

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1517 Session of
2007

INTRODUCED BY GODSHALL, CALTAGIRONE, CAPPELLI, CLYMER, GEIST,
HENNESSEY, HERSHEY, LENTZ, MANDERINO, MUSTIO, O'NEILL,
PHILLIPS AND YOUNGBLOOD, JUNE 7, 2007

REFERRED TO COMMITTEE ON INSURANCE, JUNE 7, 2007

AN ACT

1 Providing for health care professional joint negotiation with
2 health care insurers and for the powers and duties of the
3 Attorney General.

4 The General Assembly finds and declares as follows:

5 (1) Active, robust and fully competitive markets for
6 health care services provide the best opportunity for
7 residents of this Commonwealth to receive high-quality health
8 care services at an appropriate cost.

9 (2) A substantial amount of health care services in this
10 Commonwealth is purchased for the benefit of patients by
11 health care insurers engaged in the provision of health care
12 financing services or is otherwise delivered subject to the
13 terms of agreements between health care insurers and health
14 care professionals.

15 (3) Health care insurers are able to control the flow of
16 patients to health care professionals through compelling
17 financial incentives for patients in their plans to utilize
18 only the services of professionals with whom the insurers

1 have contracted.

2 (4) Health care insurers also control the health care
3 services rendered to patients through utilization review
4 programs and other managed care tools and associated coverage
5 and payment policies.

6 (5) The power of health care insurers in markets of this
7 Commonwealth for health care services has become great enough
8 to create a competitive imbalance, reducing levels of
9 competition and threatening the availability of high-quality,
10 cost-effective health care.

11 (6) In many areas of this Commonwealth, the health care
12 financing market is dominated by one or two health care
13 insurers, with some insurers controlling over 50% of the
14 market.

15 (7) Health care insurers often are able to virtually
16 dictate the terms of the provider contracts that they offer
17 physicians and other health care professionals and commonly
18 offer provider contracts on a take-it-or-leave-it basis.

19 (8) The power of health care insurers to unilaterally
20 impose provider contract terms jeopardizes the ability of
21 physicians and other health care professionals to deliver the
22 superior quality health care services that have been
23 traditionally available in this Commonwealth.

24 (9) Physicians and other health care professionals do
25 not have sufficient market power to reject unfair provider
26 contract terms that impede their ability to deliver medically
27 appropriate care without undue delay or hassle.

28 (10) Inequitable reimbursement and other unfair payment
29 terms adversely affect quality patient care and access by
30 reducing the resources that health care professionals can

1 devote to patient care and decreasing the time that
2 physicians are able to spend with their patients.

3 (11) Inequitable reimbursement and other unfair payment
4 terms also endanger the health care infrastructure and
5 medical advancement by diverting capital needed for
6 reinvestment in the health care delivery system, curtailing
7 the purchase of state-of-the-art technology, the pursuit of
8 medical research and expansion of medical services, all to
9 the detriment of the residents of this Commonwealth.

10 (12) The inevitable collateral reduction and migration
11 of the health care work force also will have negative
12 consequences for this Commonwealth's economy.

13 (13) Empowering independent health care professionals to
14 jointly negotiate with health care insurers as provided in
15 this act will help restore the competitive balance and
16 improve competition in the markets for health care services
17 in this Commonwealth, thereby providing benefits for
18 consumers, health care professionals and less dominant health
19 care insurers.

20 (14) Allowing independent health care professionals to
21 jointly negotiate with health care insurers through a common
22 joint negotiation representative will improve the efficiency
23 and effectiveness of communications between the parties and
24 result in provider contracts that better reflect the mutual
25 areas of agreement.

26 (15) Markets in which health care insurers have market
27 power, either as sellers of health care services or as
28 purchasers of health care services, will not perform
29 competitively if health care insurers refuse to negotiate or
30 refuse to negotiate in good faith with groups of health care

professionals established pursuant to this act to engage in joint negotiations.

(16) This act is necessary, proper and constitutes an appropriate exercise of the authority of this Commonwealth to regulate the business of insurance and the delivery of health care services.

(17) The procompetitive and other benefits of the joint negotiations and related joint activity authorized by this act, including, but not limited to, restoring the competitive balance in the market for health care services, protecting access to quality patient care, promoting the health care infrastructure and medical advancement and improving communications, outweigh any anticompetitive effects.

(18) It is the intention of the General Assembly to authorize independent health care professionals to jointly negotiate with health care insurers and to qualify such joint negotiations and related joint activities for the State-action exemption to the Federal antitrust laws through the articulated State policy and active supervision provided in this act. It further is the intention of the General Assembly that health care insurers negotiate in good faith with groups of health care professionals established pursuant to this act to negotiate jointly.

TABLE OF CONTENTS

Section 1. Short title.

Section 2. Definitions.

Section 3. Negotiations regarding nonfee-related terms.

Section 4. Negotiations regarding fees and fee-related terms.

Section 5. Substantial market power.

Section 6. Conduct of negotiations.

1 Section 7. Attorney General oversight.
2 Section 8. Attorney General determinations.
3 Section 9. Notice and comment.
4 Section 10. Attorney General proceedings and appellate review.
5 Section 11. Confidentiality and disclosure.
6 Section 12. Good faith negotiations.
7 Section 13. Construction.
8 Section 14. Exclusions.
9 Section 15. Regulations.
10 Section 16. Repeals.
11 Section 17. Effective date.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. Short title.

15 This act shall be known and may be cited as the Health Care
16 Professional Joint Negotiation Act.

17 Section 2. Definitions.

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

21 "Attorney General." The Attorney General of the
22 Commonwealth.

23 "Covered lives." The total number of individuals who are
24 entitled to benefits under a health care insurance plan,
25 including, but not limited to, beneficiaries, subscribers and
26 members of the plan.

27 "Health care insurer." Except as provided in section 14, an
28 entity subject to the insurance laws of this Commonwealth or
29 otherwise subject to the jurisdiction of the Insurance
30 Commissioner which contracts or offers to contract to provide,

1 deliver, arrange for, pay for or reimburse any of the costs of
2 health care services, including an entity licensed under any of
3 the following:

4 (1) The act of May 17, 1921 (P.L.682, No.284), known as
5 The Insurance Company Law of 1921.

6 (2) The act of December 29, 1972 (P.L.1701, No.364),
7 known as the Health Maintenance Organization Act.

8 (3) The act of December 14, 1992 (P.L.835, No.134),
9 known as the Fraternal Benefit Societies Code.

10 (4) 40 Pa.C.S. Ch. 61 (relating to hospital plan
11 corporations).

12 (5) 40 Pa.C.S. Ch. 63 (relating to professional health
13 services plan corporations).

14 A third-party administrator shall be considered a health care
15 insurer when interacting with health care professionals and
16 enrollees on behalf of a health care insurer.

17 "Health care insurer affiliate." An entity that is
18 affiliated with health care insurer by either the insurer or
19 entity having a 5% or greater, direct or indirect, ownership or
20 investment interest in the other through equity, debt or other
21 means.

22 "Health care professional." An individual who is licensed,
23 certified or otherwise regulated to provide health care services
24 under the laws of this Commonwealth, including, but not limited
25 to, a physician, dentist, podiatrist, optometrist, pharmacist,
26 psychologist, chiropractor, physical therapist, certified nurse
27 practitioner or nurse midwife. For the purposes of this act
28 professional corporations and partnerships of health care
29 professionals may exercise the joint negotiation rights of
30 individual health care professionals under this act.

1 "Health care services." Services for the diagnosis,
2 prevention, treatment, cure or relief of a health condition,
3 injury, disease or illness, including, but not limited to, the
4 professional and technical component of professional services,
5 supplies, drugs and biologicals, diagnostic X-ray, laboratory
6 and other diagnostic tests, preventive screening services and
7 tests, such as pap smears and mammograms, X-ray, radium and
8 radioactive isotope therapy, surgical dressings, devices for the
9 reduction of fractures, durable medical equipment, braces,
10 trusses, artificial limbs and eyes, dialysis services, home
11 health services and hospital and other facility services.

12 "HMO." A health maintenance organization. The term includes
13 any health care insurer product that requires enrollees to use
14 health care professionals in a designated provider network to
15 obtain covered services except in limited circumstances such as
16 emergencies.

17 "Joint negotiation." Negotiation with a health care insurer
18 by two or more independent health care professionals acting
19 together as part of a formal entity or group or otherwise,
20 including, but not limited to, the exchange of information among
21 the professionals that is reasonably necessary and related to
22 the establishment of the group or preparation for discussions
23 with the insurer, an agreement among the professionals to
24 terminate their contracts with the insurer if the health care
25 insurer refuses to negotiate or negotiates in bad faith, and an
26 agreement among the professionals at the end of negotiations to
27 accept or not accept the contractual terms in a provider
28 contract offered by the health care insurer.

29 "Joint negotiation representative." A representative
30 selected by a group of independent health care professionals to

1 be the group's representative in joint negotiations with a
2 health care insurer under this act.

3 "POS." A point-of-service plan, including, but not limited
4 to, a variation of an HMO that provides limited coverage for
5 certain out-of-network services.

6 "PPO." A preferred provider organization. The term includes
7 any health care insurer product, other than an HMO or POS
8 product, that provides financial incentives for enrollees to use
9 health care professionals in a designated provider network for
10 covered services.

11 "Provider contract." An agreement between a health care
12 professional and a health care insurer which sets forth the
13 terms and conditions under which the professional is to deliver
14 health care services to enrollees of the insurer. The term does
15 not include employment contracts between a health care insurer
16 and a health care professional.

17 "Provider network." A group of health care professionals who
18 have provider contracts with a health care insurer.

19 "Self-funded health benefit plan." A plan that provides for
20 the assumption of the cost of or spreading the risk of loss
21 resulting from health care services of covered lives by an
22 employer, union or other sponsor, substantially out of the
23 current revenues, assets or any other funds of the sponsor.

24 "Third-party administrator." An entity that provides
25 utilization review, provider network credentialing or other
26 administrative services for a health care insurer or a self-
27 funded health benefit plan.

28 Section 3. Negotiations regarding nonfee-related terms.

29 Independent health care professionals may jointly negotiate
30 with a health care insurer and engage in related joint activity,

1 as provided in sections 6 and 7, regarding nonfee-related
2 matters which can affect patient care, including, but not
3 limited to, any of the following:

4 (1) A definition of medical necessity and other
5 conditions of coverage.

6 (2) Utilization review criteria and procedures.

7 (3) Clinical practice guidelines.

8 (4) Preventive care and other medical management
9 policies.

10 (5) Patient referral standards and procedures,
11 including, but not limited to, those applicable to out-of-
12 network referrals.

13 (6) Drug formularies and standards and procedures for
14 prescribing off-formulary drugs.

15 (7) Quality assurance programs.

16 (8) Respective health care professional and health care
17 insurer liability for the treatment or lack of treatment of
18 plan enrollees.

19 (9) The methods and timing of payments, including, but
20 not limited to, interest and penalties for late payments.

21 (10) Other administrative procedures, including, but not
22 limited to, enrollee eligibility verification systems and
23 claim documentation requirements.

24 (11) Credentialing standards and procedures for the
25 selection, retention and termination of participating health
26 care professionals.

27 (12) Mechanisms for resolving disputes between the
28 health care insurer and health care professionals, including,
29 but not limited to, the appeals process for utilization
30 review and credentialing determination.

(13) The health insurance plans sold or administered by the insurer in which the health care professionals are required to participate.

Section 4. Negotiations regarding fees and fee-related terms.

When a health care insurer has substantial market power over independent health care professionals, the professionals may jointly negotiate with health care insurers and engage in related joint activity, as provided in sections 6 and 7 regarding fees and fee-related matters, including, but not limited to, any of the following:

(1) The amount of payment or the methodology for determining the payment for a health care service.

(2) The conversion factor for a resource-based relative value scale or similar reimbursement methodology for health care services.

(3) The amount of any discount on the price of a health care service.

(4) The procedure code or other description of the health care service or services covered by a payment.

(5) The amount of a bonus related to the provision of health care services or a withhold from the payment due for a health care service.

(6) The amount of any other component of the reimbursement methodology for a health care service.

Section 5. Substantial market power.

(a) General rule.--A health care insurer has substantial market power over health care professionals when:

(1) the insurer's market share in the comprehensive health care financing market or a relevant segment of that market, alone or in combination with the market shares of

1 affiliates, exceeds either 15% of the covered lives in the
2 geographic service area of the professionals seeking to
3 jointly negotiate or \$25,000 covered lives; or

4 (2) the Attorney General determines that the market
5 power of the insurer in the relevant product and geographic
6 markets for the services of the professionals seeking to
7 jointly negotiate significantly exceeds the countervailing
8 market power of the professionals acting individually.

9 (b) Comprehensive health care financing market.--The
10 comprehensive health care financing market includes:

11 (1) All health care insurer products which provide
12 comprehensive coverage, alone or in combination with other
13 products sold together as a package, including, but not
14 limited to, indemnity, HMO, PPO and POS products and
15 packages.

16 (2) Self-funded health benefit plans which provide
17 comprehensive coverage.

18 (c) Relevant market segments.--Relevant market segments in
19 the comprehensive health care financing market shall include the
20 following:

21 (1) Health care insurer products and self-funded health
22 benefit plans.

23 (2) Within the health care insurer product category,
24 private health insurance, Medicare HMO, PPO and POS and
25 Medicaid HMO.

26 (3) Within the private health insurance category,
27 indemnity, HMO, PPO and POS products.

28 (4) Such other segments as the Attorney General
29 determines are appropriate for purposes of determining
30 whether a health care insurer has substantial market power.

(d) Insurance Commissioner to calculate covered lives.--

(1) By March 31 of each year, the Insurance Commissioner shall calculate the number of covered lives of each health care insurer and its affiliates in the comprehensive health care financing market and in each relevant market segment for each county of this Commonwealth. The Insurance Commissioner shall make these calculations by averaging quarterly data from the preceding year unless the Insurance Commissioner determines that it would be more appropriate to use other data and information. The Insurance Commissioner may recalculate covered lives determinations earlier than the required annual recalculation when the Insurance Commissioner deems appropriate.

(2) Recipients of Medicare, Medicaid and other governmental programs shall not be counted as covered lives in the health care financing market unless they receive their governmental program coverage through an HMO or another health care insurer product.

(3) When calculating the market power of a health care insurer or affiliate that has third-party administration products, the covered lives of the health care insurers and self-funded health benefit plans for whom the insurer or affiliate provides administrative services shall be treated as the covered lives of the insurer or affiliate.

(4) The Insurance Commissioner's covered lives calculations shall be used for purposes of determining the market power of health care insurers in the comprehensive health care financing market from the date of the determination until the next annual determination or until the Insurance Commissioner recalculates the determination,

1 whichever is earlier.

2 (5) In cases where the relevant geographic market is
3 multiple counties, the Insurance Commissioner's calculations
4 for those counties shall be aggregated when counting the
5 covered lives of the health care insurer whose market power
6 is being evaluated.

7 (6) The Insurance Commissioner shall collect and
8 investigate information necessary to calculate the covered
9 lives of health care insurers and their affiliates.

10 Section 6. Conduct of negotiations.

11 The following requirements shall apply to the exercise of
12 joint negotiation rights and related activity under this act:

13 (1) The health care professionals shall select the
14 members of their joint negotiation group by mutual agreement.

15 (2) The health care professionals shall designate a
16 joint negotiation representative as the sole party authorized
17 to negotiate with the health care insurer on behalf of the
18 health care professionals as a group.

19 (3) The health care professionals may communicate with
20 each other and their joint negotiation representative with
21 respect to the matters to be negotiated with the health care
22 insurer.

23 (4) The health care professionals may agree upon a
24 proposal to be presented by their joint negotiation
25 representative to the health care insurer.

26 (5) The health care professionals may agree to be bound
27 by the terms and conditions negotiated by their joint
28 negotiation representative.

29 (6) The health care professionals' joint negotiation
30 representative may provide the health care professionals with

1 the results of negotiations with the health care insurer and
2 an evaluation of any offer made by the health care insurer.

3 (7) The health care professionals' joint negotiation
4 representative shall advise the health care professionals of
5 the provisions of this act and shall inform the health care
6 professionals of the potential for legal action against
7 health care professionals who violate the Federal antitrust
8 laws.

9 (8) The health care professionals may not negotiate the
10 inclusion or alteration of terms and conditions to the extent
11 the terms or conditions are required or prohibited by
12 government regulation. This paragraph shall not be construed
13 to limit the right of health care professionals to jointly
14 petition government for a change in such regulation.

15 (9) The health care professionals shall not jointly
16 coordinate any cessation of health care services. This
17 prohibition does not preclude health care professionals from
18 jointly agreeing to terminate their provider contracts in
19 accordance with section 7(c) or to reject a contract proposal
20 in accordance with section 7(d). In the event the health care
21 professionals exercise those rights, they shall decide on an
22 individual basis whether to continue to provide care to
23 enrollees of the health care insurer as an out-of-network
24 provider pursuant to private contracts with the enrollees.

25 Section 7. Attorney General oversight.

26 (a) Petition for approval to proceed with negotiations.--
27 Before engaging in any joint negotiation with a health care
28 insurer, health care professionals shall obtain the Attorney
29 General's approval to proceed with the negotiations. The
30 petition seeking approval shall include:

1 (1) The name and business address of the health care
2 professionals' joint negotiation representative.

3 (2) The names and business addresses of the health care
4 professionals petitioning to jointly negotiate.

5 (3) The name and business address of the health care
6 insurer or insurers with which the petitioning professionals
7 seek to jointly negotiate.

8 (4) The proposed subject matter of the negotiations or
9 discussions with the health care insurer or insurers.

10 (5) The proportionate relationship of the health care
11 professionals to the total population of health care
12 professionals in the relevant geographic service area of the
13 professionals by professional type and specialty.

14 (6) In the case of a petition seeking approval of joint
15 negotiations regarding one or more fee or fee-related terms,
16 a statement of the reasons why the health care insurer has
17 substantial market power over the health care professionals.

18 (7) A statement of the procompetitive and other benefits
19 of the proposed negotiations.

20 (8) The health care professional's joint negotiation
21 representative's plan of operation and procedures to ensure
22 compliance with this act.

23 (9) Such other data, information and documents that the
24 petitioners desire to submit in support of their petition.

25 (b) Supplemental petition.--The health care professionals
26 shall supplement a petition under subsection (a) or this
27 subsection as new information becomes available that indicates
28 that the subject matter of the proposed negotiations with the
29 health care insurer has or will materially change and must
30 obtain the Attorney General's approval of material changes. The

1 petition seeking approval shall include:

2 (1) The Attorney General's file reference for the
3 original petition for approval of joint negotiations.

4 (2) The proposed new subject matter.

5 (3) The information required by subsection (a)(6) and
6 (7) with respect to the proposed new subject matter.

7 (4) Such other data, information and documents that the
8 health care professionals desire to submit in support of
9 their petition.

10 (c) Petition to terminate contract.--If a health care
11 insurer refuses to negotiate or refuses to negotiate in good
12 faith with health care professionals who have been authorized to
13 jointly negotiate with the insurer, the professionals may
14 petition the Attorney General to permit them to terminate their
15 provider contracts with the insurer. The petition seeking
16 approval shall include:

17 (1) The Attorney General's file reference for the
18 original petition for approval of joint negotiations.

19 (2) The basis for the professional's belief that the
20 insurer has refused to negotiate or refused to negotiate in
21 good faith.

22 (3) Such other data, information and documents that the
23 health care professionals desire to submit in support of
24 their petition.

25 (d) Petition to reject contract proposal.--If health care
26 professionals who have been authorized to jointly negotiate with
27 a health care insurer and the insurer, after engaging in
28 negotiations, reach an impasse because the health care
29 professionals believe that the health care insurer refuses to
30 offer competitive or otherwise acceptable contract terms and

1 conditions, and the impasse continues for 30 days after either
2 party declares an impasse, the professionals may petition the
3 Attorney General to permit them to reject the contract proposal
4 offered by the insurer. The petition seeking approval shall
5 include:

6 (1) The Attorney General's file reference for the
7 original petition for approval of joint negotiations.

8 (2) A statement of the last offers made by the
9 professionals and the insurer.

10 (3) Evidence that one party declared an impasse and the
11 date on which the impasse was declared.

12 (4) The basis for the professional's belief that the
13 insurer's last offer is not competitive or is otherwise
14 unacceptable.

15 (5) Such other data, information and documents that the
16 health care professionals desire to submit in support of
17 their petition.

18 (e) Petition to approve contract terms.--No provider
19 contract terms negotiated under this act shall be effective
20 until the terms are approved by the Attorney General. The
21 petition seeking approval shall be jointly submitted by the
22 health care professionals and the health care insurer who are
23 parties to the contract. The petition shall include:

24 (1) The Attorney General's file reference for the
25 original petition for approval of joint negotiations.

26 (2) The negotiated provider contract terms.

27 (3) A statement of the procompetitive and other benefits
28 of the negotiated provider contract terms. This statement
29 shall constitute prima facie evidence that the standard set
30 forth in section 8(b)(4)(i) is satisfied.

1 (4) Such other data, information and documents that the
2 health care professionals or health care insurer desires to
3 submit in support of their petition.

4 (f) Renewal of negotiations.--Joint negotiations approved
5 under this act may continue until the health care insurer
6 notifies the joint negotiation representative for the health
7 care professionals that it declines to negotiate or is
8 terminating negotiations. If the health care insurer notifies
9 the joint negotiation representative for health care
10 professionals that it desires to resume negotiations within 60
11 days of the end of prior negotiations, the health care
12 professionals may renew the previously approved negotiations
13 without obtaining a separate approval of the renewal from the
14 Attorney General.

15 Section 8. Attorney General determinations.

16 (a) Time period for review.--The Office of Attorney General
17 shall either approve or disapprove a petition under section 7
18 within 30 days after the filing. If disapproved, the Attorney
19 General shall furnish a written explanation of any deficiencies
20 along with a statement of specific remedial measures as to how
21 such deficiencies may be corrected.

22 (b) Conditions requiring approval of petitions.--

23 (1) The Office of Attorney General shall approve a
24 petition under section 7(a) and (b) if:

25 (i) The procompetitive and other benefits of the
26 joint negotiations are not outweighed by any
27 anticompetitive effects.

28 (ii) In the case of a petition seeking approval to
29 jointly negotiate one or more fees or fee-related terms,
30 the health care insurer has substantial market power over

1 the health care professionals.

2 (2) The Office of Attorney General shall approve a
3 petition under section 7(c) if:

4 (i) The health care insurer with which the health
5 care professionals seek to engage in joint negotiations
6 has refused to negotiate or refused to negotiate in good
7 faith with the professionals.

8 (ii) The procompetitive and other benefits of the
9 health care professionals' decision to terminate the
10 contract are not outweighed by any anticompetitive
11 effects.

12 (3) The Office of Attorney General shall approve a
13 petition under section 7(d) if:

14 (i) The joint negotiations are at an impasse, notice
15 of the impasse was declared by one of the parties at
16 least 30 days before the petition was filed and the
17 Attorney General does not believe that the parties would
18 agree on contract terms and conditions within 60 days
19 after the petition was filed.

20 (ii) The procompetitive and other benefits of the
21 health care professionals' decision to reject the
22 insurer's last offer are not outweighed by any
23 anticompetitive effects.

24 (4) The Office of Attorney General shall approve a
25 petition under section 7(e) if:

26 (i) The procompetitive and other benefits of the
27 contract terms are not outweighed by any anticompetitive
28 effects.

29 (ii) The contract terms are consistent with other
30 applicable laws and regulations.

(5) The procompetitive and other benefits of joint negotiations or negotiated provider contract terms may include, but shall not be limited to:

(i) restoration of the competitive balance in the market for health care services;

(ii) protections for access to quality patient care;

(iii) promotion of the health care infrastructure and medical advancement; or

(iv) improved communications between health care professionals and health care insurers.

(6) When weighing the anticompetitive effects of provider contract terms, the Attorney General may consider whether the terms:

(i) provide for excessive payments; or

(ii) contribute to the escalation of the cost of providing health care services.

(c) Supplemental information.--For the purpose of enabling the Attorney General to make the findings and determinations required by this section, the Office of Attorney General may require the submission of such supplemental information as it may deem reasonably necessary or proper to enable it to reach a determination. The Attorney General shall not require the health care professionals to submit information that is available from the health care insurer or a State agency.

Section 9. Notice and comment.

(a) Notice to health insurer.--In the case of a petition under section 7 (a) through (d), the Attorney General shall notify the health insurer of the nature of the petition and provide the insurer with the opportunity to submit written comments within a specified time frame that does not extend

beyond the date on which the Attorney General is required to act on the petition.

(b) Public notice not required.--

(1) Except as provided in subsection (a), the Attorney General shall not be required to provide public notice of a petition under section 7, to hold a public hearing on the petition or to otherwise accept public comment on the petition.

(2) The Attorney General may, at his discretion, publish notice of a petition for approval of provider contract terms in the Pennsylvania Bulletin and receive written comment from interested persons, so long as the opportunity for public comment does not prevent the Attorney General from acting on the petition within the time period set forth in this act.

Section 10. Attorney General proceedings and appellate review.

(a) Request for hearing.--Within 30 days from the mailing of a notice of disapproval of a petition under section 7, the petitioners may make a written application to the Attorney General for a hearing.

(b) Scheduling of hearing.--Upon receipt of a timely written application for a hearing, the Attorney General shall schedule and conduct a hearing as provided for in 2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and Ch. 7 Subch. A (relating to judicial review of Commonwealth agency action). The hearing shall be held within 30 days of the application unless the petitioner seeks an extension.

(c) Mandamus order.--If the Attorney General does not issue a written approval or disapproval of a petition under section 7 within the required time period, the parties to the petition shall have the right to petition the Commonwealth Court for a

1 mandamus order requiring the Attorney General to approve or
2 disapprove the petition.

3 (d) Parties.--The sole parties with respect to any petition
4 under section 7 shall be the petitioners and the Attorney
5 General. Notwithstanding any provision of 2 Pa.C.S. Ch. 5 Subch.
6 A and Ch. 7 Subch. A, the Attorney General shall not be required
7 to treat any other person as a party and no other person shall
8 be entitled to appeal the Attorney General's determination.

9 Section 11. Confidentiality and disclosure.

10 All information, documents and copies thereof obtained by or
11 disclosed to the Attorney General or any other person in a
12 petition under section 7 or pursuant to a request for
13 supplemental information under section 8(c) shall be given
14 confidential treatment, shall not be subject to subpoena and
15 shall not be made public or otherwise disclosed by the Attorney
16 General or any other person without the written consent of the
17 petitioners to whom the information pertains.

18 Section 12. Good faith negotiations.

19 A health care insurer shall negotiate in good faith with
20 health care professionals regarding the terms of provider
21 contracts.

22 Section 13. Construction.

23 Nothing contained in this act shall be construed:

24 (1) To prohibit or restrict activity by health care
25 professionals that is sanctioned under the Federal or State
26 laws.

27 (2) To prohibit or require governmental approval of or
28 otherwise restrict activity by health care professionals that
29 is not prohibited under the Federal antitrust laws.

30 (3) To require approval of provider contracts terms to

1 the extent that the terms are exempt from State regulation
2 under section 514 of the Employee Retirement Income Security
3 Act of 1974 (Public Law 93-406, 88 Stat. 829).

4 (4) To expand a health care professional's scope of
5 practice or to require a health care insurer to contract with
6 any type or specialty of health care professionals.

7 Section 14. Exclusions.

8 Nothing contained in this act shall be construed to authorize
9 joint negotiations regarding health care services covered under
10 the following insurance policies or coverage programs:

11 (1) Workers' compensation.

12 (2) Medical payment coverage issued as part of a motor
13 vehicle insurance policy.

14 (3) Medicare supplemental.

15 (4) Civilian Health and Medical Program of the Uniformed
16 Services (CHAMPUS).

17 (5) Accident only.

18 (6) Specified disease.

19 (7) Long-term care insurance.

20 (8) Disability insurance.

21 (9) Credit insurance.

22 Section 15. Regulations.

23 The Attorney General may promulgate such regulations as are
24 reasonably necessary to implement the purposes of this act.

25 Section 16. Repeals.

26 All acts and parts of acts are repealed insofar as they are
27 inconsistent with this act.

28 Section 17. Effective date.

29 This act shall take effect in 60 days.