

MEMO
MBER 15, 2011

SEPTE

TO: ALL HOUSE MEMBERS

FROM: REP. DAN B. FRANKEL

SUBJECT: COSPONSORSHIP OF LEGISLATION – PROTECTING SPECIALTY CARE (UPMC v HIGHMARK)

In the near future, I will introduce legislation that will require that specialty hospitals in Allegheny County – Magee Women’s Hospital, Hillman Cancer Center and Western Psychiatric Institute and Clinic – be available at negotiated rates, regardless of insurance provider.

A decade ago, when two important community institutions merged – Children’s Hospital of Pittsburgh and UPMC – many local stakeholders expressed concern that linking the critical care facility with one health system could end up limiting access to Children’s Hospital. The Attorney General’s office intervened, leading to a consent decree that created a process for binding arbitration if an insurer and Children’s Hospital administrators could not reach an agreement on their own.

- The consent decree agreement is important for market competitiveness – no insurance plan can realistically market an insurance product in the region without covering services at Children’s Hospital.
- The agreement makes economic sense –It would a waste of community resources to build a second world class Children’s Hospital to compete with the one that exists.
- Finally, the consent decree made sure that Western Pennsylvanian’s had access to a facility that we helped build. Millions of dollars in state and federal aid supported the creation of Children’s Hospital Pittsburgh, along with countless philanthropic dollars. Pittsburgh adults remember holding penny drives at school to support Children’s Hospital – now their children deserve to benefit from that hospital.

The same arguments that justified binding arbitration for Children’s Hospital of Pittsburgh, make just as much sense for the other three specialty institutions.

My proposal would address all care provided at Magee, the Hillman Cancer Center, and Western Psychiatric Institute and Clinic, the physicians and healthcare providers who would see patients there. Additionally, this legislation would cover all oncological care and services provided through the UPMC Cancer Centers network. My proposal would also include binding arbitration for all coordinated services related to the treatment at the specialty care facilities – for example, out-patient mental health visits for care at WPIC, or radiation, chemotherapy, or surgical treatments that might take place in another hospital setting for patients at Hillman. This inclusion of all related services is essential to make sure that the continuity of care is not disrupted for those patients in need of specialized care.

Our community has helped fund the creation of specialty hospitals that dominate in the areas of women’s health, mental and behavioral health and oncology. It’s a travesty to think that access to these facilities would be limited as part of a business strategy – particularly when that business strategy does not seem to benefit the community as a whole.

If you would like to cosponsor this very important measure, please contact Carrie Goodyear in my Harrisburg office by email (cgoodyea@pahouse.net) or by phone (705