

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,
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STACK, WONDERLING, WOZNIAK, RHOADES, THOMPSON AND BOSCOLA,
MARCH 3, 2003

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 30, 2003

AN ACT

1 ~~Amending~~ REENACTING AND AMENDING the act of July 8, 1986 <—
2 (P.L.408, No.89), entitled, as reenacted and amended, "An act
3 providing for the creation of the Health Care Cost
4 Containment Council, for its powers and duties, for health
5 care cost containment through the collection and
6 dissemination of data, for public accountability of health
7 care costs and for health care for the indigent; and making
8 an appropriation," further providing ~~for membership of the~~ <—
9 ~~council, its bylaws and terms of its members, for powers and~~
10 ~~duties of the council, for data submission and collection,~~
11 ~~for data dissemination and publication, for access to council~~
12 ~~data and for enforcement and penalties; requiring a certain~~
13 ~~report from the Legislative Budget and Finance Committee; and~~
14 ~~extending the sunset date of the act.~~ FOR THE HEALTH CARE <—
15 COST CONTAINMENT COUNCIL, FOR POWERS AND DUTIES OF THE
16 COUNCIL, FOR DATA SUBMISSION AND COLLECTION, FOR DATA <—
17 DISSEMINATION, FOR MANDATED HEALTH BENEFITS, FOR ACCESS TO
18 COUNCIL DATA, FOR ENFORCEMENT AND PENALTY AND FOR EXPIRATION;
19 AND PROVIDING FOR PENALTIES.

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

22 ~~Section 1. Sections 4(b), (d) and (f) and 5(b) and (d)(11)~~ <—
23 ~~of the act of July 8, 1986 (P.L.408, No.89), known as the Health~~

1 ~~Care Cost Containment Act, reenacted and amended June 28, 1993~~

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

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

4 ~~* * *~~

5 ~~(b) Composition. The council shall consist of [21] 28~~

6 ~~voting members, composed of and appointed in accordance with the~~
7 ~~following:~~

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

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

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

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

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

30 ~~(5) Six representatives of organized labor, three of~~

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

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

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

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

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

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

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

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

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

28 ~~***~~

29 ~~(d) Quorum. [Eleven] Fifteen members, [a majority] six of~~
30 ~~which in any combination shall be made up of representatives of~~

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

~~* * *~~

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

~~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~~

1 thereafter. Patients may request a copy of their Pennsylvania
2 Uniform Claims and Billing Form, and, upon request, the
3 provider shall furnish this form to the patient within 30
4 days.}]

5 * * *

6 Section 2. ~~Section 6(a) and (d) of the act are amended and~~
7 ~~the section is amended by adding a subsection to read:~~

8 ~~Section 6. Data submission and collection.~~

9 ~~(a) Submission of data.~~

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

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

~~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~~

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

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

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

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

1 ~~methodology specified in sections 5(d)(4) and 6(c) and~~
2 ~~(d), the council may, at its discretion, discontinue~~
3 ~~publication of this component of the report.~~

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

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

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

27 ~~(4) The council shall publish all reports required in~~
28 ~~this section in the Pennsylvania Bulletin and shall publish,~~
29 ~~in at least one newspaper of general circulation in each~~
30 ~~subregion within the Commonwealth, reports on the providers~~

1 in that subregion and subregions adjacent to it. In addition,
2 the council shall advertise annually the availability of
3 these reports and the charge for duplication in the
4 Pennsylvania Bulletin and in at least one newspaper of
5 general circulation in each subregion within the Commonwealth
6 at least once in each calendar quarter.}]

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

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

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

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

* * *

Section 12. — Enforcement; penalty.

* * *

(b) — Penalty. —

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

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

Section 4. — The act is amended by adding a section to read:
Section 17.2. — Legislative Budget and Finance Committee Report.

(a) — General rule. — By December 31, 2006, the Legislative Budget and Finance Committee shall complete a written report evaluating the management, performance, visibility, awareness and performance of the council and shall submit the report to the Public Health and Welfare Committee of the Senate and the Health and Human Services Committee of the House of Representatives. The report shall determine whether the council

1 ~~is:~~

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

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

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

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

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

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

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

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

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

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

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

28 ~~Section 19. Sunset.~~

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

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

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

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

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

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

12 ~~* * *~~

13 SECTION 1. THE TITLE AND SECTIONS 1, 2 AND 3 OF THE ACT OF <—
14 JULY 8, 1986 (P.L.408, NO.89), KNOWN AS THE HEALTH CARE COST
15 CONTAINMENT ACT, REENACTED AND AMENDED JUNE 28, 1993 (P.L.146,
16 NO.34), ARE REENACTED TO READ:

17 AN ACT

18 PROVIDING FOR THE CREATION OF THE HEALTH CARE COST CONTAINMENT
19 COUNCIL, FOR ITS POWERS AND DUTIES, FOR HEALTH CARE COST
20 CONTAINMENT THROUGH THE COLLECTION AND DISSEMINATION OF DATA,
21 FOR PUBLIC ACCOUNTABILITY OF HEALTH CARE COSTS AND FOR HEALTH
22 CARE FOR THE INDIGENT; AND MAKING AN APPROPRIATION.

23 SECTION 1. SHORT TITLE.

24 THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE HEALTH CARE
25 COST CONTAINMENT ACT.

26 SECTION 2. LEGISLATIVE FINDING AND DECLARATION.

27 THE GENERAL ASSEMBLY FINDS THAT THERE EXISTS IN THIS
28 COMMONWEALTH A MAJOR CRISIS BECAUSE OF THE CONTINUING ESCALATION
29 OF COSTS FOR HEALTH CARE SERVICES. BECAUSE OF THE CONTINUING
30 ESCALATION OF COSTS, AN INCREASINGLY LARGE NUMBER OF

1 PENNSYLVANIA CITIZENS HAVE SEVERELY LIMITED ACCESS TO
2 APPROPRIATE AND TIMELY HEALTH CARE. INCREASING COSTS ARE ALSO
3 UNDERMINING THE QUALITY OF HEALTH CARE SERVICES CURRENTLY BEING
4 PROVIDED. FURTHER, THE CONTINUING ESCALATION IS NEGATIVELY
5 AFFECTING THE ECONOMY OF THIS COMMONWEALTH, IS RESTRICTING NEW
6 ECONOMIC GROWTH AND IS IMPEDING THE CREATION OF NEW JOB
7 OPPORTUNITIES IN THIS COMMONWEALTH.

8 THE CONTINUING ESCALATION OF HEALTH CARE COSTS IS
9 ATTRIBUTABLE TO A NUMBER OF INTERRELATED CAUSES, INCLUDING:

10 (1) INEFFICIENCY IN THE PRESENT CONFIGURATION OF HEALTH
11 CARE SERVICE SYSTEMS AND IN THEIR OPERATION.

12 (2) THE PRESENT SYSTEM OF HEALTH CARE COST PAYMENTS BY
13 THIRD PARTIES.

14 (3) THE INCREASING BURDEN OF INDIGENT CARE WHICH
15 ENCOURAGES COST SHIFTING.

16 (4) THE ABSENCE OF A CONCENTRATED AND CONTINUOUS EFFORT
17 IN ALL SEGMENTS OF THE HEALTH CARE INDUSTRY TO CONTAIN HEALTH
18 CARE COSTS.

19 THEREFORE, IT IS HEREBY DECLARED TO BE THE POLICY OF THE
20 COMMONWEALTH OF PENNSYLVANIA TO PROMOTE HEALTH CARE COST
21 CONTAINMENT AND TO IDENTIFY APPROPRIATE UTILIZATION PRACTICES BY
22 CREATING AN INDEPENDENT COUNCIL TO BE KNOWN AS THE HEALTH CARE
23 COST CONTAINMENT COUNCIL.

24 IT IS THE PURPOSE OF THIS LEGISLATION TO PROMOTE THE PUBLIC
25 INTEREST BY ENCOURAGING THE DEVELOPMENT OF COMPETITIVE HEALTH
26 CARE SERVICES IN WHICH HEALTH CARE COSTS ARE CONTAINED AND TO
27 ASSURE THAT ALL CITIZENS HAVE REASONABLE ACCESS TO QUALITY
28 HEALTH CARE.

29 IT IS FURTHER THE INTENT OF THIS ACT TO FACILITATE THE
30 CONTINUING PROVISION OF QUALITY, COST-EFFECTIVE HEALTH SERVICES

1 THROUGHOUT THE COMMONWEALTH BY PROVIDING CURRENT, ACCURATE DATA
2 AND INFORMATION TO THE PURCHASERS AND CONSUMERS OF HEALTH CARE
3 ON BOTH COST AND QUALITY OF HEALTH CARE SERVICES AND TO PUBLIC
4 OFFICIALS FOR THE PURPOSE OF DETERMINING HEALTH-RELATED PROGRAMS
5 AND POLICIES AND TO ASSURE ACCESS TO HEALTH CARE SERVICES.

6 NOTHING IN THIS ACT SHALL PROHIBIT A PURCHASER FROM OBTAINING
7 FROM ITS THIRD-PARTY INSURER, CARRIER OR ADMINISTRATOR, NOR
8 RELIEVE SAID THIRD-PARTY INSURER, CARRIER OR ADMINISTRATOR FROM
9 THE OBLIGATION OF PROVIDING, ON TERMS CONSISTENT WITH PAST
10 PRACTICES, DATA PREVIOUSLY PROVIDED TO A PURCHASER PURSUANT TO
11 ANY EXISTING OR FUTURE ARRANGEMENT, AGREEMENT OR UNDERSTANDING.

12 SECTION 3. DEFINITIONS.

13 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL
14 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
15 CONTEXT CLEARLY INDICATES OTHERWISE:

16 "AMBULATORY SERVICE FACILITY." A FACILITY LICENSED IN THIS
17 COMMONWEALTH, NOT PART OF A HOSPITAL, WHICH PROVIDES MEDICAL,
18 DIAGNOSTIC OR SURGICAL TREATMENT TO PATIENTS NOT REQUIRING
19 HOSPITALIZATION, INCLUDING AMBULATORY SURGICAL FACILITIES,
20 AMBULATORY IMAGING OR DIAGNOSTIC CENTERS, BIRTHING CENTERS,
21 FREESTANDING EMERGENCY ROOMS AND ANY OTHER FACILITIES PROVIDING
22 AMBULATORY CARE WHICH CHARGE A SEPARATE FACILITY CHARGE. THIS
23 TERM DOES NOT INCLUDE THE OFFICES OF PRIVATE PHYSICIANS OR
24 DENTISTS, WHETHER FOR INDIVIDUAL OR GROUP PRACTICES.

25 "CHARGE" OR "RATE." THE AMOUNT BILLED BY A PROVIDER FOR
26 SPECIFIC GOODS OR SERVICES PROVIDED TO A PATIENT, PRIOR TO ANY
27 ADJUSTMENT FOR CONTRACTUAL ALLOWANCES.

28 "COUNCIL." THE HEALTH CARE COST CONTAINMENT COUNCIL.

29 "COVERED SERVICES." ANY HEALTH CARE SERVICES OR PROCEDURES
30 CONNECTED WITH EPISODES OF ILLNESS THAT REQUIRE EITHER INPATIENT

1 HOSPITAL CARE OR MAJOR AMBULATORY SERVICE SUCH AS SURGICAL,
2 MEDICAL OR MAJOR RADIOLOGICAL PROCEDURES, INCLUDING ANY INITIAL
3 AND FOLLOW-UP OUTPATIENT SERVICES ASSOCIATED WITH THE EPISODE OF
4 ILLNESS BEFORE, DURING OR AFTER INPATIENT HOSPITAL CARE OR MAJOR
5 AMBULATORY SERVICE. THE TERM DOES NOT INCLUDE ROUTINE OUTPATIENT
6 SERVICES CONNECTED WITH EPISODES OF ILLNESS THAT DO NOT REQUIRE
7 HOSPITALIZATION OR MAJOR AMBULATORY SERVICE.

8 "DATA SOURCE." A HOSPITAL; AMBULATORY SERVICE FACILITY;
9 PHYSICIAN; HEALTH MAINTENANCE ORGANIZATION AS DEFINED IN THE ACT
10 OF DECEMBER 29, 1972 (P.L.1701, NO.364), KNOWN AS THE HEALTH
11 MAINTENANCE ORGANIZATION ACT; HOSPITAL, MEDICAL OR HEALTH
12 SERVICE PLAN WITH A CERTIFICATE OF AUTHORITY ISSUED BY THE
13 INSURANCE DEPARTMENT, INCLUDING, BUT NOT LIMITED TO, HOSPITAL
14 PLAN CORPORATIONS AS DEFINED IN 40 PA.C.S. CH. 61 (RELATING TO
15 HOSPITAL PLAN CORPORATIONS) AND PROFESSIONAL HEALTH SERVICES
16 PLAN CORPORATIONS AS DEFINED IN 40 PA.C.S. CH. 63 (RELATING TO
17 PROFESSIONAL HEALTH SERVICES PLAN CORPORATIONS); COMMERCIAL
18 INSURER WITH A CERTIFICATE OF AUTHORITY ISSUED BY THE INSURANCE
19 DEPARTMENT PROVIDING HEALTH OR ACCIDENT INSURANCE; SELF-INSURED
20 EMPLOYER PROVIDING HEALTH OR ACCIDENT COVERAGE OR BENEFITS FOR
21 EMPLOYEES EMPLOYED IN THE COMMONWEALTH; ADMINISTRATOR OF A SELF-
22 INSURED OR PARTIALLY SELF-INSURED HEALTH OR ACCIDENT PLAN
23 PROVIDING COVERED SERVICES IN THE COMMONWEALTH; ANY HEALTH AND
24 WELFARE FUND THAT PROVIDES HEALTH OR ACCIDENT BENEFITS OR
25 INSURANCE PERTAINING TO COVERED SERVICE IN THE COMMONWEALTH; THE
26 DEPARTMENT OF PUBLIC WELFARE FOR THOSE COVERED SERVICES IT
27 PURCHASES OR PROVIDES THROUGH THE MEDICAL ASSISTANCE PROGRAM
28 UNDER THE ACT OF JUNE 13, 1967 (P.L.31, NO.21), KNOWN AS THE
29 PUBLIC WELFARE CODE, AND ANY OTHER PAYOR FOR COVERED SERVICES IN
30 THE COMMONWEALTH OTHER THAN AN INDIVIDUAL.

1 "HEALTH CARE FACILITY." A GENERAL OR SPECIAL HOSPITAL,
2 INCLUDING TUBERCULOSIS AND PSYCHIATRIC HOSPITALS, KIDNEY DISEASE
3 TREATMENT CENTERS, INCLUDING FREESTANDING HEMODIALYSIS UNITS,
4 AND AMBULATORY SERVICE FACILITIES AS DEFINED IN THIS SECTION,
5 AND HOSPICES, BOTH PROFIT AND NONPROFIT, AND INCLUDING THOSE
6 OPERATED BY AN AGENCY OF STATE OR LOCAL GOVERNMENT.

7 "HEALTH CARE INSURER." ANY PERSON, CORPORATION OR OTHER
8 ENTITY THAT OFFERS ADMINISTRATIVE, INDEMNITY OR PAYMENT SERVICES
9 FOR HEALTH CARE IN EXCHANGE FOR A PREMIUM OR SERVICE CHARGE
10 UNDER A PROGRAM OF HEALTH CARE BENEFITS, INCLUDING, BUT NOT
11 LIMITED TO, AN INSURANCE COMPANY, ASSOCIATION OR EXCHANGE
12 ISSUING HEALTH INSURANCE POLICIES IN THIS COMMONWEALTH; HOSPITAL
13 PLAN CORPORATION AS DEFINED IN 40 PA.C.S. CH. 61 (RELATING TO
14 HOSPITAL PLAN CORPORATIONS); PROFESSIONAL HEALTH SERVICES PLAN
15 CORPORATION AS DEFINED IN 40 PA.C.S. CH. 63 (RELATING TO
16 PROFESSIONAL HEALTH SERVICES PLAN CORPORATIONS); HEALTH
17 MAINTENANCE ORGANIZATION; PREFERRED PROVIDER ORGANIZATION;
18 FRATERNAL BENEFIT SOCIETIES; BENEFICIAL SOCIETIES; AND THIRD-
19 PARTY ADMINISTRATORS; BUT EXCLUDING EMPLOYERS, LABOR UNIONS OR
20 HEALTH AND WELFARE FUNDS JOINTLY OR SEPARATELY ADMINISTERED BY
21 EMPLOYERS OR LABOR UNIONS THAT PURCHASE OR SELF-FUND A PROGRAM
22 OF HEALTH CARE BENEFITS FOR THEIR EMPLOYEES OR MEMBERS AND THEIR
23 DEPENDENTS.

24 "HEALTH MAINTENANCE ORGANIZATION." AN ORGANIZED SYSTEM WHICH
25 COMBINES THE DELIVERY AND FINANCING OF HEALTH CARE AND WHICH
26 PROVIDES BASIC HEALTH SERVICES TO VOLUNTARILY ENROLLED
27 SUBSCRIBERS FOR A FIXED PREPAID FEE, AS DEFINED IN THE ACT OF
28 DECEMBER 29, 1972 (P.L.1701, NO.364), KNOWN AS THE HEALTH
29 MAINTENANCE ORGANIZATION ACT.

30 "HOSPITAL." AN INSTITUTION, LICENSED IN THIS COMMONWEALTH,

1 WHICH IS A GENERAL, TUBERCULOSIS, MENTAL, CHRONIC DISEASE OR
2 OTHER TYPE OF HOSPITAL, OR KIDNEY DISEASE TREATMENT CENTER,
3 WHETHER PROFIT OR NONPROFIT, AND INCLUDING THOSE OPERATED BY AN
4 AGENCY OF STATE OR LOCAL GOVERNMENT.

5 "INDIGENT CARE." THE ACTUAL COSTS, AS DETERMINED BY THE
6 COUNCIL, FOR THE PROVISION OF APPROPRIATE HEALTH CARE, ON AN
7 INPATIENT OR OUTPATIENT BASIS, GIVEN TO INDIVIDUALS WHO CANNOT
8 PAY FOR THEIR CARE BECAUSE THEY ARE ABOVE THE MEDICAL ASSISTANCE
9 ELIGIBILITY LEVELS AND HAVE NO HEALTH INSURANCE OR OTHER
10 FINANCIAL RESOURCES WHICH CAN COVER THEIR HEALTH CARE.

11 "MAJOR AMBULATORY SERVICE." SURGICAL OR MEDICAL PROCEDURES,
12 INCLUDING DIAGNOSTIC AND THERAPEUTIC RADIOLOGICAL PROCEDURES,
13 COMMONLY PERFORMED IN HOSPITALS OR AMBULATORY SERVICE
14 FACILITIES, WHICH ARE NOT OF A TYPE COMMONLY PERFORMED OR WHICH
15 CANNOT BE SAFELY PERFORMED IN PHYSICIANS' OFFICES AND WHICH
16 REQUIRE SPECIAL FACILITIES SUCH AS OPERATING ROOMS OR SUITES OR
17 SPECIAL EQUIPMENT SUCH AS FLUOROSCOPIC EQUIPMENT OR COMPUTED
18 TOMOGRAPHIC SCANNERS, OR A POSTPROCEDURE RECOVERY ROOM OR SHORT-
19 TERM CONVALESCENT ROOM.

20 "MEDICAL PROCEDURE INCIDENCE VARIATIONS." THE VARIATION IN
21 THE INCIDENCE IN THE POPULATION OF SPECIFIC MEDICAL, SURGICAL
22 AND RADIOLOGICAL PROCEDURES IN ANY GIVEN YEAR, EXPRESSED AS A
23 DEVIATION FROM THE NORM, AS THESE TERMS ARE DEFINED IN THE
24 CLASSICAL STATISTICAL DEFINITION OF "VARIATION," "INCIDENCE,"
25 "DEVIATION" AND "NORM."

26 "MEDICALLY INDIGENT" OR "INDIGENT." THE STATUS OF A PERSON
27 AS DESCRIBED IN THE DEFINITION OF INDIGENT CARE.

28 "PAYMENT." THE PAYMENTS THAT PROVIDERS ACTUALLY ACCEPT FOR
29 THEIR SERVICES, EXCLUSIVE OF CHARITY CARE, RATHER THAN THE
30 CHARGES THEY BILL.

1 "PAYOR." ANY PERSON OR ENTITY, INCLUDING, BUT NOT LIMITED
2 TO, HEALTH CARE INSURERS AND PURCHASERS, THAT MAKE DIRECT
3 PAYMENTS TO PROVIDERS FOR COVERED SERVICES.

4 "PHYSICIAN." AN INDIVIDUAL LICENSED UNDER THE LAWS OF THIS
5 COMMONWEALTH TO PRACTICE MEDICINE AND SURGERY WITHIN THE SCOPE
6 OF THE ACT OF OCTOBER 5, 1978 (P.L.1109, NO.261), KNOWN AS THE
7 OSTEOPATHIC MEDICAL PRACTICE ACT, OR THE ACT OF DECEMBER 20,
8 1985 (P.L.457, NO.112), KNOWN AS THE MEDICAL PRACTICE ACT OF
9 1985.

10 "PREFERRED PROVIDER ORGANIZATION." ANY ARRANGEMENT BETWEEN A
11 HEALTH CARE INSURER AND PROVIDERS OF HEALTH CARE SERVICES WHICH
12 SPECIFIES RATES OF PAYMENT TO SUCH PROVIDERS WHICH DIFFER FROM
13 THEIR USUAL AND CUSTOMARY CHARGES TO THE GENERAL PUBLIC AND
14 WHICH ENCOURAGE ENROLLEES TO RECEIVE HEALTH SERVICES FROM SUCH
15 PROVIDERS.

16 "PROVIDER." A HOSPITAL, AN AMBULATORY SERVICE FACILITY OR A
17 PHYSICIAN.

18 "PROVIDER QUALITY." THE EXTENT TO WHICH A PROVIDER RENDERS
19 CARE THAT, WITHIN THE CAPABILITIES OF MODERN MEDICINE, OBTAINS
20 FOR PATIENTS MEDICALLY ACCEPTABLE HEALTH OUTCOMES AND PROGNOSSES,
21 ADJUSTED FOR PATIENT SEVERITY, AND TREATS PATIENTS
22 COMPASSIONATELY AND RESPONSIVELY.

23 "PROVIDER SERVICE EFFECTIVENESS." THE EFFECTIVENESS OF
24 SERVICES RENDERED BY A PROVIDER, DETERMINED BY MEASUREMENT OF
25 THE MEDICAL OUTCOME OF PATIENTS GROUPED BY SEVERITY RECEIVING
26 THOSE SERVICES.

27 "PURCHASER." ALL CORPORATIONS, LABOR ORGANIZATIONS AND OTHER
28 ENTITIES THAT PURCHASE BENEFITS WHICH PROVIDE COVERED SERVICES
29 FOR THEIR EMPLOYEES OR MEMBERS, EITHER THROUGH A HEALTH CARE
30 INSURER OR BY MEANS OF A SELF-FUNDED PROGRAM OF BENEFITS, AND A

1 CERTIFIED BARGAINING REPRESENTATIVE THAT REPRESENTS A GROUP OR
2 GROUPS OF EMPLOYEES FOR WHOM EMPLOYERS PURCHASE A PROGRAM OF
3 BENEFITS WHICH PROVIDE COVERED SERVICES, BUT EXCLUDING ENTITIES
4 DEFINED IN THIS SECTION AS "HEALTH CARE INSURERS."

5 "RAW DATA" OR "DATA." DATA COLLECTED BY THE COUNCIL UNDER
6 SECTION 6 IN THE FORM INITIALLY RECEIVED. NO DATA SHALL BE
7 RELEASED BY THE COUNCIL EXCEPT AS PROVIDED FOR IN SECTION 11.

8 "SEVERITY." IN ANY PATIENT, THE MEASUREABLE DEGREE OF THE
9 POTENTIAL FOR FAILURE OF ONE OR MORE VITAL ORGANS.

10 SECTION 2. SECTIONS 4, 5, 6 AND 7 OF THE ACT ARE REENACTED
11 AND AMENDED TO READ:

12 SECTION 4. HEALTH CARE COST CONTAINMENT COUNCIL.

13 (A) ESTABLISHMENT.--THE GENERAL ASSEMBLY HEREBY ESTABLISHES
14 AN INDEPENDENT COUNCIL TO BE KNOWN AS THE HEALTH CARE COST
15 CONTAINMENT COUNCIL.

16 (B) COMPOSITION.--THE COUNCIL SHALL CONSIST OF [21] 24 <—
17 VOTING MEMBERS, COMPOSED OF AND APPOINTED IN ACCORDANCE WITH THE
18 FOLLOWING:

19 (1) THE SECRETARY OF HEALTH.

20 (2) THE SECRETARY OF PUBLIC WELFARE.

21 (3) THE INSURANCE COMMISSIONER.

22 (3.1) FOUR MEMBERS OF THE GENERAL ASSEMBLY, WHICH SHALL <—
23 CONSIST OF THE CHAIRMAN AND MINORITY CHAIRMAN OF THE PUBLIC
24 HEALTH AND WELFARE COMMITTEE OF THE SENATE AND THE CHAIRMAN
25 AND MINORITY CHAIRMAN OF THE HEALTH AND HUMAN SERVICES
26 COMMITTEE OF THE HOUSE OF REPRESENTATIVES. MEMBERS UNDER THIS
27 PARAGRAPH MAY APPOINT A DESIGNEE TO ACT ON BEHALF OF THE
28 MEMBER AT MEETINGS OF THE COUNCIL AND OF COMMITTEES, AS
29 PROVIDED IN SUBSECTION (F). DESIGNEES SHALL BE COUNTED FOR
30 PURPOSES OF DETERMINING A QUORUM.

1 (4) SIX REPRESENTATIVES OF THE BUSINESS COMMUNITY, AT
2 LEAST ONE OF WHOM REPRESENTS SMALL BUSINESS, WHO ARE
3 PURCHASERS OF HEALTH CARE AS DEFINED IN SECTION 3, NONE OF
4 WHICH IS PRIMARILY INVOLVED IN THE PROVISION OF HEALTH CARE
5 OR HEALTH INSURANCE, THREE OF WHICH SHALL BE APPOINTED BY THE
6 PRESIDENT PRO TEMPORE OF THE SENATE AND THREE OF WHICH SHALL
7 BE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
8 FROM A LIST OF TWELVE QUALIFIED PERSONS RECOMMENDED BY THE
9 PENNSYLVANIA CHAMBER OF BUSINESS AND INDUSTRY. THREE NOMINEES
10 SHALL BE REPRESENTATIVES OF SMALL BUSINESS.

11 (5) SIX REPRESENTATIVES OF ORGANIZED LABOR, THREE OF
12 WHICH SHALL BE APPOINTED BY THE PRESIDENT PRO TEMPORE OF THE
13 SENATE AND THREE OF WHICH SHALL BE APPOINTED BY THE SPEAKER
14 OF THE HOUSE OF REPRESENTATIVES FROM A LIST OF TWELVE
15 QUALIFIED PERSONS RECOMMENDED BY THE PENNSYLVANIA AFL-CIO.

16 (6) ONE REPRESENTATIVE OF CONSUMERS WHO IS NOT PRIMARILY
17 INVOLVED IN THE PROVISION OF HEALTH CARE OR HEALTH CARE
18 INSURANCE, APPOINTED BY THE GOVERNOR FROM A LIST OF THREE
19 QUALIFIED PERSONS RECOMMENDED JOINTLY BY THE SPEAKER OF THE
20 HOUSE OF REPRESENTATIVES AND THE PRESIDENT PRO TEMPORE OF THE
21 SENATE.

22 (6.1) ONE REPRESENTATIVE OF PATIENT ADVOCACY GROUPS <—
23 APPOINTED BY THE GOVERNOR, WHO MUST BE AN EMPLOYEE OF A NOT-
24 FOR-PROFIT PATIENT SAFETY ADVOCACY ORGANIZATION.

25 (7) [ONE REPRESENTATIVE] THREE REPRESENTATIVES OF
26 HOSPITALS, APPOINTED BY THE GOVERNOR FROM A LIST OF [THREE]
27 FIVE QUALIFIED HOSPITAL REPRESENTATIVES RECOMMENDED BY THE
28 HOSPITAL AND HEALTH SYSTEM ASSOCIATION OF PENNSYLVANIA.
29 REPRESENTATIVES UNDER THIS PARAGRAPH SHALL INCLUDE ONE
30 REPRESENTATIVE OF ACADEMIC TEACHING HOSPITALS AND ONE

1 REPRESENTATIVE OF RURAL HOSPITALS. [THE] EACH REPRESENTATIVE
2 UNDER THIS PARAGRAPH MAY APPOINT TWO ADDITIONAL DELEGATES TO
3 ACT FOR THE REPRESENTATIVE ONLY AT MEETINGS OF COMMITTEES, AS
4 PROVIDED FOR IN SUBSECTION (F).

5 (8) ~~[ONE REPRESENTATIVE]~~ TWO REPRESENTATIVES OF <—
6 PHYSICIANS, APPOINTED BY THE GOVERNOR FROM A LIST OF THREE
7 QUALIFIED PHYSICIAN REPRESENTATIVES RECOMMENDED JOINTLY BY
8 THE PENNSYLVANIA MEDICAL SOCIETY AND THE PENNSYLVANIA
9 OSTEOPATHIC MEDICAL SOCIETY. THE REPRESENTATIVE UNDER THIS
10 PARAGRAPH MAY APPOINT TWO ADDITIONAL DELEGATES TO ACT FOR THE
11 REPRESENTATIVE ONLY AT MEETINGS OF COMMITTEES, AS PROVIDED
12 FOR IN SUBSECTION (F).

13 (8.1) AN INDIVIDUAL APPOINTED BY THE GOVERNOR WHO IS <—
14 CERTIFIED IN CONTINUOUS QUALITY IMPROVEMENT METHODS.

15 ~~(9)~~ (8.2) ONE REPRESENTATIVE OF NURSES, APPOINTED BY THE <—
16 GOVERNOR FROM A LIST OF THREE QUALIFIED REPRESENTATIVES
17 RECOMMENDED BY THE PENNSYLVANIA STATE NURSES ASSOCIATION.

18 ~~+(9)+~~ ~~(10)~~ ONE REPRESENTATIVE OF THE BLUE CROSS AND BLUE <—
19 SHIELD PLANS IN PENNSYLVANIA, APPOINTED BY THE GOVERNOR FROM
20 A LIST OF THREE QUALIFIED PERSONS RECOMMENDED JOINTLY BY THE
21 BLUE CROSS AND BLUE SHIELD PLANS OF PENNSYLVANIA.

22 ~~+(10)+~~ ~~(11)~~ ONE REPRESENTATIVE OF COMMERCIAL INSURANCE <—
23 CARRIERS, APPOINTED BY THE GOVERNOR FROM A LIST OF THREE
24 QUALIFIED PERSONS RECOMMENDED BY THE INSURANCE FEDERATION OF
25 PENNSYLVANIA, INC.

26 ~~+(11)+~~ ~~(12)~~ ONE REPRESENTATIVE OF HEALTH MAINTENANCE <—
27 ORGANIZATIONS, APPOINTED BY THE GOVERNOR FROM A LIST OF THREE
28 QUALIFIED PERSONS RECOMMENDED BY THE [PENNSYLVANIA
29 ASSOCIATION OF HEALTH MAINTENANCE ORGANIZATIONS] MANAGED CARE
30 ASSOCIATION OF PENNSYLVANIA.

1 ~~+(12)+ (13)~~ IN THE CASE OF EACH APPOINTMENT TO BE MADE <—
2 FROM A LIST SUPPLIED BY A SPECIFIED ORGANIZATION, IT IS
3 INCUMBENT UPON THAT ORGANIZATION TO CONSULT WITH AND PROVIDE
4 A LIST WHICH REFLECTS THE INPUT OF OTHER EQUIVALENT
5 ORGANIZATIONS REPRESENTING SIMILAR INTERESTS. EACH APPOINTING
6 AUTHORITY WILL HAVE THE DISCRETION TO REQUEST ADDITIONS TO
7 THE LIST ORIGINALLY SUBMITTED. ADDITIONAL NAMES WILL BE
8 PROVIDED NOT LATER THAN 15 DAYS AFTER SUCH REQUEST.
9 APPOINTMENTS SHALL BE MADE BY THE APPOINTING AUTHORITY NO
10 LATER THAN 90 DAYS AFTER RECEIPT OF THE ORIGINAL LIST. IF,
11 FOR ANY REASON, ANY SPECIFIED ORGANIZATION SUPPLYING A LIST
12 SHOULD CEASE TO EXIST, THEN THE RESPECTIVE APPOINTING
13 AUTHORITY SHALL SPECIFY A NEW EQUIVALENT ORGANIZATION TO
14 FULFILL THE RESPONSIBILITIES OF THIS ACT.

15 * * *

16 (C) CHAIRPERSON AND VICE CHAIRPERSON.--THE MEMBERS SHALL <—
17 ANNUALLY ELECT, BY A MAJORITY VOTE OF THE MEMBERS, A CHAIRPERSON
18 AND A VICE CHAIRPERSON OF THE COUNCIL FROM AMONG THE BUSINESS
19 AND LABOR REPRESENTATIVES ON THE COUNCIL.

20 (D) QUORUM.--[ELEVEN] ~~THIRTEEN~~ SEVENTEEN MEMBERS, [A <—
21 MAJORITY OF WHICH IN ANY COMBINATION SHALL] AT LEAST SIX OF WHOM <—
22 MUST BE MADE UP OF REPRESENTATIVES OF BUSINESS AND LABOR, SHALL
23 CONSTITUTE A QUORUM FOR THE TRANSACTION OF ANY BUSINESS, AND THE
24 ACT BY THE MAJORITY OF THE MEMBERS PRESENT AT ANY MEETING IN
25 WHICH THERE IS A QUORUM SHALL BE DEEMED TO BE THE ACT OF THE
26 COUNCIL.

27 * * *

28 (E) MEETINGS.--ALL MEETINGS OF THE COUNCIL SHALL BE <—
29 ADVERTISED AND CONDUCTED PURSUANT TO [THE ACT OF JULY 3, 1986
30 (P.L.388, NO.84), KNOWN AS THE SUNSHINE ACT] 65 PA.C.S. CH. 7

1 (RELATING TO OPEN MEETINGS), UNLESS OTHERWISE PROVIDED IN THIS
2 SECTION.

3 (1) THE COUNCIL SHALL MEET AT LEAST ONCE EVERY TWO
4 MONTHS, AND MAY PROVIDE FOR SPECIAL MEETINGS AS IT DEEMS
5 NECESSARY. MEETING DATES SHALL BE SET BY A MAJORITY VOTE OF
6 THE MEMBERS OF THE COUNCIL OR BY THE CALL OF THE CHAIRPERSON
7 UPON SEVEN DAYS' NOTICE TO ALL COUNCIL MEMBERS.

8 (2) ALL MEETINGS OF THE COUNCIL SHALL BE PUBLICLY
9 ADVERTISED, AS PROVIDED FOR IN THIS SUBSECTION, AND SHALL BE
10 OPEN TO THE PUBLIC, EXCEPT THAT THE COUNCIL, THROUGH ITS
11 BYLAWS, MAY PROVIDE FOR EXECUTIVE SESSIONS OF THE COUNCIL ON
12 SUBJECTS PERMITTED TO BE DISCUSSED IN SUCH SESSIONS UNDER
13 [THE SUNSHINE ACT] 65 PA.C.S. CH. 7. NO ACT OF THE COUNCIL
14 SHALL BE TAKEN IN AN EXECUTIVE SESSION.

15 (3) THE COUNCIL SHALL PUBLISH A SCHEDULE OF ITS MEETINGS
16 IN THE PENNSYLVANIA BULLETIN AND IN AT LEAST ONE NEWSPAPER IN
17 GENERAL CIRCULATION IN THE COMMONWEALTH. SUCH NOTICE SHALL BE
18 PUBLISHED AT LEAST ONCE IN EACH CALENDAR QUARTER AND SHALL
19 LIST THE SCHEDULE OF MEETINGS OF THE COUNCIL TO BE HELD IN
20 THE SUBSEQUENT CALENDAR QUARTER. SUCH NOTICE SHALL SPECIFY
21 THE DATE, TIME AND PLACE OF THE MEETING AND SHALL STATE THAT
22 THE COUNCIL'S MEETINGS ARE OPEN TO THE GENERAL PUBLIC, EXCEPT
23 THAT NO SUCH NOTICE SHALL BE REQUIRED FOR EXECUTIVE SESSIONS
24 OF THE COUNCIL.

25 (4) ALL ACTION TAKEN BY THE COUNCIL SHALL BE TAKEN IN
26 OPEN PUBLIC SESSION, AND ACTION OF THE COUNCIL SHALL NOT BE
27 TAKEN EXCEPT UPON THE AFFIRMATIVE VOTE OF A MAJORITY OF THE
28 MEMBERS OF THE COUNCIL PRESENT DURING MEETINGS AT WHICH A
29 QUORUM IS PRESENT.

30 (F) BYLAWS.--THE COUNCIL SHALL ADOPT BYLAWS, NOT

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

~~AND HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA AND THE~~
~~PENNSYLVANIA MEDICAL SOCIETY SHALL EACH BE AFFORDED ONE~~
~~REPRESENTATIVE NOT SUBJECT TO EXECUTIVE COMMITTEE APPROVAL.~~ IF
THE SUBJECT MATTER OF ANY PROJECT EXCEEDS THE EXPERTISE OF THE
TECHNICAL ADVISORY GROUP, PHYSICIANS IN APPROPRIATE SPECIALTIES
WHO POSSESS CURRENT 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.

* * *

(G) COMPENSATION AND EXPENSES.--THE MEMBERS OF THE COUNCIL
SHALL NOT RECEIVE A SALARY OR PER DIEM ALLOWANCE FOR SERVING AS
MEMBERS OF THE COUNCIL BUT SHALL BE REIMBURSED FOR ACTUAL AND
NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES.
SAID EXPENSES MAY INCLUDE REIMBURSEMENT OF TRAVEL AND LIVING
EXPENSES WHILE ENGAGED IN COUNCIL BUSINESS.

(H) TERMS OF COUNCIL MEMBERS.--

(1) THE TERMS OF THE SECRETARY OF HEALTH, THE SECRETARY
OF PUBLIC WELFARE AND THE INSURANCE COMMISSIONER SHALL BE
CONCURRENT WITH THEIR HOLDING OF PUBLIC OFFICE. THE
~~[EIGHTEEN] TWENTY ONE~~ APPOINTED COUNCIL MEMBERS SHALL EACH
[EIGHTEEN APPOINTED] COUNCIL MEMBERS UNDER SUBSECTION (B)(1),
(2), (3) AND (3.1) SHALL SERVE EX OFFICIO. THE COUNCIL
MEMBERS UNDER SUBSECTION (B)(4) THROUGH (11) SHALL EACH SERVE
FOR A TERM OF [THREE] FOUR YEARS AND SHALL CONTINUE TO SERVE
THEREAFTER UNTIL THEIR SUCCESSOR IS APPOINTED, EXCEPT THAT,
OF THE MEMBERS FIRST APPOINTED:

(I) TWO EACH OF THE REPRESENTATIVES OF BUSINESS AND

1 ORGANIZED LABOR AND THE REPRESENTATIVE OF CONSUMERS SHALL
2 SERVE FOR A TERM TO EXPIRE ON JUNE 30 OF THE YEAR
3 FOLLOWING THEIR APPOINTMENT.

4 (II) TWO EACH OF THE REPRESENTATIVES OF BUSINESS AND
5 ORGANIZED LABOR AND THE REPRESENTATIVES OF THE BLUE CROSS
6 AND BLUE SHIELD PLANS OF PENNSYLVANIA AND THE COMMERCIAL
7 INSURANCE CARRIERS SHALL SERVE FOR A TERM TO EXPIRE ON
8 JUNE 30 OF THE SECOND YEAR FOLLOWING THEIR APPOINTMENT.

9 (III) TWO EACH OF THE REPRESENTATIVES OF BUSINESS
10 AND ORGANIZED LABOR AND THE REPRESENTATIVES OF HOSPITALS,
11 PHYSICIANS AND HEALTH MAINTENANCE ORGANIZATIONS SHALL
12 SERVE FOR A TERM TO EXPIRE ON JUNE 30 OF THE THIRD YEAR
13 FOLLOWING THEIR APPOINTMENT.

14 (2) VACANCIES ON THE COUNCIL SHALL BE FILLED IN THE SAME
15 MANNER IN WHICH THEY WERE ORIGINALLY DESIGNATED UNDER
16 SUBSECTION (B), WITHIN 60 DAYS OF THE VACANCY, EXCEPT THAT
17 WHEN VACANCIES OCCUR AMONG THE REPRESENTATIVES OF BUSINESS OR
18 ORGANIZED LABOR, TWO NOMINATIONS SHALL BE SUBMITTED BY THE
19 ORGANIZATION SPECIFIED IN SUBSECTION (B) FOR EACH VACANCY ON
20 THE COUNCIL. IF THE OFFICER REQUIRED IN SUBSECTION (B) TO
21 MAKE APPOINTMENTS TO THE COUNCIL FAILS TO ACT WITHIN 60 DAYS
22 OF THE VACANCY, THE COUNCIL CHAIRPERSON MAY APPOINT ONE OF
23 THE PERSONS RECOMMENDED FOR THE VACANCY UNTIL THE APPOINTING
24 AUTHORITY MAKES THE APPOINTMENT.

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

28 (4) NO APPOINTED MEMBER UNDER SUBSECTION (B)(4) THROUGH
29 (11) SHALL BE ELIGIBLE TO SERVE MORE THAN TWO FULL
30 CONSECUTIVE TERMS OF FOUR YEARS BEGINNING ON JULY 1, 2003.

<—

1 * * *

2 (I) COMMENCEMENT OF OPERATIONS.--

3 (1) WITHIN 60 DAYS AFTER THE EFFECTIVE DATE OF THIS ACT,
4 EACH ORGANIZATION OR INDIVIDUAL REQUIRED TO SUBMIT A LIST OF
5 RECOMMENDED PERSONS TO THE GOVERNOR, THE PRESIDENT PRO
6 TEMPORE OF THE SENATE OR THE SPEAKER OF THE HOUSE OF
7 REPRESENTATIVES UNDER SUBSECTION (B) SHALL SUBMIT SAID LIST.

8 (2) WITHIN 90 DAYS OF THE EFFECTIVE DATE OF THIS ACT,
9 THE GOVERNOR, THE PRESIDENT PRO TEMPORE OF THE SENATE AND THE
10 SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL MAKE ALL OF THE
11 APPOINTMENTS CALLED FOR IN SUBSECTION (B), AND THE COUNCIL
12 SHALL BEGIN OPERATIONS IMMEDIATELY FOLLOWING THESE
13 APPOINTMENTS.

14 (J) SUBSEQUENT APPOINTMENTS.--SUBMISSION OF LISTS OF
15 RECOMMENDED PERSONS AND APPOINTMENTS OF COUNCIL MEMBERS FOR THE
16 SECOND AND SUCCEEDING TERMS SHALL BE MADE IN THE SAME MANNER AS
17 PRESCRIBED IN SUBSECTION (B), EXCEPT THAT:

18 (1) ORGANIZATIONS REQUIRED UNDER SUBSECTION (B) TO
19 SUBMIT LISTS OF RECOMMENDED PERSONS SHALL DO SO AT LEAST 60
20 DAYS PRIOR TO EXPIRATION OF THE COUNCIL MEMBERS' TERMS.

21 (2) THE OFFICER REQUIRED UNDER SUBSECTION (B) TO MAKE
22 APPOINTMENTS TO THE COUNCIL SHALL MAKE SAID APPOINTMENTS AT
23 LEAST 30 DAYS PRIOR TO EXPIRATION OF THE COUNCIL MEMBERS'
24 TERMS. IF THE APPOINTMENTS ARE NOT MADE WITHIN THE SPECIFIED
25 TIME, THE COUNCIL CHAIRPERSON MAY MAKE INTERIM APPOINTMENTS
26 FROM THE LISTS OF RECOMMENDED INDIVIDUALS. AN INTERIM
27 APPOINTMENT SHALL BE VALID ONLY UNTIL THE APPROPRIATE OFFICER
28 UNDER SUBSECTION (B) MAKES THE REQUIRED APPOINTMENT. WHETHER
29 THE APPOINTMENT IS BY THE REQUIRED OFFICER OR BY THE
30 CHAIRPERSON OF THE COUNCIL, THE APPOINTMENT SHALL BECOME

1 EFFECTIVE IMMEDIATELY UPON EXPIRATION OF THE INCUMBENT
2 MEMBER'S TERM.

3 (K) APPOINTMENTS OF ACTING COUNCILORS.--SHOULD ANY
4 ORGANIZATION OR INDIVIDUAL FAIL TO SUBMIT A LIST OF RECOMMENDED
5 PERSONS AS REQUIRED UNDER SUBSECTION (B) WITHIN THE TIME LIMITS
6 IN SUBSECTION (I) OR (J), THE OFFICER DESIGNATED TO MAKE THE
7 APPOINTMENT UNDER SUBSECTION (B) SHALL APPOINT AS MANY ACTING
8 COUNCILORS AS REQUIRED UNDER SUBSECTION (B) UNTIL SUCH TIME AS
9 THE LIST OF RECOMMENDED PERSONS IS SUBMITTED BY THE ORIGINAL
10 ORGANIZATION AS REQUIRED IN SUBSECTION (B).

11 ~~SECTION 5. POWERS AND DUTIES OF THE COUNCIL.~~ <—

12 * * *

13 SECTION 5. POWERS AND DUTIES OF THE COUNCIL. <—

14 (A) GENERAL POWERS.--THE COUNCIL SHALL EXERCISE ALL POWERS
15 NECESSARY AND APPROPRIATE TO CARRY OUT ITS DUTIES, INCLUDING THE
16 FOLLOWING:

17 (1) TO EMPLOY AN EXECUTIVE DIRECTOR, INVESTIGATORS AND
18 OTHER STAFF NECESSARY TO COMPLY WITH THE PROVISIONS OF THIS
19 ACT AND REGULATIONS PROMULGATED THEREUNDER, TO EMPLOY OR
20 RETAIN LEGAL COUNSEL AND TO ENGAGE PROFESSIONAL CONSULTANTS,
21 AS IT DEEMS NECESSARY TO THE PERFORMANCE OF ITS DUTIES. ANY
22 CONSULTANTS, OTHER THAN SOLE SOURCE CONSULTANTS, ENGAGED BY
23 THE COUNCIL SHALL BE SELECTED IN ACCORDANCE WITH THE
24 PROVISIONS FOR CONTRACTING WITH VENDORS SET FORTH IN SECTION
25 16.

26 (2) TO FIX THE COMPENSATION OF ALL EMPLOYEES AND TO
27 PRESCRIBE THEIR DUTIES. NOTWITHSTANDING THE INDEPENDENCE OF
28 THE COUNCIL UNDER SECTION 4(A), EMPLOYEES UNDER THIS
29 PARAGRAPH SHALL BE DEEMED EMPLOYEES OF THE COMMONWEALTH FOR
30 THE PURPOSES OF PARTICIPATION IN THE PENNSYLVANIA EMPLOYEE

1 BENEFIT TRUST FUND.

2 (3) TO MAKE AND EXECUTE CONTRACTS AND OTHER INSTRUMENTS,
3 INCLUDING THOSE FOR PURCHASE OF SERVICES AND PURCHASE OR
4 LEASING OF EQUIPMENT AND SUPPLIES, NECESSARY OR CONVENIENT TO
5 THE EXERCISE OF THE POWERS OF THE COUNCIL. ANY SUCH CONTRACT
6 SHALL BE LET ONLY IN ACCORDANCE WITH THE PROVISION FOR
7 CONTRACTING WITH VENDORS SET FORTH IN SECTION 16.

8 (4) TO CONDUCT EXAMINATIONS AND INVESTIGATIONS, TO
9 CONDUCT AUDITS, PURSUANT TO THE PROVISIONS OF SUBSECTION (C),
10 AND TO HEAR TESTIMONY AND TAKE PROOF, UNDER OATH OR
11 AFFIRMATION, AT PUBLIC OR PRIVATE HEARINGS, ON ANY MATTER
12 NECESSARY TO ITS DUTIES.

13 (4.1) TO PROVIDE HOSPITALS WITH INDIVIDUALIZED DATA ON
14 ADVERSE MEDICAL EVENTS, COMPLICATIONS AND HOSPITAL
15 INFECTIONS. THE DATA SHALL BE RISK ADJUSTED AND MADE
16 AVAILABLE TO HOSPITALS ELECTRONICALLY AND FREE OF CHARGE ON A
17 QUARTERLY BASIS WITHIN 45 DAYS OF RECEIPT OF THE CORRECTED
18 QUARTERLY DATA FROM THE HOSPITALS. THE DATA IS INTENDED TO
19 PROVIDE THE PATIENT SAFETY COMMITTEE OF EACH HOSPITAL WITH
20 INFORMATION NECESSARY TO ASSIST IT IN CONDUCTING ROUTE CAUSE
21 ANALYSIS.

22 (5) TO DO ALL THINGS NECESSARY TO CARRY OUT ITS DUTIES
23 UNDER THE PROVISIONS OF THIS ACT.

24 (B) RULES AND REGULATIONS.--THE COUNCIL [MAY, IN A MANNER
25 PROVIDED BY LAW, PROMULGATE RULES AND REGULATIONS] SHALL
26 PROMULGATE RULES AND REGULATIONS IN ACCORDANCE WITH THE ACT OF
27 JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE REGULATORY REVIEW
28 ACT, NECESSARY TO CARRY OUT ITS DUTIES UNDER THIS ACT. THIS <—
29 SUBSECTION SHALL NOT APPLY TO REGULATIONS IN EFFECT ON JUNE 30,
30 2003.

1 (C) ~~+~~AUDIT POWERS.--THE COUNCIL SHALL HAVE THE RIGHT TO <—
2 INDEPENDENTLY AUDIT ALL INFORMATION REQUIRED TO BE SUBMITTED BY
3 DATA SOURCES AS NEEDED TO CORROBORATE THE ACCURACY OF THE
4 SUBMITTED DATA, PURSUANT TO THE FOLLOWING:

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

14 (2) AUDITS OF INFORMATION SUBMITTED BY PURCHASERS SHALL
15 BE PERFORMED ON A SAMPLE BASIS, UNLESS THERE EXISTS
16 REASONABLE CAUSE TO AUDIT SPECIFIC PURCHASERS, BUT IN NO CASE
17 SHALL THE COUNCIL HAVE THE POWER TO AUDIT FINANCIAL
18 STATEMENTS OF PURCHASERS.

19 (3) ALL AUDITS PERFORMED BY THE COUNCIL SHALL BE
20 PERFORMED AT THE EXPENSE OF THE COUNCIL.} <—

21 ~~VERIFICATION OF DATA. THE COUNCIL SHALL REQUIRE ATTESTATION BY~~
22 ~~DATA SOURCES AS TO THE ACCURACY OF THE SUBMITTED DATA. ANY~~
23 ~~PERSON WHO SUBMITS INACCURATE DATA SHALL BE SUBJECT TO CIVIL~~
24 ~~PENALTY UNDER THIS ACT.~~

25 (D) GENERAL DUTIES AND FUNCTIONS.--THE COUNCIL IS HEREBY
26 AUTHORIZED TO AND SHALL PERFORM THE FOLLOWING DUTIES AND
27 FUNCTIONS:

28 * * *

29 ~~(4) ADOPT AND IMPLEMENT A METHODOLOGY TO [COLLECT AND]~~
30 ~~DISSEMINATE DATA REFLECTING PROVIDER QUALITY AND PROVIDER~~

1 ~~SERVICE EFFECTIVENESS PURSUANT TO SECTION 6 [AND TO~~
2 ~~CONTINUOUSLY STUDY QUALITY OF CARE SYSTEMS].~~

3 ~~***~~

4 (1) DEVELOP A COMPUTERIZED SYSTEM FOR THE COLLECTION, <—
5 ANALYSIS AND DISSEMINATION OF DATA. THE COUNCIL MAY CONTRACT
6 WITH A VENDOR WHO WILL PROVIDE SUCH DATA PROCESSING SERVICES.
7 THE COUNCIL SHALL ASSURE THAT THE SYSTEM WILL BE CAPABLE OF
8 PROCESSING ALL DATA REQUIRED TO BE COLLECTED UNDER THIS ACT.
9 ANY VENDOR SELECTED BY THE COUNCIL SHALL BE SELECTED IN
10 ACCORDANCE WITH THE PROVISIONS OF SECTION 16, AND SAID VENDOR
11 SHALL RELINQUISH ANY AND ALL PROPRIETARY RIGHTS OR CLAIMS TO
12 THE DATA BASE CREATED AS A RESULT OF IMPLEMENTATION OF THE
13 DATA PROCESSING SYSTEM.

14 (2) ESTABLISH A PENNSYLVANIA UNIFORM CLAIMS AND BILLING
15 FORM FOR ALL DATA SOURCES AND ALL PROVIDERS WHICH SHALL BE
16 UTILIZED AND MAINTAINED BY ALL DATA SOURCES AND ALL PROVIDERS
17 FOR ALL SERVICES COVERED UNDER THIS ACT.

18 (3) COLLECT AND DISSEMINATE DATA, AS SPECIFIED IN
19 SECTION 6, AND OTHER INFORMATION FROM DATA SOURCES TO WHICH
20 THE COUNCIL IS ENTITLED, PREPARED ACCORDING TO FORMATS, TIME
21 FRAMES AND CONFIDENTIALITY PROVISIONS AS SPECIFIED IN
22 SECTIONS 6 AND 10, AND BY THE COUNCIL.

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

27 (5) SUBJECT TO THE RESTRICTIONS ON ACCESS TO RAW DATA
28 SET FORTH IN SECTION 10, ISSUE SPECIAL REPORTS AND MAKE
29 AVAILABLE RAW DATA AS DEFINED IN SECTION 3 TO ANY PURCHASER
30 REQUESTING IT. SALE BY ANY RECIPIENT OR EXCHANGE OR

1 PUBLICATION BY A RECIPIENT, OTHER THAN A PURCHASER, OF RAW
2 COUNCIL DATA TO OTHER PARTIES WITHOUT THE EXPRESS WRITTEN
3 CONSENT OF, AND UNDER TERMS APPROVED BY, THE COUNCIL SHALL BE
4 UNAUTHORIZED USE OF DATA PURSUANT TO SECTION 10(C).

5 (6) ON AN ANNUAL BASIS, PUBLISH IN THE PENNSYLVANIA
6 BULLETIN A LIST OF ALL THE RAW DATA REPORTS IT HAS PREPARED
7 UNDER SECTION 10(F) AND A DESCRIPTION OF THE DATA OBTAINED
8 THROUGH EACH COMPUTER-TO-COMPUTER ACCESS IT HAS PROVIDED
9 UNDER SECTION 10(F) AND OF THE NAMES OF THE PARTIES TO WHOM
10 THE COUNCIL PROVIDED THE REPORTS OR THE COMPUTER-TO-COMPUTER
11 ACCESS DURING THE PREVIOUS MONTH.

12 (7) PROMOTE COMPETITION IN THE HEALTH CARE AND HEALTH
13 INSURANCE MARKETS.

14 (8) ASSURE THAT THE USE OF COUNCIL DATA DOES NOT RAISE
15 ACCESS BARRIERS TO CARE.

16 (10) MAKE ANNUAL REPORTS TO THE GENERAL ASSEMBLY ON THE
17 RATE OF INCREASE IN THE COST OF HEALTH CARE IN THE
18 COMMONWEALTH AND THE EFFECTIVENESS OF THE COUNCIL IN CARRYING
19 OUT THE LEGISLATIVE INTENT OF THIS ACT. IN ADDITION, THE
20 COUNCIL MAY MAKE RECOMMENDATIONS ON THE NEED FOR FURTHER
21 HEALTH CARE COST CONTAINMENT LEGISLATION. THE COUNCIL SHALL
22 ALSO MAKE ANNUAL REPORTS TO THE GENERAL ASSEMBLY ON THE
23 QUALITY AND EFFECTIVENESS OF HEALTH CARE AND ACCESS TO HEALTH
24 CARE FOR ALL CITIZENS OF THE COMMONWEALTH.

25 [(11) ADOPT, WITHIN ONE YEAR, A MODEL PATIENT ITEMIZED
26 STATEMENT FOR ALL PROVIDERS, WHICH ITEMIZES ALL CHARGES FOR
27 SERVICES, EQUIPMENT, SUPPLIES AND MEDICINE, DESIGNED TO BE
28 MORE UNDERSTANDABLE THAN CURRENT PATIENT BILLS. EACH PROVIDER
29 SHALL BE REQUIRED TO UTILIZE SAID MODEL PATIENT ITEMIZED
30 STATEMENT FOR COVERED SERVICES WITHIN 90 DAYS OF ADOPTION OF

1 SAID FORM BY THE COUNCIL. SUCH MODEL PATIENT ITEMIZED
2 STATEMENTS SHALL BE WRITTEN IN LANGUAGE THAT IS
3 UNDERSTANDABLE TO THE AVERAGE PERSON AND BE PRESENTED TO EACH
4 PATIENT UPON DISCHARGE FROM A HEALTH CARE FACILITY OR
5 PROVISION OF PATIENT SERVICES OR WITHIN A REASONABLE TIME
6 THEREAFTER. PATIENTS MAY REQUEST A COPY OF THEIR PENNSYLVANIA
7 UNIFORM CLAIMS AND BILLING FORM, AND, UPON REQUEST, THE
8 PROVIDER SHALL FURNISH THIS FORM TO THE PATIENT WITHIN 30
9 DAYS.]

10 * * *

11 (12) CONDUCT STUDIES AND PUBLISH REPORTS THEREON
12 ANALYZING THE EFFECTS THAT NONINPATIENT, ALTERNATIVE HEALTH
13 CARE DELIVERY SYSTEMS HAVE ON HEALTH CARE COSTS. THESE
14 SYSTEMS SHALL INCLUDE, BUT NOT BE LIMITED TO: HMO'S; PPO'S;
15 PRIMARY HEALTH CARE FACILITIES; HOME HEALTH CARE; ATTENDANT
16 CARE; AMBULATORY SERVICE FACILITIES; FREESTANDING EMERGENCY
17 CENTERS; BIRTHING CENTERS; AND HOSPICE CARE. THESE REPORTS
18 SHALL BE SUBMITTED TO THE GENERAL ASSEMBLY AND SHALL BE MADE
19 AVAILABLE TO THE PUBLIC.

20 (13) CONDUCT STUDIES AND MAKE REPORTS CONCERNING THE
21 UTILIZATION OF EXPERIMENTAL AND NONEXPERIMENTAL TRANSPLANT
22 SURGERY AND OTHER HIGHLY TECHNICAL AND EXPERIMENTAL
23 PROCEDURES, INCLUDING COSTS AND MORTALITY RATES.

24 (14) IN ORDER TO INSURE THAT THE COUNCIL ADOPTS AND
25 MAINTAINS BOTH SCIENTIFICALLY CREDIBLE AND COST-EFFECTIVE
26 METHODOLOGY TO COLLECT AND DISSEMINATE DATA REFLECTING
27 PROVIDER QUALITY AND EFFECTIVENESS, THE COUNCIL SHALL, WITHIN
28 ONE YEAR OF THE EFFECTIVE DATE OF THIS PARAGRAPH, UTILIZING
29 CURRENT COMMONWEALTH AGENCY GUIDELINES AND PROCEDURES, ISSUE
30 A REQUEST FOR INFORMATION FROM ANY VENDOR THAT WISHES TO

1 PROVIDE DATA COLLECTION OR RISK ADJUSTMENT METHODOLOGY TO THE
2 COUNCIL TO HELP MEET THE REQUIREMENTS OF THIS SUBSECTION AND
3 SECTION 6. THE COUNCIL SHALL ESTABLISH AN INDEPENDENT REQUEST
4 FOR INFORMATION REVIEW COMMITTEE TO REVIEW AND RANK ALL
5 RESPONSES AND TO MAKE A FINAL RECOMMENDATION TO THE COUNCIL.
6 THE REQUEST FOR INFORMATION REVIEW COMMITTEE SHALL CONSIST OF
7 THE FOLLOWING MEMBERS:

8 (I) FOUR MEMBERS OF THE GENERAL ASSEMBLY, ONE EACH
9 TO BE APPOINTED BY THE PRESIDENT PRO TEMPORE OF THE
10 SENATE, THE MINORITY LEADER OF THE SENATE, THE SPEAKER OF
11 THE HOUSE OF REPRESENTATIVES AND THE MINORITY LEADER OF
12 THE HOUSE OF REPRESENTATIVES.

13 (II) THE FOLLOWING MEMBERS APPOINTED BY THE
14 GOVERNOR:

15 (A) ONE REPRESENTATIVE OF THE HOSPITAL AND
16 HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA.

17 (B) ONE REPRESENTATIVE OF THE PENNSYLVANIA
18 MEDICAL SOCIETY.

19 (C) ONE REPRESENTATIVE OF INSURANCE.

20 (D) ONE REPRESENTATIVE OF LABOR.

21 (E) ONE REPRESENTATIVE OF BUSINESS.

22 (F) TWO REPRESENTATIVES OF THE GENERAL PUBLIC.

23 (15) THE COUNCIL SHALL EXECUTE A REQUEST FOR QUOTATIONS
24 WITH A THIRD-PARTY VENDOR FOR THE PURPOSE OF DEMONSTRATING A
25 METHODOLOGY FOR THE COLLECTION, ANALYSIS AND REPORTING OF
26 HOSPITAL-SPECIFIC COMPLICATION RATES. THE RESULTS OF THIS
27 DEMONSTRATION SHALL BE SHARED WITH THE GENERAL ASSEMBLY. THE
28 COUNCIL MAY RECOMMEND THAT THIS METHODOLOGY BE UTILIZED FOR
29 ITS PUBLIC REPORTING ON COMPARATIVE HOSPITAL COMPLICATION
30 RATES.

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

4 SECTION 6. DATA SUBMISSION AND COLLECTION.

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

19 ~~(2) ON AND AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH,~~ <—
20 ~~THE COUNCIL MAY ADD OTHER ADDITIONAL DATA ELEMENTS SO LONG AS~~
21 ~~THEY ARE PROMULGATED AS REGULATIONS IN ACCORDANCE WITH~~
22 ~~SECTION 5(B). PRIOR TO APPROVING REGULATIONS ADDING ANY SUCH~~
23 ~~DATA ELEMENTS, THE INDEPENDENT REGULATORY REVIEW COMMISSION~~
24 ~~SHALL CONSIDER THE FOLLOWING FACTORS:~~

25 ~~(I) UTILIZATION OF SAMPLING TO THE MAXIMUM EXTENT~~
26 ~~POSSIBLE;~~

27 ~~(II) FEASIBILITY OF COLLECTING THE DATA ELEMENTS;~~

28 ~~(III) COSTS AND BENEFITS OF COLLECTION AND~~
29 ~~SUBMISSION OF DATA; AND~~

30 ~~(IV) THE EXCHANGE OF DATA ELEMENTS AS OPPOSED TO THE~~

~~ADDITION OF DATA ELEMENTS.~~

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

~~* * *~~

(2) EXCEPT AS PROVIDED IN THIS SECTION, THE COUNCIL MAY ADOPT ANY NATIONALLY RECOGNIZED METHODOLOGY TO ADJUST DATA SUBMITTED UNDER SUBSECTION (C) FOR SEVERITY OF ILLNESS. EVERY THREE YEARS AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH, THE COUNCIL SHALL SOLICIT BIDS FROM THIRD-PARTY VENDORS TO ADJUST THE DATA. THE SOLICITATION SHALL BE IN ACCORDANCE WITH 62 PA.C.S. (RELATING TO PROCUREMENT). EXCEPT AS PROVIDED IN SUBPARAGRAPH (I), IN CARRYING OUT ITS RESPONSIBILITIES, THE COUNCIL SHALL NOT REQUIRE HEALTH CARE FACILITIES TO REPORT DATA ELEMENTS WHICH ARE NOT INCLUDED IN THE MANUAL DEVELOPED BY THE NATIONAL UNIFORM BILLING COMMITTEE. THE FOLLOWING APPLY:

(I) WITHIN 60 DAYS OF THE EFFECTIVE DATE OF THIS PARAGRAPH, THE COUNCIL SHALL PUBLISH IN THE PENNSYLVANIA BULLETIN A LIST OF DISEASES, PROCEDURES AND MEDICAL

1 CONDITIONS, NOT TO EXCEED 35, FOR WHICH DATA UNDER
2 SUBSECTIONS (C)(21) AND (D) SHALL BE REQUIRED. THE CHOSEN
3 LIST SHALL NOT REPRESENT MORE THAN 50% OF TOTAL HOSPITAL
4 DISCHARGES, BASED UPON THE PREVIOUS YEAR'S HOSPITAL
5 DISCHARGE DATA. SUBSEQUENT TO THE PUBLICATION OF THE
6 LIST, ANY DATA SUBMISSION REQUIREMENTS UNDER SUBSECTIONS
7 (C)(21) AND (D) PREVIOUSLY IN EFFECT SHALL BE NULL AND
8 VOID FOR DISEASES, PROCEDURES AND MEDICAL CONDITIONS NOT
9 FOUND ON THE LIST. ALL OTHER DATA ELEMENTS PURSUANT TO
10 SUBSECTION (C) SHALL CONTINUE TO BE REQUIRED FROM DATA
11 SOURCES. THE COUNCIL SHALL REVIEW THE LIST AND MAY ADD NO
12 MORE THAN A NET OF THREE DISEASES, PROCEDURES OR MEDICAL
13 CONDITIONS PER YEAR OVER A FIVE-YEAR PERIOD STARTING ON
14 THE EFFECTIVE DATE OF THIS SUBPARAGRAPH. THE ADJUSTED
15 LIST OF DISEASES, PROCEDURES AND MEDICAL CONDITIONS SHALL
16 AT NO TIME BE MORE THAN 50% OF TOTAL HOSPITAL DISCHARGES.

17 (II) IF THE CURRENT DATA VENDOR IS UNABLE TO
18 ACHIEVE, ON A PER-CHART BASIS, SAVINGS OF AT LEAST 40% IN
19 THE COST OF HOSPITAL COMPLIANCE WITH THE DATA ABSTRACTING
20 AND SUBMISSION REQUIREMENTS OF THIS ACT BY JUNE 30, 2004,
21 AS COMPARED TO JUNE 30, 2003, THEN THE COUNCIL SHALL
22 DISQUALIFY THE CURRENT VENDOR AND REOPEN THE BIDDING
23 PROCESS. THE INDEPENDENT AUDITOR SHALL DETERMINE THE
24 EXTENT AND VALIDITY OF THE SAVINGS. IN DETERMINING ANY
25 DEMONSTRATED COST SAVINGS, SURVEYS OF ALL HOSPITALS IN
26 THIS COMMONWEALTH SHALL BE CONDUCTED AND CONSIDERATION
27 SHALL BE GIVEN AT A MINIMUM TO:

28 (A) NEW COSTS, IN TERMS OF MAKING THE
29 METHODOLOGY OPERATIONAL, ASSOCIATED WITH LABORATORY,
30 PHARMACY AND OTHER INFORMATION SYSTEMS A HOSPITAL IS

1 REQUIRED TO PURCHASE IN ORDER TO REDUCE HOSPITAL
2 COMPLIANCE COSTS, INCLUDING THE COST OF ELECTRONIC
3 TRANSFER OF REQUIRED DATA; AND

4 (B) THE AUDITED DIRECT PERSONNEL AND RELATED
5 COSTS OF DATA ABSTRACTING AND SUBMISSION REQUIRED.

6 (III) REVIEW BY THE INDEPENDENT AUDITOR SHALL
7 COMMENCE BY MARCH 1, 2004, AND SHALL CONCLUDE WITH A
8 REPORT OF FINDINGS BY JULY 31, 2004. THE REPORT SHALL BE
9 DELIVERED TO THE COUNCIL, THE GOVERNOR, THE HEALTH AND
10 HUMAN SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES
11 AND THE PUBLIC HEALTH AND WELFARE COMMITTEE OF THE
12 SENATE.

13 (A.1) ABSTRACTION AND TECHNOLOGY WORK GROUP.--

14 (1) THE COUNCIL SHALL ESTABLISH A DATA ABSTRACTION AND
15 TECHNOLOGY WORK GROUP TO PRODUCE RECOMMENDATIONS FOR
16 IMPROVING AND REFINING THE DATA REQUIRED BY THE COUNCIL AND
17 REDUCING, THROUGH INNOVATIVE DIRECT DATA COLLECTION
18 TECHNIQUES, THE COST OF COLLECTING REQUIRED DATA. THE WORK
19 GROUP SHALL CONSIST OF THE FOLLOWING MEMBERS APPOINTED BY THE
20 COUNCIL:

21 (I) ONE MEMBER REPRESENTING THE OFFICE OF HEALTH
22 CARE REFORM;

23 (II) ONE MEMBER REPRESENTING THE BUSINESS COMMUNITY;

24 (III) ONE MEMBER REPRESENTING LABOR;

25 (IV) ONE MEMBER REPRESENTING CONSUMERS;

26 (V) TWO MEMBERS REPRESENTING PHYSICIANS;

27 (VI) TWO MEMBERS REPRESENTING NURSES;

28 (VII) TWO MEMBERS REPRESENTING HOSPITALS;

29 (VIII) ONE MEMBER REPRESENTING PATIENT ADVOCACY

30 GROUPS;

1 (IX) ONE MEMBER REPRESENTING HEALTH UNDERWRITERS;

2 AND

3 (X) ONE MEMBER REPRESENTING COMMERCIAL INSURANCE

4 CARRIERS.

5 (2) THE WORK GROUP, WITH APPROVAL OF THE COUNCIL, MAY
6 HIRE AN INDEPENDENT EVALUATOR TO DETERMINE THE VALUE OF
7 VARIOUS DATA SETS. THE WORK GROUP SHALL HAVE NO MORE THAN ONE
8 YEAR TO STUDY CURRENT DATA REQUIREMENTS AND METHODS OF
9 COLLECTING AND TRANSFERRING DATA AND TO MAKE RECOMMENDATIONS
10 FOR CHANGES TO PRODUCE A 50% OVERALL REDUCTION IN THE COST OF
11 COLLECTING AND REPORTING REQUIRED DATA TO THE COUNCIL WHILE
12 MAINTAINING THE SCIENTIFIC CREDIBILITY OF THE COUNCIL'S
13 ANALYSIS AND REPORTING. THE WORK GROUP RECOMMENDATIONS SHALL
14 BE PRESENTED TO THE COUNCIL FOR A VOTE.

15 (C) DATA ELEMENTS.--FOR EACH COVERED SERVICE PERFORMED IN
16 PENNSYLVANIA, THE COUNCIL SHALL BE REQUIRED TO COLLECT THE
17 FOLLOWING DATA ELEMENTS:

18 * * *

19 (1) UNIFORM PATIENT IDENTIFIER, CONTINUOUS ACROSS
20 MULTIPLE EPISODES AND PROVIDERS;

21 (2) PATIENT DATE OF BIRTH;

22 (3) PATIENT SEX;

23 (3.1) PATIENT RACE, CONSISTENT WITH THE METHOD OF
24 COLLECTION OF RACE/ETHNICITY DATA BY THE UNITED STATES BUREAU
25 OF THE CENSUS AND THE UNITED STATES STANDARD CERTIFICATES OF
26 LIVE BIRTH AND DEATH;

27 (4) PATIENT ZIP CODE NUMBER;

28 (5) DATE OF ADMISSION;

29 (6) DATE OF DISCHARGE;

30 (7) PRINCIPAL AND UP TO FIVE SECONDARY DIAGNOSES BY

1 STANDARD CODE, INCLUDING EXTERNAL CAUSE CODE;

2 (8) PRINCIPAL PROCEDURE BY COUNCIL-SPECIFIED STANDARD
3 CODE AND DATE;

4 (9) UP TO THREE SECONDARY PROCEDURES BY COUNCIL-
5 SPECIFIED STANDARD CODES AND DATES;

6 (10) UNIFORM HEALTH CARE FACILITY IDENTIFIER, CONTINUOUS
7 ACROSS EPISODES, PATIENTS AND PROVIDERS;

8 (11) UNIFORM IDENTIFIER OF ADMITTING PHYSICIAN, BY
9 UNIQUE PHYSICIAN IDENTIFICATION NUMBER ESTABLISHED BY THE
10 COUNCIL, CONTINUOUS ACROSS EPISODES, PATIENTS AND PROVIDERS;

11 (12) UNIFORM IDENTIFIER OF CONSULTING PHYSICIANS, BY
12 UNIQUE PHYSICIAN IDENTIFICATION NUMBER ESTABLISHED BY THE
13 COUNCIL, CONTINUOUS ACROSS EPISODES, PATIENTS AND PROVIDERS;

14 (13) TOTAL CHARGES OF HEALTH CARE FACILITY, SEGREGATED
15 INTO MAJOR CATEGORIES, INCLUDING, BUT NOT LIMITED TO, ROOM
16 AND BOARD, RADIOLOGY, LABORATORY, OPERATING ROOM, DRUGS,
17 MEDICAL SUPPLIES AND OTHER GOODS AND SERVICES ACCORDING TO
18 GUIDELINES SPECIFIED BY THE COUNCIL;

19 (14) ACTUAL PAYMENTS TO HEALTH CARE FACILITY,
20 SEGREGATED, IF AVAILABLE, ACCORDING TO THE CATEGORIES
21 SPECIFIED IN PARAGRAPH (13);

22 (15) CHARGES OF EACH PHYSICIAN OR PROFESSIONAL RENDERING
23 SERVICE RELATING TO AN INCIDENT OF HOSPITALIZATION OR
24 TREATMENT IN AN AMBULATORY SERVICE FACILITY;

25 (16) ACTUAL PAYMENTS TO EACH PHYSICIAN OR PROFESSIONAL
26 RENDERING SERVICE PURSUANT TO PARAGRAPH (15);

27 (17) UNIFORM IDENTIFIER OF PRIMARY PAYOR;

28 (18) ZIP CODE NUMBER OF FACILITY WHERE HEALTH CARE
29 SERVICE IS RENDERED;

30 (19) UNIFORM IDENTIFIER FOR PAYOR GROUP CONTRACT NUMBER;

1 ~~AND~~ <—

2 (20) PATIENT DISCHARGE STATUS~~[-AND]-~~; [AND] <—

3 ~~+~~(21) PROVIDER SERVICE EFFECTIVENESS AND PROVIDER <—

4 QUALITY PURSUANT TO SECTION 5(D)(4) AND SUBSECTION ~~(D)-~~ <—

5 (D)[.]; <—

6 (22) ALL EXTERNAL CAUSE OF INJURY CODES, COMMONLY CALLED

7 E-CODES;

8 (23) CODES INDICATING COMPLICATIONS;

9 (24) CODES INDICATING INFECTIONS; AND

10 (25) BABY AND MOTHER BIRTH CODES.

11 (D) ~~+~~PROVIDER QUALITY AND PROVIDER SERVICE EFFECTIVENESS <—

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

13 PROVIDER QUALITY AND PROVIDER SERVICE EFFECTIVENESS UNDER

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

15 A METHODOLOGY TO MEASURE PROVIDER SERVICE EFFECTIVENESS WHICH

16 MAY INCLUDE ADDITIONAL DATA ELEMENTS TO BE SPECIFIED BY THE

17 COUNCIL SUFFICIENT TO CARRY OUT ITS RESPONSIBILITIES UNDER

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

19 METHODOLOGY OF QUANTIFYING AND COLLECTING DATA ON PROVIDER

20 QUALITY AND PROVIDER SERVICE EFFECTIVENESS UNTIL SUCH TIME AS

21 THE COUNCIL HAS THE CAPABILITY OF DEVELOPING ITS OWN METHODOLOGY

22 AND STANDARD DATA ELEMENTS. THE COUNCIL SHALL INCLUDE IN THE

23 PENNSYLVANIA UNIFORM CLAIMS AND BILLING FORM A FIELD CONSISTING

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

25 PROVIDE INFORMATION ON EACH PROVISION OF COVERED SERVICES

26 SUFFICIENT TO PERMIT ANALYSIS OF PROVIDER QUALITY AND PROVIDER

27 SERVICE EFFECTIVENESS WITHIN 180 DAYS OF COMMENCEMENT OF ITS

28 OPERATIONS PURSUANT TO SECTION 4.~~]-QUALITY AND SERVICE~~ <—

29 ~~EFFECTIVENESS DATA ELEMENTS. EXCEPT AS PROVIDED IN SECTION 5~~

30 ~~AND SUBSECTION (A)(2)-~~

~~(1) THE COUNCIL MAY ADOPT A NATIONALLY RECOGNIZED
METHODOLOGY FOR INTERNAL USE BY THE STAFF OF THE COUNCIL TO
ADJUST THE DATA SUBMITTED UNDER SUBSECTION (C) FOR SEVERITY
OF ILLNESS. EVERY THREE YEARS, THE COUNCIL SHALL SOLICIT BIDS
FROM THIRD PARTY VENDORS TO ADJUST THE DATA SUBMITTED TO THE
COUNCIL. THE SOLICITATION SHALL BE IN ACCORDANCE WITH 62
PA.C.S. (RELATING TO PROCUREMENT). IN CARRYING OUT ITS
RESPONSIBILITIES, THE COUNCIL SHALL NOT REQUIRE HEALTH CARE
FACILITIES TO REPORT DATA ELEMENTS WHICH ARE NOT INCLUDED IN
THE MANUAL DEVELOPED BY THE NATIONAL UNIFORM BILLING
COMMITTEE.~~

~~(2) IN CARRYING OUT ITS RESPONSIBILITIES, THE COUNCIL IN
CARRYING OUT ITS RESPONSIBILITIES, THE COUNCIL SHALL NOT
REQUIRE HEALTH CARE INSURERS TO REPORT ON DATA ELEMENTS THAT
ARE NOT REPORTED TO NATIONALLY RECOGNIZED ACCREDITING
ORGANIZATIONS, TO THE DEPARTMENT OF HEALTH OR TO THE
INSURANCE DEPARTMENT IN QUARTERLY OR ANNUAL REPORTS. THE
COUNCIL SHALL 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 TO THE INSURANCE DEPARTMENT. THE COUNCIL MAY ADOPT
THE QUALITY FINDINGS AS REPORTED TO NATIONALLY RECOGNIZED
ACCREDITING ORGANIZATIONS.~~

~~* * *~~

~~(F) OTHER DATA REQUIRED TO BE SUBMITTED. PROVIDERS [ARE
HEREBY] MAY BE REQUIRED TO SUBMIT AND THE COUNCIL IS HEREBY
AUTHORIZED TO COLLECT, IN ACCORDANCE WITH SUBMISSION DATES AND
SCHEDULES ESTABLISHED BY THE COUNCIL, THE FOLLOWING ADDITIONAL
DATA, PROVIDED SUCH DATA IS NOT AVAILABLE TO THE COUNCIL FROM~~

PUBLIC RECORDS:

~~(1) AUDITED ANNUAL FINANCIAL REPORTS OF ALL HOSPITALS AND AMBULATORY SERVICE FACILITIES PROVIDING COVERED SERVICES AS DEFINED IN SECTION 3.~~

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

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

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

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

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

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

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

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

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

1 ~~(IX) RATE OF INCIDENCE OF POSTDISCHARGE PROFESSIONAL~~
2 ~~CARE FOR SELECTED DIAGNOSES AND PROCEDURES, GROUPED BY~~
3 ~~SEVERITY, FOR INDIVIDUAL PROVIDERS.~~

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

6 * * *

7 ~~(G.1) REVIEW AND CORRECTION OF DATA. THE COUNCIL SHALL~~

8 (E) RESERVE FIELD UTILIZATION AND ADDITION OR DELETION OF <—
9 DATA ELEMENTS.--THE COUNCIL SHALL INCLUDE IN THE PENNSYLVANIA
10 UNIFORM CLAIMS AND BILLING FORM A RESERVE FIELD. THE COUNCIL MAY
11 UTILIZE THE RESERVE FIELD BY ADDING OTHER DATA ELEMENTS BEYOND
12 THOSE REQUIRED TO CARRY OUT ITS RESPONSIBILITIES UNDER SECTION
13 5(D)(3) AND (4) AND SUBSECTIONS (C) AND (D), OR THE COUNCIL MAY
14 DELETE DATA ELEMENTS FROM THE PENNSYLVANIA UNIFORM CLAIMS AND
15 BILLING FORM ONLY BY A MAJORITY VOTE OF THE COUNCIL AND ONLY
16 PURSUANT TO THE FOLLOWING PROCEDURE:

17 (1) THE COUNCIL SHALL OBTAIN A COST-BENEFIT ANALYSIS OF
18 THE PROPOSED ADDITION OR DELETION WHICH SHALL INCLUDE THE
19 COST TO DATA SOURCES OF ANY PROPOSED ADDITIONS.

20 (2) THE COUNCIL SHALL PUBLISH NOTICE OF THE PROPOSED
21 ADDITION OR DELETION, ALONG WITH A COPY OR SUMMARY OF THE
22 COST-BENEFIT ANALYSIS, IN THE PENNSYLVANIA BULLETIN, AND SUCH
23 NOTICE SHALL INCLUDE PROVISION FOR A 60-DAY COMMENT PERIOD.

24 (3) THE COUNCIL MAY HOLD ADDITIONAL HEARINGS OR REQUEST
25 SUCH OTHER REPORTS AS IT DEEMS NECESSARY AND SHALL CONSIDER
26 THE COMMENTS RECEIVED DURING THE 60-DAY COMMENT PERIOD AND
27 ANY ADDITIONAL INFORMATION GAINED THROUGH SUCH HEARINGS OR
28 OTHER REPORTS IN MAKING A FINAL DETERMINATION ON THE PROPOSED
29 ADDITION OR DELETION.

30 (F) OTHER DATA REQUIRED TO BE SUBMITTED.--PROVIDERS ARE

1 HEREBY REQUIRED TO SUBMIT AND THE COUNCIL IS HEREBY AUTHORIZED
2 TO COLLECT, IN ACCORDANCE WITH SUBMISSION DATES AND SCHEDULES
3 ESTABLISHED BY THE COUNCIL, THE FOLLOWING ADDITIONAL DATA,
4 PROVIDED SUCH DATA IS NOT AVAILABLE TO THE COUNCIL FROM PUBLIC
5 RECORDS:

6 (1) AUDITED ANNUAL FINANCIAL REPORTS OF ALL HOSPITALS
7 AND AMBULATORY SERVICE FACILITIES PROVIDING COVERED SERVICES
8 AS DEFINED IN SECTION 3.

9 (2) THE MEDICARE COST REPORT (OMB FORM 2552 OR
10 EQUIVALENT FEDERAL FORM), OR THE AG-12 FORM FOR MEDICAL
11 ASSISTANCE OR SUCCESSOR FORMS, WHETHER COMPLETED OR PARTIALLY
12 COMPLETED, AND INCLUDING THE SETTLED MEDICARE COST REPORT AND
13 THE CERTIFIED AG-12 FORM.

14 (3) ADDITIONAL DATA, INCLUDING, BUT NOT LIMITED TO, DATA
15 WHICH CAN BE USED TO PROVIDE AT LEAST THE FOLLOWING
16 INFORMATION:

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

19 (II) PHYSICIANS WHO PROVIDE COVERED SERVICES AND
20 ACCEPT MEDICAL ASSISTANCE PATIENTS;

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

23 (V) MORTALITY RATES FOR SPECIFIED DIAGNOSES AND
24 TREATMENTS, GROUPED BY SEVERITY, FOR INDIVIDUAL
25 PROVIDERS;

26 (VI) RATES OF INFECTION FOR SPECIFIED DIAGNOSES AND
27 TREATMENTS, GROUPED BY SEVERITY, FOR INDIVIDUAL
28 PROVIDERS;

29 (VII) MORBIDITY RATES FOR SPECIFIED DIAGNOSES AND
30 TREATMENTS, GROUPED BY SEVERITY, FOR INDIVIDUAL

1 PROVIDERS;
2 (VIII) READMISSION RATES FOR SPECIFIED DIAGNOSES AND
3 TREATMENTS, GROUPED BY SEVERITY, FOR INDIVIDUAL
4 PROVIDERS; AND

5 (IX) RATE OF INCIDENCE OF POSTDISCHARGE PROFESSIONAL
6 CARE FOR SELECTED DIAGNOSES AND PROCEDURES, GROUPED BY
7 SEVERITY, FOR INDIVIDUAL PROVIDERS.

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

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

18 * * *

<—

19 (G) ALLOWANCE FOR CLARIFICATION OR DISSENTS.--THE COUNCIL
20 SHALL MAINTAIN A FILE OF WRITTEN STATEMENTS SUBMITTED BY DATA
21 SOURCES WHO WISH TO PROVIDE AN EXPLANATION OF DATA THAT THEY
22 FEEL MIGHT BE MISLEADING OR MISINTERPRETED. THE COUNCIL SHALL
23 PROVIDE ACCESS TO SUCH FILE TO ANY PERSON AND SHALL, WHERE
24 PRACTICAL, IN ITS REPORTS AND DATA FILES INDICATE THE
25 AVAILABILITY OF SUCH STATEMENTS. WHEN THE COUNCIL AGREES WITH
26 SUCH STATEMENTS, IT SHALL CORRECT THE APPROPRIATE DATA AND
27 COMMENTS IN ITS DATA FILES AND SUBSEQUENT REPORTS.

<—

28 (G.1) ALLOWANCE FOR CORRECTION.--THE COUNCIL SHALL VERIFY
29 THE DATA SUBMITTED BY HOSPITALS PURSUANT TO SUBSECTION (C)(22)
30 THROUGH (25) WITHIN 60 DAYS OF RECEIPT. THE COUNCIL MAY ALLOW

HOSPITALS TO MAKE CHANGES TO THE DATA SUBMITTED DURING THE
VERIFICATION PERIOD. AFTER THE VERIFICATION PERIOD BUT WITHIN 45
DAYS OF RECEIPT OF THE ADJUSTED HOSPITAL DATA, THE COUNCIL SHALL
RISK ADJUST THE INFORMATION AND PROVIDE REPORTS TO THE PATIENT
SAFETY COMMITTEE OF THE RELEVANT HOSPITAL.

(H) AVAILABILITY OF DATA.--NOTHING IN THIS ACT SHALL
PROHIBIT A PURCHASER FROM OBTAINING FROM ITS HEALTH CARE
INSURER, NOR RELIEVE SAID HEALTH CARE INSURER FROM THE
OBLIGATION OF PROVIDING SAID PURCHASER, ON TERMS CONSISTENT WITH
PAST PRACTICES, DATA PREVIOUSLY PROVIDED OR ADDITIONAL DATA NOT
CURRENTLY PROVIDED TO SAID PURCHASER BY SAID HEALTH CARE INSURER
PURSUANT TO ANY EXISTING OR FUTURE ARRANGEMENT, AGREEMENT OR
UNDERSTANDING.

~~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:

1 (I) COMPARISONS AMONG ALL PROVIDERS OF PAYMENTS
2 RECEIVED, CHARGES, POPULATION-BASED ADMISSION OR
3 INCIDENCE RATES, AND PROVIDER SERVICE EFFECTIVENESS, SUCH
4 COMPARISONS TO BE GROUPED ACCORDING TO DIAGNOSIS AND
5 SEVERITY, AND TO IDENTIFY EACH PROVIDER BY NAME AND TYPE
6 OR SPECIALTY.

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

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

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

1 ELEMENTS VARY SIGNIFICANTLY FROM THE NORMS FOR ALL
2 PROVIDERS.

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

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

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

30 (A) PUBLIC REPORTS.--SUBJECT TO THE RESTRICTIONS ON ACCESS

1 TO COUNCIL DATA SET FORTH IN SECTION 10 AND UTILIZING THE DATA
2 COLLECTED UNDER SECTION 6 AS WELL AS OTHER DATA, RECORDS AND
3 MATTERS OF RECORD AVAILABLE TO IT, THE COUNCIL SHALL PREPARE AND
4 ISSUE REPORTS TO THE GENERAL ASSEMBLY AND TO THE GENERAL PUBLIC,
5 ACCORDING TO THE FOLLOWING PROVISIONS:

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

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

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

30 (2) IN PREPARING ITS REPORTS UNDER PARAGRAPH (1), THE

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

9 * * *

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10 ~~SECTION 10. ACCESS TO COUNCIL DATA.~~

11 * * *

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

17 * * *

18 (B) RAW DATA REPORTS AND COMPUTER ACCESS TO COUNCIL DATA.-- <—
19 THE COUNCIL SHALL PROVIDE SPECIAL REPORTS DERIVED FROM RAW DATA
20 AND A MEANS FOR COMPUTER-TO-COMPUTER ACCESS TO ITS RAW DATA TO
21 ANY PURCHASER, PURSUANT TO SECTION 10(F). THE COUNCIL SHALL
22 PROVIDE SUCH REPORTS AND COMPUTER-TO-COMPUTER ACCESS, AT ITS
23 DISCRETION, TO OTHER PARTIES, PURSUANT TO SECTION 10(G). THE
24 COUNCIL SHALL PROVIDE THESE SPECIAL REPORTS AND COMPUTER-TO-
25 COMPUTER ACCESS IN AS TIMELY A FASHION AS THE COUNCIL'S
26 RESPONSIBILITIES TO PUBLISH THE PUBLIC REPORTS REQUIRED IN THIS
27 SECTION WILL ALLOW. ANY SUCH PROVISION OF SPECIAL REPORTS OR
28 COMPUTER-TO-COMPUTER ACCESS BY THE COUNCIL SHALL BE MADE ONLY
29 SUBJECT TO THE RESTRICTIONS ON ACCESS TO RAW DATA SET FORTH IN
30 SECTION 10(B) AND ONLY AFTER PAYMENT FOR COSTS OF PREPARATION OR

1 DUPLICATION PURSUANT TO SECTION 10(F) OR (G).

2 SECTION 3. SECTION 8 OF THE ACT IS REENACTED TO READ:

3 SECTION 8. HEALTH CARE FOR THE MEDICALLY INDIGENT.

4 (A) DECLARATION OF POLICY.--THE GENERAL ASSEMBLY FINDS THAT
5 EVERY PERSON IN THIS COMMONWEALTH SHOULD RECEIVE TIMELY AND
6 APPROPRIATE HEALTH CARE SERVICES FROM ANY PROVIDER OPERATING IN
7 THIS COMMONWEALTH; THAT, AS A CONTINUING CONDITION OF LICENSURE,
8 EACH PROVIDER SHOULD OFFER AND PROVIDE MEDICALLY NECESSARY,
9 LIFESAVING AND EMERGENCY HEALTH CARE SERVICES TO EVERY PERSON IN
10 THIS COMMONWEALTH, REGARDLESS OF FINANCIAL STATUS OR ABILITY TO
11 PAY; AND THAT HEALTH CARE FACILITIES MAY TRANSFER PATIENTS ONLY
12 IN INSTANCES WHERE THE FACILITY LACKS THE STAFF OR FACILITIES TO
13 PROPERLY RENDER DEFINITIVE TREATMENT.

14 (B) STUDIES ON INDIGENT CARE.--TO REDUCE THE UNDUE BURDEN ON
15 THE SEVERAL PROVIDERS THAT DISPROPORTIONATELY TREAT MEDICALLY
16 INDIGENT PEOPLE ON AN UNCOMPENSATED BASIS, TO CONTAIN THE LONG-
17 TERM COSTS GENERATED BY UNTREATED OR DELAYED TREATMENT OF
18 ILLNESS AND DISEASE AND TO DETERMINE THE MOST APPROPRIATE MEANS
19 OF TREATING AND FINANCING THE TREATMENT OF MEDICALLY INDIGENT
20 PERSONS, THE COUNCIL, AT THE REQUEST OF THE GOVERNOR OR THE
21 GENERAL ASSEMBLY, MAY UNDERTAKE STUDIES AND UTILIZE ITS CURRENT
22 DATA BASE TO:

23 (1) STUDY AND ANALYZE THE MEDICALLY INDIGENT POPULATION,
24 THE MAGNITUDE OF UNCOMPENSATED CARE FOR THE MEDICALLY
25 INDIGENT, THE DEGREE OF ACCESS TO AND THE RESULT OF ANY LACK
26 OF ACCESS BY THE MEDICALLY INDIGENT TO APPROPRIATE CARE, THE
27 TYPES OF PROVIDERS AND THE SETTINGS IN WHICH THEY PROVIDE
28 INDIGENT CARE AND THE COST OF THE PROVISION OF THAT CARE
29 PURSUANT TO SUBSECTION (C).

30 (2) DETERMINE, FROM STUDIES UNDERTAKEN UNDER PARAGRAPH

(1), A DEFINITION OF THE MEDICALLY INDIGENT POPULATION AND THE MOST APPROPRIATE METHOD FOR THE DELIVERY OF TIMELY AND APPROPRIATE HEALTH CARE SERVICES TO THE MEDICALLY INDIGENT.

(C) STUDIES.--THE COUNCIL SHALL CONDUCT STUDIES PURSUANT TO SUBSECTION (B)(1) AND THEREAFTER REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY THE RESULTS OF THE STUDIES AND ITS RECOMMENDATIONS. THE COUNCIL MAY CONTRACT WITH AN INDEPENDENT VENDOR TO CONDUCT THE STUDY IN ACCORDANCE WITH THE PROVISIONS FOR SELECTING VENDORS IN SECTION 16. THE STUDY SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING:

(1) THE NUMBER AND CHARACTERISTICS OF THE MEDICALLY INDIGENT POPULATION, INCLUDING SUCH FACTORS AS INCOME, EMPLOYMENT STATUS, HEALTH STATUS, PATTERNS OF HEALTH CARE UTILIZATION, TYPE OF HEALTH CARE NEEDED AND UTILIZED, ELIGIBILITY FOR HEALTH CARE INSURANCE, DISTRIBUTION OF THIS POPULATION ON A GEOGRAPHIC BASIS AND BY AGE, SEX AND RACIAL OR LINGUISTIC CHARACTERISTICS, AND THE CHANGES IN THESE CHARACTERISTICS, INCLUDING THE FOLLOWING:

(I) THE NEEDS AND PROBLEMS OF INDIGENT PERSONS IN URBAN AREAS;

(II) THE NEEDS AND PROBLEMS OF INDIGENT PERSONS IN RURAL AREAS;

(III) THE NEEDS AND PROBLEMS OF INDIGENT PERSONS WHO ARE MEMBERS OF RACIAL OR LINGUISTIC MINORITIES;

(IV) THE NEEDS AND PROBLEMS OF INDIGENT PERSONS IN AREAS OF HIGH UNEMPLOYMENT; AND

(V) THE NEEDS AND PROBLEMS OF THE UNDERINSURED;

(2) THE DEGREE OF AND ANY CHANGE IN ACCESS OF THIS POPULATION TO SOURCES OF HEALTH CARE, INCLUDING HOSPITALS, PHYSICIANS AND OTHER PROVIDERS;

1 (3) THE DISTRIBUTION AND MEANS OF FINANCING INDIGENT
2 CARE BETWEEN AND AMONG PROVIDERS, INSURERS, GOVERNMENT,
3 PURCHASERS AND CONSUMERS, AND THE EFFECT OF THAT DISTRIBUTION
4 ON EACH;

5 (4) THE MAJOR TYPES OF CARE RENDERED TO THE INDIGENT,
6 THE SETTING IN WHICH EACH TYPE OF CARE IS RENDERED AND THE
7 NEED FOR ADDITIONAL CARE OF EACH TYPE BY THE INDIGENT;

8 (5) THE LIKELY IMPACT OF CHANGES IN THE HEALTH DELIVERY
9 SYSTEM, INCLUDING MANAGED CARE ENTITIES, AND THE EFFECTS OF
10 COST CONTAINMENT IN THE COMMONWEALTH ON THE ACCESS TO,
11 AVAILABILITY OF AND FINANCING OF NEEDED CARE FOR THE
12 INDIGENT, INCLUDING THE IMPACT ON PROVIDERS WHICH PROVIDE A
13 DISPROPORTIONATE AMOUNT OF CARE TO THE INDIGENT;

14 (6) THE DISTRIBUTION OF DELIVERED CARE AND ACTUAL COST
15 TO RENDER SUCH CARE BY PROVIDER, REGION AND SUBREGION;

16 (7) THE PROVISION OF CARE TO THE INDIGENT THROUGH
17 IMPROVEMENTS IN THE PRIMARY HEALTH CARE SYSTEM, INCLUDING THE
18 MANAGEMENT OF NEEDED HOSPITAL CARE BY PRIMARY CARE PROVIDERS;

19 (8) INNOVATIVE MEANS TO FINANCE AND DELIVER CARE TO THE
20 MEDICALLY INDIGENT; AND

21 (9) REDUCTION IN THE DEPENDENCE OF INDIGENT PERSONS ON
22 HOSPITAL SERVICES THROUGH IMPROVEMENTS IN PREVENTIVE HEALTH
23 MEASURES.

24 SECTION 4. SECTIONS 9 AND 10 OF THE ACT ARE REENACTED AND
25 AMENDED TO READ:

26 SECTION 9. MANDATED HEALTH BENEFITS.

27 IN RELATION TO CURRENT LAW OR PROPOSED LEGISLATION, THE
28 COUNCIL SHALL, UPON THE REQUEST OF THE APPROPRIATE COMMITTEE
29 CHAIRMAN IN THE SENATE AND IN THE HOUSE OF REPRESENTATIVES OR
30 UPON THE REQUEST OF THE SECRETARY OF HEALTH, PROVIDE INFORMATION

1 ON THE PROPOSED MANDATED HEALTH BENEFIT PURSUANT TO THE
2 FOLLOWING:

3 (1) THE GENERAL ASSEMBLY HEREBY DECLARES THAT PROPOSALS
4 FOR MANDATED HEALTH BENEFITS OR MANDATED HEALTH INSURANCE
5 COVERAGE SHOULD BE ACCOMPANIED BY ADEQUATE, INDEPENDENTLY
6 CERTIFIED DOCUMENTATION DEFINING THE SOCIAL AND FINANCIAL
7 IMPACT AND MEDICAL EFFICACY OF THE PROPOSAL. TO THAT END THE
8 COUNCIL, UPON RECEIPT OF SUCH REQUESTS, IS HEREBY AUTHORIZED
9 TO CONDUCT A PRELIMINARY REVIEW OF THE MATERIAL SUBMITTED BY
10 BOTH PROPONENTS AND OPPONENTS CONCERNING THE PROPOSED
11 MANDATED BENEFIT. IF, AFTER THIS PRELIMINARY REVIEW, THE
12 COUNCIL IS SATISFIED THAT BOTH PROPONENTS AND OPPONENTS HAVE
13 SUBMITTED SUFFICIENT DOCUMENTATION NECESSARY FOR A REVIEW
14 PURSUANT TO PARAGRAPHS (3) AND (4), THE COUNCIL IS DIRECTED
15 TO CONTRACT WITH INDIVIDUALS, PURSUANT TO THE SELECTION
16 PROCEDURES FOR VENDORS SET FORTH IN SECTION 16, WHO WILL
17 CONSTITUTE A MANDATED BENEFITS REVIEW PANEL TO REVIEW
18 MANDATED BENEFITS PROPOSALS AND PROVIDE INDEPENDENTLY
19 CERTIFIED DOCUMENTATION, AS PROVIDED FOR IN THIS SECTION.

20 (2) THE PANEL SHALL CONSIST OF FOUR SENIOR RESEARCHERS,
21 EACH OF WHOM SHALL BE A RECOGNIZED EXPERT:

22 (I) ONE IN HEALTH RESEARCH;

23 (II) ONE IN BIOSTATISTICS;

24 (III) ONE IN ECONOMIC RESEARCH; [AND]

25 (IV) ONE, A PHYSICIAN, IN THE APPROPRIATE SPECIALTY
26 WITH CURRENT KNOWLEDGE OF THE SUBJECT BEING PROPOSED AS A
27 MANDATED BENEFIT; AND

28 (V) ONE WITH EXPERIENCE IN INSURANCE OR ACTUARIAL
29 RESEARCH.

30 (3) THE MANDATED BENEFITS REVIEW PANEL SHALL HAVE THE

1 FOLLOWING DUTIES AND RESPONSIBILITIES:

2 (I) TO REVIEW DOCUMENTATION SUBMITTED BY PERSONS
3 PROPOSING OR OPPOSING MANDATED BENEFITS WITHIN 90 DAYS OF
4 SUBMISSION OF SAID DOCUMENTATION TO THE PANEL.

5 (II) TO REPORT TO THE COUNCIL, PURSUANT TO ITS
6 REVIEW IN SUBPARAGRAPH (I), THE FOLLOWING:

7 (A) WHETHER OR NOT THE DOCUMENTATION IS COMPLETE
8 AS DEFINED IN PARAGRAPH (4).

9 (B) WHETHER OR NOT THE RESEARCH CITED IN THE
10 DOCUMENTATION MEETS PROFESSIONAL STANDARDS.

11 (C) WHETHER OR NOT ALL RELEVANT RESEARCH
12 RESPECTING THE PROPOSED MANDATED BENEFIT HAS BEEN
13 CITED IN THE DOCUMENTATION.

14 (D) WHETHER OR NOT THE CONCLUSIONS AND
15 INTERPRETATIONS IN THE DOCUMENTATION ARE CONSISTENT
16 WITH THE DATA SUBMITTED.

17 (4) TO PROVIDE THE MANDATED BENEFITS REVIEW PANEL WITH
18 SUFFICIENT INFORMATION TO CARRY OUT ITS DUTIES AND
19 RESPONSIBILITIES PURSUANT TO PARAGRAPH (3), PERSONS PROPOSING
20 OR OPPOSING LEGISLATION MANDATING BENEFITS COVERAGE SHOULD
21 SUBMIT DOCUMENTATION TO THE COUNCIL, PURSUANT TO THE
22 PROCEDURE ESTABLISHED IN PARAGRAPH (5), WHICH DEMONSTRATES
23 THE FOLLOWING:

24 (I) THE EXTENT TO WHICH THE PROPOSED BENEFIT AND THE
25 SERVICES IT WOULD PROVIDE ARE NEEDED BY, AVAILABLE TO AND
26 UTILIZED BY THE POPULATION OF THE COMMONWEALTH.

27 (II) THE EXTENT TO WHICH INSURANCE COVERAGE FOR THE
28 PROPOSED BENEFIT ALREADY EXISTS, OR IF NO SUCH COVERAGE
29 EXISTS, THE EXTENT TO WHICH THIS LACK OF COVERAGE RESULTS
30 IN INADEQUATE HEALTH CARE OR FINANCIAL HARDSHIP FOR THE

1 POPULATION OF THE COMMONWEALTH.

2 (III) THE DEMAND FOR THE PROPOSED BENEFIT FROM THE
3 PUBLIC AND THE SOURCE AND EXTENT OF OPPOSITION TO
4 MANDATING THE BENEFIT.

5 (IV) ALL RELEVANT FINDINGS BEARING ON THE SOCIAL
6 IMPACT OF THE LACK OF THE PROPOSED BENEFIT.

7 (V) WHERE THE PROPOSED BENEFIT WOULD MANDATE
8 COVERAGE OF A PARTICULAR THERAPY, THE RESULTS OF AT LEAST
9 ONE PROFESSIONALLY ACCEPTED, CONTROLLED TRIAL COMPARING
10 THE MEDICAL CONSEQUENCES OF THE PROPOSED THERAPY,
11 ALTERNATIVE THERAPIES AND NO THERAPY.

12 (VI) WHERE THE PROPOSED BENEFIT WOULD MANDATE
13 COVERAGE OF AN ADDITIONAL CLASS OF PRACTITIONERS, THE
14 RESULTS OF AT LEAST ONE PROFESSIONALLY ACCEPTED,
15 CONTROLLED TRIAL COMPARING THE MEDICAL RESULTS ACHIEVED
16 BY THE ADDITIONAL CLASS OF PRACTITIONERS AND THOSE
17 PRACTITIONERS ALREADY COVERED BY BENEFITS.

18 (VII) THE RESULTS OF ANY OTHER RELEVANT RESEARCH.

19 (VIII) EVIDENCE OF THE FINANCIAL IMPACT OF THE
20 PROPOSED LEGISLATION, INCLUDING AT LEAST:

21 (A) THE EXTENT TO WHICH THE PROPOSED BENEFIT
22 WOULD INCREASE OR DECREASE COST FOR TREATMENT OR
23 SERVICE.

24 (B) THE EXTENT TO WHICH SIMILAR MANDATED
25 BENEFITS IN OTHER STATES HAVE AFFECTED CHARGES, COSTS
26 AND PAYMENTS FOR SERVICES.

27 (C) THE EXTENT TO WHICH THE PROPOSED BENEFIT
28 WOULD INCREASE THE APPROPRIATE USE OF THE TREATMENT
29 OR SERVICE.

30 (D) THE IMPACT OF THE PROPOSED BENEFIT ON

1 ADMINISTRATIVE EXPENSES OF HEALTH CARE INSURERS.

2 (E) THE IMPACT OF THE PROPOSED BENEFITS ON
3 BENEFITS COSTS OF PURCHASERS.

4 (F) THE IMPACT OF THE PROPOSED BENEFITS ON THE
5 TOTAL COST OF HEALTH CARE WITHIN THE COMMONWEALTH.

6 (5) THE PROCEDURE FOR REVIEW OF DOCUMENTATION IS AS
7 FOLLOWS:

8 (I) ANY PERSON WISHING TO SUBMIT INFORMATION ON
9 PROPOSED LEGISLATION MANDATING INSURANCE BENEFITS FOR
10 REVIEW BY THE PANEL SHOULD SUBMIT THE DOCUMENTATION
11 SPECIFIED IN PARAGRAPH (4) TO THE COUNCIL.

12 (II) THE COUNCIL SHALL, WITHIN 30 DAYS OF RECEIPT OF
13 THE DOCUMENTATION:

14 (A) PUBLISH IN THE PENNSYLVANIA BULLETIN NOTICE
15 OF RECEIPT OF THE DOCUMENTATION, A DESCRIPTION OF THE
16 PROPOSED LEGISLATION, PROVISION FOR A PERIOD OF 60
17 DAYS FOR PUBLIC COMMENT AND THE TIME AND PLACE AT
18 WHICH ANY PERSON MAY EXAMINE THE DOCUMENTATION.

19 (B) SUBMIT COPIES OF THE DOCUMENTATION TO THE
20 SECRETARY OF HEALTH AND THE INSURANCE COMMISSIONER,
21 WHO SHALL REVIEW AND SUBMIT COMMENTS TO THE COUNCIL
22 ON THE PROPOSED LEGISLATION WITHIN 30 DAYS.

23 (C) SUBMIT COPIES OF THE DOCUMENTATION TO THE
24 PANEL, WHICH SHALL REVIEW THE DOCUMENTATION AND ISSUE
25 THEIR FINDINGS, PURSUANT TO PARAGRAPH (3), WITHIN 90
26 DAYS.

27 (III) UPON RECEIPT OF THE COMMENTS OF THE SECRETARY
28 OF HEALTH AND THE INSURANCE COMMISSIONER AND OF THE
29 FINDINGS OF THE PANEL, PURSUANT TO SUBPARAGRAPH (II), BUT
30 NO LATER THAN 120 DAYS FOLLOWING THE PUBLICATION REQUIRED

1 IN SUBPARAGRAPH (II), THE COUNCIL SHALL SUBMIT SAID
2 COMMENTS AND FINDINGS, TOGETHER WITH ITS RECOMMENDATIONS
3 RESPECTING THE PROPOSED LEGISLATION, TO THE GOVERNOR, THE
4 PRESIDENT PRO TEMPORE OF THE SENATE, THE SPEAKER OF THE
5 HOUSE OF REPRESENTATIVES, THE SECRETARY OF HEALTH, THE
6 INSURANCE COMMISSIONER AND THE PERSON WHO SUBMITTED THE
7 INFORMATION PURSUANT TO SUBPARAGRAPH (I).

8 SECTION 10. ACCESS TO COUNCIL DATA. <—

9 (A) PUBLIC ACCESS.--THE INFORMATION AND DATA RECEIVED BY THE
10 COUNCIL SHALL BE UTILIZED BY THE COUNCIL FOR THE BENEFIT OF THE
11 PUBLIC AND PUBLIC OFFICIALS. SUBJECT TO THE SPECIFIC LIMITATIONS
12 SET FORTH IN THIS SECTION, THE COUNCIL SHALL MAKE DETERMINATIONS
13 ON REQUESTS FOR INFORMATION IN FAVOR OF ACCESS.

14 (A.1) OUTREACH PROGRAMS.--THE COUNCIL SHALL DEVELOP AND
15 IMPLEMENT OUTREACH PROGRAMS DESIGNED TO MAKE ITS INFORMATION
16 UNDERSTANDABLE AND USABLE TO PURCHASERS, PROVIDERS, OTHER
17 COMMONWEALTH AGENCIES AND THE GENERAL PUBLIC. THE PROGRAMS SHALL
18 INCLUDE EFFORTS TO EDUCATE THROUGH PAMPHLETS, BOOKLETS, SEMINARS
19 AND OTHER APPROPRIATE MEASURES AND TO FACILITATE MAKING MORE
20 INFORMED HEALTH CARE CHOICES.

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

26 (1) ANY RAW DATA OF THE COUNCIL THAT DOES NOT
27 SIMULTANEOUSLY DISCLOSE PAYMENT, AS WELL AS PROVIDER QUALITY
28 AND PROVIDER SERVICE EFFECTIVENESS PURSUANT TO SECTIONS
29 5(D)(4) AND 6(D) OR 7(A)(1)(III).

30 (2) ANY RAW DATA OF THE COUNCIL WHICH COULD REASONABLY

1 BE EXPECTED TO REVEAL THE IDENTITY OF AN INDIVIDUAL PATIENT.

2 (3) ANY RAW DATA OF THE COUNCIL WHICH COULD REASONABLY
3 BE EXPECTED TO REVEAL THE IDENTITY OF ANY PURCHASER, AS
4 DEFINED IN SECTION 3, OTHER THAN A PURCHASER REQUESTING DATA
5 ON ITS OWN GROUP OR AN ENTITY ENTITLED TO SAID PURCHASER'S
6 DATA PURSUANT TO SUBSECTION (F).

7 (4) ANY RAW DATA OF THE COUNCIL RELATING TO ACTUAL
8 PAYMENTS TO ANY IDENTIFIED PROVIDER MADE BY ANY PURCHASER,
9 EXCEPT THAT THIS PROVISION SHALL NOT APPLY TO ACCESS BY A
10 PURCHASER REQUESTING DATA ON THE GROUP FOR WHICH IT PURCHASES
11 OR OTHERWISE PROVIDES COVERED SERVICES OR TO ACCESS TO THAT
12 SAME DATA BY AN ENTITY ENTITLED TO THE PURCHASER'S DATA
13 PURSUANT TO SUBSECTION (F).

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

26 * * *

27 (C) UNAUTHORIZED USE OF DATA.--ANY PERSON WHO KNOWINGLY
28 RELEASES COUNCIL DATA VIOLATING THE PATIENT CONFIDENTIALITY,
29 ACTUAL PAYMENTS, DISCOUNT DATA OR RAW DATA SAFEGUARDS SET FORTH
30 IN THIS SECTION TO AN UNAUTHORIZED PERSON COMMITS A MISDEMEANOR

1 OF THE FIRST DEGREE AND SHALL, UPON CONVICTION, BE SENTENCED TO
2 PAY A FINE OF \$10,000 OR TO IMPRISONMENT FOR NOT MORE THAN FIVE
3 YEARS, OR BOTH. AN UNAUTHORIZED PERSON WHO KNOWINGLY RECEIVES OR
4 POSSESSES SUCH DATA COMMITS A MISDEMEANOR OF THE FIRST DEGREE.

5 (D) UNAUTHORIZED ACCESS TO DATA.--SHOULD ANY PERSON
6 INADVERTENTLY OR BY COUNCIL ERROR GAIN ACCESS TO DATA THAT
7 VIOLATES THE SAFEGUARDS SET FORTH IN THIS SECTION, THE DATA MUST
8 IMMEDIATELY BE RETURNED, WITHOUT DUPLICATION, TO THE COUNCIL
9 WITH PROPER NOTIFICATION.

10 (E) PUBLIC ACCESS TO RECORDS.--ALL PUBLIC REPORTS PREPARED
11 BY THE COUNCIL SHALL BE PUBLIC RECORDS AND SHALL BE AVAILABLE TO
12 THE PUBLIC FOR A REASONABLE FEE, AND COPIES SHALL BE PROVIDED,
13 UPON REQUEST OF THE CHAIR, TO THE PUBLIC HEALTH AND WELFARE
14 COMMITTEE OF THE SENATE AND THE HEALTH AND WELFARE COMMITTEE OF
15 THE HOUSE OF REPRESENTATIVES.

16 (F) ACCESS TO RAW COUNCIL DATA BY PURCHASERS.--PURSUANT TO
17 SECTIONS 5(D)(5) AND 7(B) AND SUBJECT TO THE LIMITATIONS ON
18 ACCESS SET FORTH IN SUBSECTION (B), THE COUNCIL SHALL PROVIDE
19 ACCESS TO ITS RAW DATA TO PURCHASERS IN ACCORDANCE WITH THE
20 FOLLOWING PROCEDURE:

21 (1) SPECIAL REPORTS DERIVED FROM RAW DATA OF THE COUNCIL
22 SHALL BE PROVIDED BY THE COUNCIL TO ANY PURCHASER REQUESTING
23 SUCH REPORTS.

24 (2) A MEANS TO ENABLE COMPUTER-TO-COMPUTER ACCESS BY ANY
25 PURCHASER TO RAW DATA OF THE COUNCIL AS DEFINED IN SECTION 3
26 SHALL BE DEVELOPED, ADOPTED AND IMPLEMENTED BY THE COUNCIL,
27 AND THE COUNCIL SHALL PROVIDE SUCH ACCESS TO ITS RAW DATA TO
28 ANY PURCHASER UPON REQUEST.

29 (3) IN THE EVENT THAT ANY EMPLOYER OBTAINS FROM THE
30 COUNCIL, PURSUANT TO PARAGRAPH (1) OR (2), DATA PERTAINING TO

1 ITS EMPLOYEES AND THEIR DEPENDENTS FOR WHOM SAID EMPLOYER
2 PURCHASES OR OTHERWISE PROVIDES COVERED SERVICES AS DEFINED
3 IN SECTION 3 AND WHO ARE REPRESENTED BY A CERTIFIED
4 COLLECTIVE BARGAINING REPRESENTATIVE, SAID COLLECTIVE
5 BARGAINING REPRESENTATIVE SHALL BE ENTITLED TO THAT SAME
6 DATA, AFTER PAYMENT OF FEES AS SPECIFIED IN PARAGRAPH (4).
7 LIKEWISE, SHOULD A CERTIFIED COLLECTIVE BARGAINING
8 REPRESENTATIVE OBTAIN FROM THE COUNCIL, PURSUANT TO PARAGRAPH
9 (1) OR (2), DATA PERTAINING TO ITS MEMBERS AND THEIR
10 DEPENDENTS WHO ARE EMPLOYED BY AND FOR WHOM COVERED SERVICES
11 ARE PURCHASED OR OTHERWISE PROVIDED BY ANY EMPLOYER, SAID
12 EMPLOYER SHALL BE ENTITLED TO THAT SAME DATA, AFTER PAYMENT
13 OF FEES AS SPECIFIED IN PARAGRAPH (4).

14 (4) IN PROVIDING FOR ACCESS TO ITS RAW DATA, THE COUNCIL
15 SHALL CHARGE THE PURCHASERS WHICH ORIGINALLY OBTAINED SUCH
16 ACCESS A FEE SUFFICIENT TO COVER ITS COSTS TO PREPARE AND
17 PROVIDE SPECIAL REPORTS REQUESTED PURSUANT TO PARAGRAPH (1)
18 OR TO PROVIDE COMPUTER-TO-COMPUTER ACCESS TO ITS RAW DATA
19 REQUESTED PURSUANT TO PARAGRAPH (2). SHOULD A SECOND OR
20 SUBSEQUENT PARTY OR PARTIES REQUEST THIS SAME INFORMATION
21 PURSUANT TO PARAGRAPH (3), THE COUNCIL SHALL CHARGE SAID
22 PARTY A REASONABLE FEE.

23 (G) ACCESS TO RAW COUNCIL DATA BY OTHER PARTIES.--SUBJECT TO
24 THE LIMITATIONS ON ACCESS TO RAW COUNCIL DATA SET FORTH IN
25 SUBSECTION (B), THE COUNCIL MAY, AT ITS DISCRETION, PROVIDE
26 SPECIAL REPORTS DERIVED FROM ITS RAW DATA OR COMPUTER-TO-
27 COMPUTER ACCESS TO PARTIES OTHER THAN PURCHASERS. THE COUNCIL
28 SHALL PUBLISH REGULATIONS THAT SET FORTH THE CRITERIA AND THE
29 PROCEDURE IT SHALL USE IN MAKING DETERMINATIONS ON SUCH ACCESS,
30 PURSUANT TO THE POWERS VESTED IN THE COUNCIL IN SECTION 4. IN

1 PROVIDING SUCH ACCESS, THE COUNCIL SHALL CHARGE THE PARTY
2 REQUESTING THE ACCESS A REASONABLE FEE.

3 SECTION 5. SECTION 11 OF THE ACT IS REENACTED TO READ:

4 SECTION 11. SPECIAL STUDIES AND REPORTS.

5 (A) SPECIAL STUDIES.--ANY COMMONWEALTH AGENCY MAY PUBLISH OR
6 CONTRACT FOR PUBLICATION OF SPECIAL STUDIES. ANY SPECIAL STUDY
7 SO PUBLISHED SHALL BECOME A PUBLIC DOCUMENT.

8 (B) SPECIAL REPORTS.--

9 (1) ANY COMMONWEALTH AGENCY MAY STUDY AND ISSUE A REPORT
10 ON THE SPECIAL MEDICAL NEEDS, DEMOGRAPHIC CHARACTERISTICS,
11 ACCESS OR LACK THEREOF TO HEALTH CARE SERVICES AND NEED FOR
12 FINANCING OF HEALTH CARE SERVICES OF:

13 (I) SENIOR CITIZENS, PARTICULARLY LOW-INCOME SENIOR
14 CITIZENS, SENIOR CITIZENS WHO ARE MEMBERS OF MINORITY
15 GROUPS AND SENIOR CITIZENS RESIDING IN LOW-INCOME URBAN
16 OR RURAL AREAS.

17 (II) LOW-INCOME URBAN OR RURAL AREAS.

18 (III) MINORITY COMMUNITIES.

19 (IV) WOMEN.

20 (V) CHILDREN.

21 (VI) UNEMPLOYED WORKERS.

22 (VII) VETERANS.

23 THE REPORTS SHALL INCLUDE INFORMATION ON THE CURRENT
24 AVAILABILITY OF SERVICES TO THESE TARGETED PARTS OF THE
25 POPULATION, AND WHETHER ACCESS TO SUCH SERVICES HAS INCREASED
26 OR DECREASED OVER THE PAST TEN YEARS, AND SPECIFIC
27 RECOMMENDATIONS FOR THE IMPROVEMENT OF THEIR PRIMARY CARE AND
28 HEALTH DELIVERY SYSTEMS, INCLUDING DISEASE PREVENTION AND
29 COMPREHENSIVE HEALTH CARE SERVICES. THE DEPARTMENT MAY ALSO
30 STUDY AND REPORT ON THE EFFECTS OF USING PREPAID, CAPITATED

OR HMO HEALTH DELIVERY SYSTEMS AS WAYS TO PROMOTE THE
DELIVERY OF PRIMARY HEALTH CARE SERVICES TO THE UNDERSERVED
SEGMENTS OF THE POPULATION ENUMERATED ABOVE.

(2) THE DEPARTMENT MAY STUDY AND REPORT ON THE SHORT-
TERM AND LONG-TERM FISCAL AND PROGRAMMATIC IMPACT ON THE
HEALTH CARE CONSUMER OF CHANGES IN OWNERSHIP OF HOSPITALS
FROM NONPROFIT TO PROFIT, WHETHER THROUGH PURCHASE, MERGER OR
THE LIKE. THE DEPARTMENT MAY ALSO STUDY AND REPORT ON FACTORS
WHICH HAVE THE EFFECT OF EITHER REDUCING PROVIDER REVENUE OR
INCREASING PROVIDER COST, AND OTHER FACTORS BEYOND A
PROVIDER'S CONTROL WHICH REDUCE PROVIDER COMPETITIVENESS IN
THE MARKETPLACE, ARE EXPLAINED IN THE REPORTS.

SECTION 6. SECTION 12 OF THE ACT IS REENACTED AND AMENDED TO
READ:

SECTION 12. ENFORCEMENT; PENALTY.

* * *

(A) COMPLIANCE ENFORCEMENT.--THE COUNCIL SHALL HAVE STANDING
TO BRING AN ACTION IN LAW OR IN EQUITY THROUGH PRIVATE COUNSEL
IN ANY COURT OF COMMON PLEAS TO ENFORCE COMPLIANCE WITH ANY
PROVISION OF THIS ACT, EXCEPT SECTION 11, OR ANY REQUIREMENT OR
APPROPRIATE REQUEST OF THE COUNCIL MADE PURSUANT TO THIS ACT. IN
ADDITION, THE ATTORNEY GENERAL IS AUTHORIZED AND SHALL BRING ANY
SUCH ENFORCEMENT ACTION IN AID OF THE COUNCIL IN ANY COURT OF
COMMON PLEAS AT THE REQUEST OF THE COUNCIL IN THE NAME OF THE
COMMONWEALTH.

(B) PENALTY.--

(1) ANY PERSON WHO FAILS TO SUPPLY DATA PURSUANT TO
SECTION 6 [COMMITTS A MISDEMEANOR OF THE THIRD DEGREE AND
SHALL, UPON CONVICTION, BE SENTENCED TO PAY A FINE NOT TO
EXCEED \$1,000. EACH DAY ON WHICH THE REQUIRED DATA IS NOT

SUBMITTED CONSTITUTES A SEPARATE OFFENSE UNDER THIS
PARAGRAPH.] ~~MAY~~ SHALL BE ASSESSED A CIVIL PENALTY NOT TO
EXCEED \$1,000 FOR EACH DAY THE DATA IS NOT SUBMITTED.

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

SECTION 7. SECTIONS 13, 14, 15, 16, 17.1 AND 18 OF THE ACT
ARE REENACTED TO READ:

SECTION 13. RESEARCH AND DEMONSTRATION PROJECTS.

THE COUNCIL SHALL ACTIVELY ENCOURAGE RESEARCH AND
DEMONSTRATIONS TO DESIGN AND TEST IMPROVED METHODS OF ASSESSING
PROVIDER QUALITY, PROVIDER SERVICE EFFECTIVENESS AND EFFICIENCY.
TO THAT END, PROVIDED THAT NO DATA SUBMISSION REQUIREMENTS IN A
MANDATED DEMONSTRATION MAY EXCEED THE CURRENT RESERVE FIELD ON
THE PENNSYLVANIA UNIFORM CLAIMS AND BILLING FORM, THE COUNCIL
MAY:

(1) AUTHORIZE CONTRACTORS ENGAGED IN HEALTH SERVICES
RESEARCH SELECTED BY THE COUNCIL, PURSUANT TO THE PROVISIONS
OF SECTION 16, TO HAVE ACCESS TO THE COUNCIL'S RAW DATA
FILES, PROVIDING SUCH ENTITIES ASSUME ANY CONTRACTUAL
OBLIGATIONS IMPOSED BY THE COUNCIL TO ASSURE PATIENT IDENTITY
CONFIDENTIALITY.

(2) PLACE DATA SOURCES PARTICIPATING IN RESEARCH AND

1 DEMONSTRATIONS ON DIFFERENT DATA SUBMISSION REQUIREMENTS FROM
2 OTHER DATA SOURCES IN THIS COMMONWEALTH.

3 (3) REQUIRE DATA SOURCE PARTICIPATION IN RESEARCH AND
4 DEMONSTRATION PROJECTS WHEN THIS IS THE ONLY TESTING METHOD
5 THE COUNCIL DETERMINES IS PROMISING.

6 SECTION 14. GRIEVANCES AND GRIEVANCE PROCEDURES.

7 (A) PROCEDURES AND REQUIREMENTS.--PURSUANT TO ITS POWERS TO
8 PUBLISH REGULATIONS UNDER SECTION 5(B) AND WITH THE REQUIREMENTS
9 OF THIS SECTION, THE COUNCIL IS HEREBY AUTHORIZED AND DIRECTED
10 TO ESTABLISH PROCEDURES AND REQUIREMENTS FOR THE FILING, HEARING
11 AND ADJUDICATION OF GRIEVANCES AGAINST THE COUNCIL OF ANY DATA
12 SOURCE. SUCH PROCEDURES AND REQUIREMENTS SHALL BE PUBLISHED IN
13 THE PENNSYLVANIA BULLETIN PURSUANT TO LAW.

14 (B) CLAIMS; HEARINGS.--GRIEVANCE CLAIMS OF ANY DATA SOURCE
15 SHALL BE SUBMITTED TO THE COUNCIL OR TO A THIRD PARTY DESIGNATED
16 BY THE COUNCIL, AND THE COUNCIL OR THE DESIGNATED THIRD PARTY
17 SHALL CONVENE A HEARING, IF REQUESTED, AND ADJUDICATE THE
18 GRIEVANCE.

19 SECTION 15. ANTITRUST PROVISIONS.

20 PERSONS OR ENTITIES REQUIRED TO SUBMIT DATA OR INFORMATION
21 UNDER THIS ACT OR RECEIVING DATA OR INFORMATION FROM THE COUNCIL
22 IN ACCORDANCE WITH THIS ACT ARE DECLARED TO BE ACTING PURSUANT
23 TO STATE REQUIREMENTS EMBODIED IN THIS ACT AND SHALL BE EXEMPT
24 FROM ANTITRUST CLAIMS OR ACTIONS GROUNDED UPON SUBMISSION OR
25 RECEIPT OF SUCH DATA OR INFORMATION.

26 SECTION 16. CONTRACTS WITH VENDORS.

27 ANY CONTRACT WITH ANY VENDOR OTHER THAN A SOLE SOURCE VENDOR
28 FOR PURCHASE OF SERVICES OR FOR PURCHASE OR LEASE OF SUPPLIES
29 AND EQUIPMENT RELATED TO THE COUNCIL'S POWERS AND DUTIES SHALL
30 BE LET ONLY AFTER A PUBLIC BIDDING PROCESS AND ONLY IN

1 ACCORDANCE WITH THE FOLLOWING PROVISIONS, AND NO CONTRACT SHALL
2 BE LET BY THE COUNCIL THAT DOES NOT CONFORM TO THESE PROVISIONS:

3 (1) THE COUNCIL SHALL PREPARE SPECIFICATIONS FULLY
4 DESCRIBING THE SERVICES TO BE RENDERED OR EQUIPMENT OR
5 SUPPLIES TO BE PROVIDED BY A VENDOR AND SHALL MAKE THESE
6 SPECIFICATIONS AVAILABLE FOR INSPECTION BY ANY PERSON AT THE
7 COUNCIL'S OFFICES DURING NORMAL WORKING HOURS AND AT SUCH
8 OTHER PLACES AND SUCH OTHER TIMES AS THE COUNCIL DEEMS
9 ADVISABLE.

10 (2) THE COUNCIL SHALL PUBLISH NOTICE OF INVITATIONS TO
11 BID IN THE PENNSYLVANIA BULLETIN. THE COUNCIL SHALL ALSO
12 PUBLISH SUCH NOTICE IN AT LEAST FOUR NEWSPAPERS IN GENERAL
13 CIRCULATION IN THE COMMONWEALTH ON AT LEAST THREE OCCASIONS
14 AT INTERVALS OF NOT LESS THAN THREE DAYS. SAID NOTICE SHALL
15 INCLUDE AT LEAST THE FOLLOWING:

16 (I) THE DEADLINE FOR SUBMISSION OF BIDS BY
17 PROSPECTIVE VENDORS, WHICH SHALL BE NO SOONER THAN 30
18 DAYS FOLLOWING THE LATEST PUBLICATION OF THE NOTICE AS
19 PRESCRIBED IN THIS PARAGRAPH.

20 (II) THE LOCATIONS, DATES AND TIMES DURING WHICH
21 PROSPECTIVE VENDORS CAN EXAMINE THE SPECIFICATIONS
22 REQUIRED IN PARAGRAPH (1).

23 (III) THE DATE, TIME AND PLACE OF THE MEETING OR
24 MEETINGS OF THE COUNCIL AT WHICH BIDS WILL BE OPENED AND
25 ACCEPTED.

26 (IV) A STATEMENT TO THE EFFECT THAT ANY PERSON IS
27 ELIGIBLE TO BID.

28 (3) BIDS SHALL BE ACCEPTED AS FOLLOWS:

29 (I) NO COUNCIL MEMBER WHO IS AFFILIATED IN ANY WAY
30 WITH ANY BIDDER SHALL VOTE ON THE AWARDING OF ANY

1 CONTRACT FOR WHICH SAID BIDDER HAS SUBMITTED A BID, AND
2 ANY COUNCIL MEMBER WHO HAS AN AFFILIATION WITH A BIDDER
3 SHALL STATE THE NATURE OF THE AFFILIATION PRIOR TO ANY
4 VOTE OF THE COUNCIL.

5 (II) BIDS SHALL BE OPENED AND REVIEWED BY THE
6 APPROPRIATE COUNCIL COMMITTEE, WHICH SHALL MAKE
7 RECOMMENDATIONS TO THE COUNCIL ON APPROVAL. BIDS SHALL BE
8 ACCEPTED AND SUCH ACCEPTANCE SHALL BE ANNOUNCED ONLY AT A
9 PUBLIC MEETING OF THE COUNCIL AS DEFINED IN SECTION 4(E),
10 AND NO BIDS SHALL BE ACCEPTED AT AN EXECUTIVE SESSION OF
11 THE COUNCIL.

12 (III) THE COUNCIL MAY REQUIRE THAT A CERTIFIED
13 CHECK, IN AN AMOUNT DETERMINED BY THE COUNCIL, ACCOMPANY
14 EVERY BID, AND, WHEN SO REQUIRED, NO BID SHALL BE
15 ACCEPTED UNLESS SO ACCOMPANIED.

16 (4) IN ORDER TO PREVENT ANY PARTY FROM DELIBERATELY
17 UNDERBIDDING CONTRACTS IN ORDER TO GAIN OR PREVENT ACCESS TO
18 COUNCIL DATA, THE COUNCIL MAY AWARD ANY CONTRACT AT ITS
19 DISCRETION, REGARDLESS OF THE AMOUNT OF THE BID, PURSUANT TO
20 THE FOLLOWING:

21 (I) ANY BID ACCEPTED MUST REASONABLY REFLECT THE
22 ACTUAL COST OF SERVICES PROVIDED.

23 (II) ANY VENDOR SO SELECTED BY THE COUNCIL SHALL BE
24 FOUND BY THE COUNCIL TO BE OF SUCH CHARACTER AND SUCH
25 INTEGRITY AS TO ASSURE, TO THE MAXIMUM EXTENT POSSIBLE,
26 ADHERENCE TO ALL THE PROVISIONS OF THIS ACT IN THE
27 PROVISION OF CONTRACTED SERVICES.

28 (III) THE COUNCIL MAY REQUIRE THE SELECTED VENDOR TO
29 FURNISH, WITHIN 20 DAYS AFTER THE CONTRACT HAS BEEN
30 AWARDED, A BOND WITH SUITABLE AND REASONABLE REQUIREMENTS

1 GUARANTEEING THE SERVICES TO BE PERFORMED WITH SUFFICIENT
2 SURETY IN AN AMOUNT DETERMINED BY THE COUNCIL, AND UPON
3 FAILURE TO FURNISH SUCH BOND WITHIN THE TIME SPECIFIED,
4 THE PREVIOUS AWARD SHALL BE VOID.

5 (5) THE COUNCIL SHALL MAKE EFFORTS TO ASSURE THAT ITS
6 VENDORS HAVE ESTABLISHED AFFIRMATIVE ACTION PLANS TO ASSURE
7 EQUAL OPPORTUNITY POLICIES FOR HIRING AND PROMOTING
8 EMPLOYEES.

9 SECTION 17.1. REPORTING.

10 THE COUNCIL SHALL PROVIDE AN ANNUAL REPORT OF ITS FINANCIAL
11 EXPENDITURES TO THE APPROPRIATIONS COMMITTEE OF THE SENATE AND
12 THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

13 SECTION 18. SEVERABILITY.

14 THE PROVISIONS OF THIS ACT ARE SEVERABLE. IF ANY PROVISION OF
15 THIS ACT OR ITS APPLICATION TO ANY PERSON OR CIRCUMSTANCE IS
16 HELD INVALID, THE INVALIDITY SHALL NOT AFFECT OTHER PROVISIONS
17 OR APPLICATIONS OF THIS ACT WHICH CAN BE GIVEN EFFECT WITHOUT
18 THE INVALID PROVISION OR APPLICATION.

19 SECTION 8. SECTION 19 OF THE ACT IS REENACTED AND AMENDED TO
20 READ:

21 SECTION 19. SUNSET.

22 THIS ACT SHALL EXPIRE JUNE 30, [2003] ~~2009~~ 2008, UNLESS <—
23 REENACTED PRIOR TO [THAT DATE.] SEPTEMBER 1, 2008 2007. BY MARCH <—
24 1, 2008 2007, A WRITTEN REPORT BY THE LEGISLATIVE BUDGET AND <—
25 FINANCE COMMITTEE EVALUATING THE MANAGEMENT, VISIBILITY,
26 AWARENESS AND PERFORMANCE OF THE COUNCIL SHALL BE PROVIDED 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 INCLUDE A REVIEW OF THE
30 COUNCIL'S PROCEDURES AND POLICIES, THE AVAILABILITY AND QUALITY

1 OF DATA FOR COMPLETING REPORTS TO HOSPITALS AND OUTSIDE VENDOR
2 PURCHASERS; THE ABILITY OF THE COUNCIL TO BECOME SELF-SUFFICIENT
3 BY SELLING DATA TO OUTSIDE PURCHASERS; WHETHER THERE IS A MORE
4 COST-EFFICIENT WAY OF ACCOMPLISHING THE OBJECTIVES OF THE
5 COUNCIL AND THE NEED FOR REAUTHORIZATION OF THE COUNCIL.

6 ~~SECTION 4. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.~~ <—

7 SECTION 9. SECTION 20 OF THE ACT IS REENACTED TO READ: <—

8 SECTION 20. EFFECTIVE DATE.

9 THIS ACT SHALL TAKE EFFECT IMMEDIATELY.

10 SECTION 10. THIS ACT SHALL APPLY RETROACTIVELY TO JUNE 29,
11 2003.

12 SECTION 11. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.