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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**  
**No. 2371** Session of  
1996

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INTRODUCED BY THOMAS, BELARDI, YOUNGBLOOD, OLASZ, BISHOP,  
HORSEY, FICHTER, TRAVAGLIO, WOGAN, KIRKLAND, MYERS, WILLIAMS,  
JOSEPHS, RAMOS, MANDERINO AND ROEBUCK, FEBRUARY 2, 1996

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REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES,  
FEBRUARY 2, 1996

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AN ACT

1 Requiring full financial disclosure to the Department of Health  
2 and the Department of Public Welfare of certain transactions  
3 of health care providers in relation to health care  
4 facilities.

5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 Section 1. Definitions.

8 The following words and phrases when used in this act shall  
9 have the meanings given to them in this section unless the  
10 context clearly indicates otherwise:

11 "Health care facility" or "facility." Any health care  
12 facility providing clinically related health services,  
13 including, but not limited to, a general or special hospital,  
14 including psychiatric hospitals, rehabilitation hospitals,  
15 ambulatory surgical facilities, long-term care nursing  
16 facilities, cancer treatment centers using radiation therapy on  
17 an ambulatory basis and inpatient drug and alcohol treatment  
18 facilities, both profit and nonprofit and including those

1 operated by an agency of State or local government. The term  
2 shall not include an office used primarily for the private or  
3 group practice by health care practitioners where no reviewable  
4 clinically related health service is offered, a facility  
5 providing treatment solely on the basis of prayer or spiritual  
6 means in accordance with the tenets of any church or religious  
7 denomination or a facility conducted by a religious organization  
8 for the purpose of providing health care services exclusively to  
9 clergy or other persons in a religious profession who are  
10 members of the religious denominations conducting the facility.

11 "Health care provider" or "provider." An individual, a trust  
12 or estate, a partnership, a corporation (including associations,  
13 joint stock companies and insurance companies), the Commonwealth  
14 or a political subdivision or instrumentality (including a  
15 municipal corporation or authority) thereof that operates a  
16 health care facility. The term includes health insurance  
17 organizations and health maintenance organizations.

18 Section 2. Full financial disclosure.

19 The Department of Health and the Department of Public Welfare  
20 shall be given full disclosure of any financial arrangements and  
21 agreements made by health care providers in transactions  
22 relating to the following:

23 (1) The capitalization of a provider or a facility.

24 (2) A partnership agreement between providers,  
25 facilities, or both.

26 (3) The acquisition or consolidation of facilities.

27 Section 3. Other information.

28 The Department of Health and the Department of Public Welfare  
29 shall also be given all information concerning any transaction  
30 described in section 2 as such transaction may relate to the

1 following:

2 (1) The delivery of health care services.

3 (2) Client utilization.

4 (3) Quality assurance.

5 Section 4. Approval of certain transactions.

6 The approval of the Department of Health and the Department  
7 of Public Welfare shall be required for the acquisition,  
8 consolidation or merger of facilities by providers.

9 Section 5. Repeal.

10 All acts and parts of acts are repealed insofar as they are  
11 inconsistent with this act.

12 Section 6. Effective date.

13 This act shall take effect in 60 days.