

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 1613

**PRINTER NO.** 3794

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

June 23, 2017

**PRIME SPONSOR**

Representative Cutler

**DESCRIPTION**

House Bill 1613 amends Title 35 to statutorily reauthorize the Health Care Cost Containment Council.

The Pennsylvania Health Care Cost Containment Council (PHC4) was created through Act 89 of 1986, was reauthorized by Act 3 of 2009, and expired June 30, 2014. Executive Order 2014-04 was signed by Governor Tom Corbett on July 1, 2014, to allow the PHC4 to continue to operate.

This legislation makes changes to the composition of the board, adding four members of the General Assembly, appointed by the President pro tempore, and minority leader of the Senate, and the Speaker of the House of Representatives and the minority leader of the House of Representatives. The quorum requirement for meetings is adjusted down to 11 members of which four must be council members. Attendance may be accomplished by electronic means as long as real time communication with other members is available.

A new technical advisory group shall be formed and comprised of professionals nominated by council members.

With the exception of the Secretaries of the Department of Health, Department of Human Services, the Insurance Commissioner and the legislative appointments, a member may be removed for just cause by a vote of at least 14 council members.

PHC4 will be required to provide regional trends in the cost of health care and health insurance premiums in the annual report to the General Assembly. It will also be required to study and analyze the effects of outpatient and alternative delivery systems on costs. PHC4 must provide a report on its financial expenditures to the Appropriations Committees of the Senate and the House of Representatives, the Public Health and Welfare Committee of the Senate and the Health Committee and the Human Services Committee of the House of Representatives.

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### **FISCAL IMPACT:**

House Bill 1613 will have no additional impact on Commonwealth Funds. Act 1A of 2018, the General Appropriations Act of 2018, appropriated \$3.4 million for the operation of PHC4. PHC4 sells data sets and customized data reports and is authorized to utilize the revenue gained from the sale of data for its operation. Its budget request estimates \$750,000 of revenue from these sales and uses those funds to support personnel and operation costs in addition to the General Fund support. PHC4 currently has 31 staff members.