

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1025 Session of  
2007

INTRODUCED BY ORIE, DINNIMAN, BOSCOLA, KITCHEN AND RAFFERTY,  
JULY 14, 2007

REFERRED TO FINANCE, JULY 14, 2007

AN ACT

1 Amending the act of June 26, 2001 (P.L.755, No.77), entitled "An  
2 act establishing a special fund and account for money  
3 received by the Commonwealth from the Master Settlement  
4 Agreement with tobacco manufacturers; providing for home and  
5 community-based care, for tobacco use prevention and  
6 cessation efforts, for Commonwealth universal research  
7 enhancement, for hospital uncompensated care, for health  
8 investment insurance, for medical assistance for workers with  
9 disabilities, for regional biotechnology research centers,  
10 for the HealthLink Program, for community-based health care  
11 assistance programs, for PACE reinstatement and PACENET  
12 expansion, for medical education loan assistance and for  
13 percentage allocation and appropriation of moneys," further  
14 providing for establishment of special fund and account, for  
15 health research program, for use of funds and for  
16 accountability procedures; and assigning duties and  
17 responsibilities to the Department of Health and the  
18 Department of Community and Economic Development.

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

21 Section 1. Sections 303, 903, 906 and 910 of the act of June  
22 26, 2001 (P.L.755, No.77), known as the Tobacco Settlement Act,  
23 are amended to read:

24 Section 303. Establishment of special fund and account.

25 (a) Tobacco Settlement Fund.--There is hereby established a

1 special fund known as the Tobacco Settlement Fund. Except as  
2 provided in subsection (b), all payments received by the  
3 Commonwealth pursuant to the Master Settlement Agreement shall  
4 be deposited by the Treasury Department in the fund.

5 (b) Health Account.--There is hereby established within the  
6 fund the Health Endowment Account for Long-Term Hope. The  
7 following amounts shall be deposited by the Treasury Department  
8 into the account:

9 (1) The jurisdictional payment received by the  
10 Commonwealth pursuant to the Master Settlement Agreement.

11 (2) The strategic contribution payments received by the  
12 Commonwealth pursuant to the Master Settlement Agreement.

13 (3) Earnings derived from the investment of the money in  
14 the fund after deduction of investment expenses, including  
15 such earnings as may have accrued prior to the effective date  
16 of this chapter.

17 (4) Earnings derived from the investment of the money in  
18 the Health Account after deduction of investment expenses and  
19 the approved expenses of the board.

20 [(5) Money received as a result of investments from the  
21 Health Venture Investment Account.]

22 (c) Health Venture Investment Account.--There is hereby  
23 established within the fund the Health Venture Investment  
24 Account. Money received as a result of investments from the  
25 Health Venture Investment Account shall be returned by the  
26 Treasury Department to the Health Venture Investment Account to  
27 support additional investments pursuant to the provisions of  
28 section 305(f) and (g).

29 Section 903. Health research program.

30 (a) Program establishment.--

1           (1) There is established in the department a health  
2 research program which shall be known as the Commonwealth  
3 Universal Research Enhancement Program. Appropriations from  
4 the fund to the department shall be used to fund research  
5 projects and related infrastructure by eligible applicants.

6 This includes:

- 7           (i) biomedical research;
- 8           (ii) clinical research; and
- 9           (iii) health services research.

10          (2) Funds appropriated for the program may be used to  
11 conduct peer reviews and performance reviews.

12 (b) Advisory committee.--

13          (1) There is hereby established in the department the  
14 Health Research Advisory Committee.

15          (2) The committee is comprised of the following:

16           (i) The secretary or a designee, who shall serve as  
17 chairperson.

18           (ii) [Four] Nine members appointed by the  
19 Governor[.], at least four of whom shall represent the  
20 life sciences industry, with at least two of the four  
21 being chosen from the small business community.

22           (iii) One member appointed by the President pro  
23 tempore of the Senate and one member appointed by the  
24 Minority Leader of the Senate.

25           (iv) One member appointed by the Speaker of the  
26 House of Representatives and one member appointed by the  
27 Minority Leader of the House of Representatives.

28           (v) The Secretary of Community and Economic  
29 Development or a designee.

30          (3) Members appointed to the committee by the Governor

1 must possess expertise in health care or research, with  
2 representation by institution-based research specialists,  
3 practicing clinicians, clinical investigators and public  
4 health professionals.

5 (4) Terms are as follows:

6 (i) The secretary and the Secretary of Community and  
7 Economic Development shall serve ex officio.

8 (ii) A member under paragraph (2)(ii) shall serve a  
9 term of six years.

10 (iii) A member under paragraph (2)(iii) shall serve  
11 a term of four years but may be removed at the pleasure  
12 of the appointing authority.

13 (iv) A member under paragraph (2)(iv) shall serve a  
14 term of two years but may be removed at the pleasure of  
15 the appointing authority.

16 (v) An appointment to fill a vacancy shall be for  
17 the period of the unexpired term or until a successor is  
18 appointed and qualified.

19 (5) The committee shall meet as needed, but at least  
20 twice a year, to fulfill the purposes provided for in this  
21 chapter. A majority of the members of the committee  
22 constitutes a quorum. A majority of the members of the  
23 committee has authority to act upon any matter properly  
24 before it. The committee is authorized to establish rules for  
25 its operation and shall hold public hearings, as necessary,  
26 to obtain public input and make recommendations to the  
27 department regarding research priorities, evaluation and  
28 accountability procedures and related issues. Meetings of the  
29 committee shall be conducted under 65 Pa.C.S. Ch. 7 (relating  
30 to open meetings).

(6) Members shall receive no payment for their services. Members who are not employees of State government shall be reimbursed for necessary and reasonable expenses incurred in the course of their official duties.

Section 906. Use of funds.

Research projects conducted under this section shall be consistent with the priorities established under section 904(2). Funds under this section shall be allocated for the following purposes:

(1) Seventy percent of the funds appropriated under this section shall be used to fund research pursuant to section 908.

(2) Fifteen percent of the funds appropriated under this section shall be used to fund clinical and health services research projects by eligible applicants.

(3) Fifteen percent of the funds appropriated under this section shall be used to fund [other research projects by eligible applicants.] life sciences research and development activities conducted in Pennsylvania-based small businesses.

Section 910. Accountability procedures and department report.

(a) Requirements.--An applicant that receives a research grant under this chapter shall be subject to a performance review by the department upon completion of a research project or more often as deemed necessary by the department. The performance review shall be based on an evaluation process developed by the department in consultation with the advisory committee. Information shall be submitted by research grant recipients and shall include, as applicable, the following:

(1) The progress made in achieving expected research goals and objectives.

1           (2) The extent of clinical activities initiated and  
2           completed, detailing the number of treatment, prevention and  
3           diagnostic studies; the number of hospitals and health care  
4           professionals; the number of subjects relative to targeted  
5           goals; and the extent of penetration of the studies  
6           throughout the region or this Commonwealth.

7           (3) The number of peer-reviewed publications and the  
8           number of licenses and patents filed, including commercial  
9           development opportunities.

10          (4) Any changes in risk factors, services provided,  
11          incidence of disease, death from disease, stage of disease at  
12          the time of diagnosis or other relevant measures of the  
13          outcome, impact and effectiveness of the research being  
14          conducted.

15          (5) Any major discoveries, new drugs and new approaches  
16          for prevention, diagnosis and treatment which are  
17          attributable to the completed research project.

18          (6) Any other information deemed necessary by the  
19          department.

20          (a.1) Department report.--The department shall submit to the  
21          General Assembly an annual report describing specifically the  
22          performance of research projects funded under this chapter  
23          during the previous fiscal year.

24          (b) Penalty.--Notwithstanding any other provision of this  
25          chapter, an applicant that receives an unfavorable review by the  
26          department under subsection (a) may be subject to a reduction in  
27          or ineligibility for research grant funding under this chapter.

28          Section 2. This act shall take effect in 60 days.