet database showing Medicare reimbursement rates for common covered services and treatments; development of a methodology of provider-type-specific risk adjustments to quality data; development of a collection and dissemination methodology for the Council to communicate data reflecting provider quality and provider service effectiveness; approval by majority vote, a Committee report recommending the statutory changes to the Act; and submitting the report to the Senate President Pro Tempore and the Speaker of the House of Representatives within six months of the January 1, 2010 effective date for this section. All other provisions in the bill would take effect immediately.

The bill establishes a Payment Data Advisory Group to make recommendations concerning the collection, analysis, manipulation, and public reporting of payment data. Members of this group, appointed by the Health Care Cost Containment Council (the Council), must meet at least four times per year and will include:

- One member representing each hospital and professional health services plan corporation;
- Two members representing commercial insurance carriers;
- Three members representing health care facilities;
- Three members representing physicians.

The Group members must review and concur with the technical appropriateness of the use and presentation of data and report findings to the Council prior to a vote on publicly releasing any reports. The bill amends the Act by providing definitions of "allowance" and "committee."

The bill requires meetings of the technical advisory group to be open to the general public.

The bill requires that the results of audits of providers or health care insurers must be forwarded to them on a timely basis, not to exceed 30 days beyond the presentation of the audit findings to the Council. The bill prohibits the Council from requiring any data sources to contract with one specific vendor for submission of any specific data elements to the Council. It requires the Council to maintain a vendor list of at least two vendors that could be chosen as a data source, and any vendor must comply with data submission guidelines established by the Council.

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The amendment to the Act requires quality data elements to be defined and released for public comment prior to the promulgation of regulations. The public comment period must be no less than 30 days from the release of the quality data elements.

The bill provides for the Council's addition and/or deletion of data elements from the Pennsylvania Uniform Claims and Billing Form. The Council may also require providers to submit and is authorized to collect specific additional data itemized in the bill including but not limited to audits, Medicare cost reports, reports on rates of infection, morbidity rates for certain diagnoses, etc., and data from other public sources.

The bill amends the Act to include reference to the Right-to-Know law provisions, as it relates to public access of information and data received by the Council. It specifies that payer discounts and allowances are considered confidential proprietary information and are excluded from requirements for public access under the Right-to-Know law. It also prohibits the release of or access to raw data by the Council or its contracted vendor which could disclose the provider's acceptance of a discount or allowance. Payer data will be released to individual providers for verification and validation prior to its inclusion in a Council publication. Provider verification and validation must occur within 30 days of the data's release to the specific individual provider.

FISCAL IMPACT:

The Health Care Cost Containment Council is funded by a General Fund appropriation of \$5.353 million in fiscal year 2008-09.

The new Health Care Cost Containment Council Act Review Committee members shall be reimbursed for actual and necessary expenses in the performance of their duties, including travel and living expenses incurred while doing Committee business. Staff and administrative support to the Committee will be received from the Council. It is anticipated that all costs incurred for Committee operations will be absorbed by the Council's existing operating appropriation.