

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL****No. 173** Session of  
2009

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INTRODUCED BY EACHUS, McCALL, COHEN, DeLUCA, KIRKLAND, BELFANTI, PARKER, BUXTON, MANDERINO, MANN, BROWN, DALEY, BEYER, BRENNAN, DONATUCCI, FRANKEL, FAIRCHILD, GALLOWAY, GEORGE, GOODMAN, GODSHALL, HALUSKA, HORNAMAN, JOSEPHS, KILLION, KOTIK, KULA, LEVDANSKY, LONGIETTI, MAHONEY, McILVAINE SMITH, MELIO, McGEEHAN, MUNDY, MUSTIO, D. O'BRIEN, M. O'BRIEN, PALLONE, PAYTON, PRESTON, READSHAW, REED, ROAE, ROEBUCK, ROSS, SANTONI, SIPTROTH, K. SMITH, M. SMITH, SOLOBAY, STABACK, STURLA, WHITE, YOUNGBLOOD, YUDICHAK, MILLARD, MILNE, WALKO AND PAYNE, FEBRUARY 2, 2009

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REFERRED TO COMMITTEE ON INSURANCE, FEBRUARY 2, 2009

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## AN ACT

1 Amending the act of July 8, 1986 (P.L.408, No.89), entitled, as  
2 reenacted, "An act providing for the creation of the Health  
3 Care Cost Containment Council, for its powers and duties, for  
4 health care cost containment through the collection and  
5 dissemination of data, for public accountability of health  
6 care costs and for health care for the indigent; and making  
7 an appropriation," further providing for definitions, for the  
8 council and its powers and duties, for data submission,  
9 collection, dissemination and publication, for health care  
10 for the medically indigent, for mandated health benefits, for  
11 access to council data, for special studies and reports,  
12 enforcement and penalties, for research and demonstration  
13 projects, for grievances and grievance procedures, for  
14 antitrust, for contracts with vendors and for reporting;  
15 providing for establishment of a health care cost containment  
16 council act review committee; and further providing for  
17 severability and for sunset.

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

20 Section 1. The title and sections 1 and 2 of the act of July  
21 8, 1986 (P.L.408, No.89), known as the Health Care Cost

1 Containment Act, reenacted and amended July 17, 2003 (P.L.31,  
2 No.14), are reenacted to read:

3 AN ACT

4 Providing for the creation of the Health Care Cost Containment  
5 Council, for its powers and duties, for health care cost  
6 containment through the collection and dissemination of data,  
7 for public accountability of health care costs and for health  
8 care for the indigent; and making an appropriation.

9 Section 1. Short title.

10 This act shall be known and may be cited as the Health Care  
11 Cost Containment Act.

12 Section 2. Legislative finding and declaration.

13 The General Assembly finds that there exists in this  
14 Commonwealth a major crisis because of the continuing escalation  
15 of costs for health care services. Because of the continuing  
16 escalation of costs, an increasingly large number of  
17 Pennsylvania citizens have severely limited access to  
18 appropriate and timely health care. Increasing costs are also  
19 undermining the quality of health care services currently being  
20 provided. Further, the continuing escalation is negatively  
21 affecting the economy of this Commonwealth, is restricting new  
22 economic growth and is impeding the creation of new job  
23 opportunities in this Commonwealth.

24 The continuing escalation of health care costs is  
25 attributable to a number of interrelated causes, including:

26 (1) Inefficiency in the present configuration of health  
27 care service systems and in their operation.

28 (2) The present system of health care cost payments by  
29 third parties.

30 (3) The increasing burden of indigent care which

1 encourages cost shifting.

2 (4) The absence of a concentrated and continuous effort  
3 in all segments of the health care industry to contain health  
4 care costs.

5 Therefore, it is hereby declared to be the policy of the  
6 Commonwealth of Pennsylvania to promote health care cost  
7 containment and to identify appropriate utilization practices by  
8 creating an independent council to be known as the Health Care  
9 Cost Containment Council.

10 It is the purpose of this legislation to promote the public  
11 interest by encouraging the development of competitive health  
12 care services in which health care costs are contained and to  
13 assure that all citizens have reasonable access to quality  
14 health care.

15 It is further the intent of this act to facilitate the  
16 continuing provision of quality, cost-effective health services  
17 throughout the Commonwealth by providing current, accurate data  
18 and information to the purchasers and consumers of health care  
19 on both cost and quality of health care services and to public  
20 officials for the purpose of determining health-related programs  
21 and policies and to assure access to health care services.

22 Nothing in this act shall prohibit a purchaser from obtaining  
23 from its third-party insurer, carrier or administrator, nor  
24 relieve said third-party insurer, carrier or administrator from  
25 the obligation of providing, on terms consistent with past  
26 practices, data previously provided to a purchaser pursuant to  
27 any existing or future arrangement, agreement or understanding.

28 Section 2. Sections 3, 4, 5 and 6 of the act are reenacted  
29 and amended to read:

30 Section 3. Definitions.

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

4 "Ambulatory service facility." A facility licensed in this  
5 Commonwealth, not part of a hospital, which provides medical,  
6 diagnostic or surgical treatment to patients not requiring  
7 hospitalization, including ambulatory surgical facilities,  
8 ambulatory imaging or diagnostic centers, birthing centers,  
9 freestanding emergency rooms and any other facilities providing  
10 ambulatory care which charge a separate facility charge. This  
11 term does not include the offices of private physicians or  
12 dentists, whether for individual or group practices.

13 "Charge" or "rate." The amount billed by a provider for  
14 specific goods or services provided to a patient, prior to any  
15 adjustment for contractual allowances.

16 "Committee." The Health Care Cost Containment Council Act  
17 Review Committee.

18 "Council." The Health Care Cost Containment Council.

19 "Covered services." Any health care services or procedures  
20 connected with episodes of illness that require either inpatient  
21 hospital care or major ambulatory service such as surgical,  
22 medical or major radiological procedures, including any initial  
23 and follow-up outpatient services associated with the episode of  
24 illness before, during or after inpatient hospital care or major  
25 ambulatory service. The term does not include routine outpatient  
26 services connected with episodes of illness that do not require  
27 hospitalization or major ambulatory service.

28 "Data source." A hospital; ambulatory service facility;  
29 physician; health maintenance organization as defined in the act  
30 of December 29, 1972 (P.L.1701, No.364), known as the Health

1 Maintenance Organization Act; hospital, medical or health  
2 service plan with a certificate of authority issued by the  
3 Insurance Department, including, but not limited to, hospital  
4 plan corporations as defined in 40 Pa.C.S. Ch. 61 (relating to  
5 hospital plan corporations) and professional health services  
6 plan corporations as defined in 40 Pa.C.S. Ch. 63 (relating to  
7 professional health services plan corporations); commercial  
8 insurer with a certificate of authority issued by the Insurance  
9 Department providing health or accident insurance; self-insured  
10 employer providing health or accident coverage or benefits for  
11 employees employed in the Commonwealth; administrator of a self-  
12 insured or partially self-insured health or accident plan  
13 providing covered services in the Commonwealth; any health and  
14 welfare fund that provides health or accident benefits or  
15 insurance pertaining to covered service in the Commonwealth; the  
16 Department of Public Welfare for those covered services it  
17 purchases or provides through the medical assistance program  
18 under the act of June 13, 1967 (P.L.31, No.21), known as the  
19 Public Welfare Code, and any other payor for covered services in  
20 the Commonwealth other than an individual.

21 "Health care facility." A general or special hospital,  
22 including tuberculosis and psychiatric hospitals, kidney disease  
23 treatment centers, including freestanding hemodialysis units,  
24 and ambulatory service facilities as defined in this section,  
25 and hospices, both profit and nonprofit, and including those  
26 operated by an agency of State or local government.

27 "Health care insurer." Any person, corporation or other  
28 entity that offers administrative, indemnity or payment services  
29 for health care in exchange for a premium or service charge  
30 under a program of health care benefits, including, but not

1 limited to, an insurance company, association or exchange  
2 issuing health insurance policies in this Commonwealth; hospital  
3 plan corporation as defined in 40 Pa.C.S. Ch. 61 (relating to  
4 hospital plan corporations); professional health services plan  
5 corporation as defined in 40 Pa.C.S. Ch. 63 (relating to  
6 professional health services plan corporations); health  
7 maintenance organization; preferred provider organization;  
8 fraternal benefit societies; beneficial societies; and third-  
9 party administrators; but excluding employers, labor unions or  
10 health and welfare funds jointly or separately administered by  
11 employers or labor unions that purchase or self-fund a program  
12 of health care benefits for their employees or members and their  
13 dependents.

14 "Health maintenance organization." An organized system which  
15 combines the delivery and financing of health care and which  
16 provides basic health services to voluntarily enrolled  
17 subscribers for a fixed prepaid fee, as defined in the act of  
18 December 29, 1972 (P.L.1701, No.364), known as the Health  
19 Maintenance Organization Act.

20 "Hospital." An institution, licensed in this Commonwealth,  
21 which is a general, tuberculosis, mental, chronic disease or  
22 other type of hospital, or kidney disease treatment center,  
23 whether profit or nonprofit, and including those operated by an  
24 agency of State or local government.

25 "Indigent care." The actual costs, as determined by the  
26 council, for the provision of appropriate health care, on an  
27 inpatient or outpatient basis, given to individuals who cannot  
28 pay for their care because they are above the medical assistance  
29 eligibility levels and have no health insurance or other  
30 financial resources which can cover their health care.

1 "Major ambulatory service." Surgical or medical procedures,  
2 including diagnostic and therapeutic radiological procedures,  
3 commonly performed in hospitals or ambulatory service  
4 facilities, which are not of a type commonly performed or which  
5 cannot be safely performed in physicians' offices and which  
6 require special facilities such as operating rooms or suites or  
7 special equipment such as fluoroscopic equipment or computed  
8 tomographic scanners, or a postprocedure recovery room or short-  
9 term convalescent room.

10 "Medical procedure incidence variations." The variation in  
11 the incidence in the population of specific medical, surgical  
12 and radiological procedures in any given year, expressed as a  
13 deviation from the norm, as these terms are defined in the  
14 classical statistical definition of "variation," "incidence,"  
15 "deviation" and "norm."

16 "Medically indigent" or "indigent." The status of a person  
17 as described in the definition of indigent care.

18 "Payment." The payments that providers actually accept for  
19 their services, exclusive of charity care, rather than the  
20 charges they bill.

21 "Payor." Any person or entity, including, but not limited  
22 to, health care insurers and purchasers, that make direct  
23 payments to providers for covered services.

24 "Physician." An individual licensed under the laws of this  
25 Commonwealth to practice medicine and surgery within the scope  
26 of the act of October 5, 1978 (P.L.1109, No.261), known as the  
27 Osteopathic Medical Practice Act, or the act of December 20,  
28 1985 (P.L.457, No.112), known as the Medical Practice Act of  
29 1985.

30 "Preferred provider organization." Any arrangement between a

1 health care insurer and providers of health care services which  
2 specifies rates of payment to such providers which differ from  
3 their usual and customary charges to the general public and  
4 which encourage enrollees to receive health services from such  
5 providers.

6 "Provider." A hospital, an ambulatory service facility or a  
7 physician.

8 "Provider quality." The extent to which a provider renders  
9 care that, within the capabilities of modern medicine, obtains  
10 for patients medically acceptable health outcomes and prognoses,  
11 adjusted for patient severity, and treats patients  
12 compassionately and responsively.

13 "Provider service effectiveness." The effectiveness of  
14 services rendered by a provider, determined by measurement of  
15 the medical outcome of patients grouped by severity receiving  
16 those services.

17 "Purchaser." All corporations, labor organizations and other  
18 entities that purchase benefits which provide covered services  
19 for their employees or members, either through a health care  
20 insurer or by means of a self-funded program of benefits, and a  
21 certified bargaining representative that represents a group or  
22 groups of employees for whom employers purchase a program of  
23 benefits which provide covered services, but excluding entities  
24 defined in this section as "health care insurers."

25 "Raw data" or "data." Data collected by the council under  
26 section 6 in the form initially received. No data shall be  
27 released by the council except as provided for in section 11.

28 "Severity." In any patient, the measureable degree of the  
29 potential for failure of one or more vital organs.

30 Section 4. Health Care Cost Containment Council.



1 (a) Establishment.--The General Assembly hereby establishes  
2 an independent council to be known as the Health Care Cost  
3 Containment Council.

4 (b) Composition.--The council shall consist of voting  
5 members, composed of and appointed in accordance with the  
6 following:

7 (1) The Secretary of Health.

8 (2) The Secretary of Public Welfare.

9 (3) The Insurance Commissioner.

10 (4) Six representatives of the business community, at  
11 least one of whom represents small business, who are  
12 purchasers of health care as defined in section 3, none of  
13 which is primarily involved in the provision of health care  
14 or health insurance, three of which shall be appointed by the  
15 President pro tempore of the Senate and three of which shall  
16 be appointed by the Speaker of the House of Representatives  
17 from a list of twelve qualified persons recommended by the  
18 Pennsylvania Chamber of Business and Industry. Three nominees  
19 shall be representatives of small business.

20 (5) Six representatives of organized labor, three of  
21 which shall be appointed by the President pro tempore of the  
22 Senate and three of which shall be appointed by the Speaker  
23 of the House of Representatives from a list of twelve  
24 qualified persons recommended by the Pennsylvania AFL-CIO.

25 (6) One representative of consumers who is not primarily  
26 involved in the provision of health care or health care  
27 insurance, appointed by the Governor from a list of three  
28 qualified persons recommended jointly by the Speaker of the  
29 House of Representatives and the President pro tempore of the  
30 Senate.

1           (7) Two representatives of hospitals, appointed by the  
2 Governor from a list of five qualified hospital  
3 representatives recommended by the Hospital and Health System  
4 Association of Pennsylvania one of whom shall be a  
5 representative of rural hospitals. Each representative under  
6 this paragraph may appoint two additional delegates to act  
7 for the representative only at meetings of committees, as  
8 provided for in subsection (f).

9           (8) Two representatives of physicians, appointed by the  
10 Governor from a list of five qualified physician  
11 representatives recommended jointly by the Pennsylvania  
12 Medical Society and the Pennsylvania Osteopathic Medical  
13 Society. The representative under this paragraph may appoint  
14 two additional delegates to act for the representative only  
15 at meetings of committees, as provided for in subsection (f).

16           (8.1) An individual appointed by the Governor who has  
17 expertise in the application of continuous quality  
18 improvement methods in hospitals.

19           (8.2) One representative of nurses, appointed by the  
20 Governor from a list of three qualified representatives  
21 recommended by the Pennsylvania State Nurses Association.

22           (9) One representative of the Blue Cross and Blue Shield  
23 plans in Pennsylvania, appointed by the Governor from a list  
24 of three qualified persons recommended jointly by the Blue  
25 Cross and Blue Shield plans of Pennsylvania.

26           (10) One representative of commercial insurance  
27 carriers, appointed by the Governor from a list of three  
28 qualified persons recommended by the Insurance Federation of  
29 Pennsylvania, Inc.

30           (11) One representative of health maintenance

1 organizations, appointed by the Governor [from a list of  
2 three qualified persons recommended by the Managed Care  
3 Association of Pennsylvania].

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

18 (c) Chairperson and vice chairperson.--The members shall  
19 annually elect, by a majority vote of the members, a chairperson  
20 and a vice chairperson of the council from among the business  
21 and labor representatives on the council.

22 (d) Quorum.--Thirteen members, at least six of whom must be  
23 made up of representatives of business and labor, shall  
24 constitute a quorum for the transaction of any business, and the  
25 act by the majority of the members present at any meeting in  
26 which there is a quorum shall be deemed to be the act of the  
27 council.

28 (e) Meetings.--All meetings of the council shall be  
29 advertised and conducted pursuant to 65 Pa.C.S. Ch. 7 (relating  
30 to open meetings), unless otherwise provided in this section.

1           (1) The council shall meet at least once every two  
2 months, and may provide for special meetings as it deems  
3 necessary. Meeting dates shall be set by a majority vote of  
4 the members of the council or by the call of the chairperson  
5 upon seven days' notice to all council members.

6           (2) All meetings of the council shall be publicly  
7 advertised, as provided for in this subsection, and shall be  
8 open to the public, except that the council, through its  
9 bylaws, may provide for executive sessions of the council on  
10 subjects permitted to be discussed in such sessions under 65  
11 Pa.C.S. Ch. 7. No act of the council shall be taken in an  
12 executive session.

13           (3) The council shall publish a schedule of its meetings  
14 in the Pennsylvania Bulletin and in at least one newspaper in  
15 general circulation in the Commonwealth. Such notice shall be  
16 published at least once in each calendar quarter and shall  
17 list the schedule of meetings of the council to be held in  
18 the subsequent calendar quarter. Such notice shall specify  
19 the date, time and place of the meeting and shall state that  
20 the council's meetings are open to the general public, except  
21 that no such notice shall be required for executive sessions  
22 of the council.

23           (4) All action taken by the council shall be taken in  
24 open public session, and action of the council shall not be  
25 taken except upon the affirmative vote of a majority of the  
26 members of the council present during meetings at which a  
27 quorum is present.

28           (f) Bylaws.--The council shall adopt bylaws, not  
29 inconsistent with this act, and may appoint such committees or  
30 elect such officers subordinate to those provided for in

1 subsection (c) as it deems advisable. The council shall provide  
2 for the approval and participation of additional delegates  
3 appointed under subsection (b) (7) and (8) so that each  
4 organization represented by delegates under those paragraphs  
5 shall not have more than one vote on any committee to which they  
6 are appointed. The council shall also appoint a technical  
7 advisory group which shall, on an ad hoc basis, respond to  
8 issues presented to it by the council or committees of the  
9 council and shall make recommendations to the council. The  
10 technical advisory group shall include physicians, researchers,  
11 biostatisticians, one representative of the Hospital and  
12 Healthsystem Association of Pennsylvania and one representative  
13 of the Pennsylvania Medical Society. The Hospital and  
14 Healthsystem Association of Pennsylvania and the Pennsylvania  
15 Medical Society representatives shall not be subject to  
16 executive committee approval. In appointing other physicians,  
17 researchers and biostatisticians to the technical advisory  
18 group, the council shall consult with and take nominations from  
19 the representatives of the Hospital Association of Pennsylvania,  
20 the Pennsylvania Medical Society, the Pennsylvania Osteopathic  
21 Medical Society or other like organizations. At its discretion  
22 and in accordance with this section, nominations shall be  
23 approved by the executive committee of the council. If the  
24 subject matter of any project exceeds the expertise of the  
25 technical advisory group, physicians in appropriate specialties  
26 who possess current knowledge of the issue under study may be  
27 consulted. The technical advisory group shall also review the  
28 availability and reliability of severity of illness measurements  
29 as they relate to small hospitals and psychiatric,  
30 rehabilitation and children's hospitals and shall make

1 recommendations to the council based upon this review. Meetings  
2 of the technical advisory group shall be open to the general  
3 public.

4 (g) Compensation and expenses.--The members of the council  
5 shall not receive a salary or per diem allowance for serving as  
6 members of the council but shall be reimbursed for actual and  
7 necessary expenses incurred in the performance of their duties.  
8 Said expenses may include reimbursement of travel and living  
9 expenses while engaged in council business.

10 (h) Terms of council members.--

11 (1) The terms of the Secretary of Health, the Secretary  
12 of Public Welfare and the Insurance Commissioner shall be  
13 concurrent with their holding of public office. The council  
14 members under subsection (b) (4) through (11) shall each serve  
15 for a term of four years and shall continue to serve  
16 thereafter until their successor is appointed.

17 (2) Vacancies on the council shall be filled in the  
18 manner designated under subsection (b), within 60 days of the  
19 vacancy, except that when vacancies occur among the  
20 representatives of business or organized labor, two  
21 nominations shall be submitted by the organization specified  
22 in subsection (b) for each vacancy on the council. If the  
23 officer required in subsection (b) to make appointments to  
24 the council fails to act within 60 days of the vacancy, the  
25 council chairperson may appoint one of the persons  
26 recommended for the vacancy until the appointing authority  
27 makes the appointment.

28 (3) A member may be removed for just cause by the  
29 appointing authority after recommendation by a vote of at  
30 least 14 members of the council.

1 (4) No appointed member under subsection (b) (4) through  
2 (11) shall be eligible to serve more than two full  
3 consecutive terms of four years beginning on the effective  
4 date of this paragraph.

5 (j) Subsequent appointments.--Submission of lists of  
6 recommended persons and appointments of council members for  
7 succeeding terms shall be made in the same manner as prescribed  
8 in subsection (b), except that:

9 (1) Organizations required under subsection (b) to  
10 submit lists of recommended persons shall do so at least 60  
11 days prior to expiration of the council members' terms.

12 (2) The officer required under subsection (b) to make  
13 appointments to the council shall make said appointments at  
14 least 30 days prior to expiration of the council members'  
15 terms. If the appointments are not made within the specified  
16 time, the council chairperson may make interim appointments  
17 from the lists of recommended individuals. An interim  
18 appointment shall be valid only until the appropriate officer  
19 under subsection (b) makes the required appointment. Whether  
20 the appointment is by the required officer or by the  
21 chairperson of the council, the appointment shall become  
22 effective immediately upon expiration of the incumbent  
23 member's term.

24 Section 5. Powers and duties of the council.

25 (a) General powers.--The council shall exercise all powers  
26 necessary and appropriate to carry out its duties, including the  
27 following:

28 (1) To employ an executive director, investigators and  
29 other staff necessary to comply with the provisions of this  
30 act and regulations promulgated thereunder, to employ or

1 retain legal counsel and to engage professional consultants,  
2 as it deems necessary to the performance of its duties. Any  
3 consultants, other than sole source consultants, engaged by  
4 the council shall be selected in accordance with the  
5 provisions for contracting with vendors set forth in section  
6 16.

7 (2) To fix the compensation of all employees and to  
8 prescribe their duties. Notwithstanding the independence of  
9 the council under section 4(a), employees under this  
10 paragraph shall be deemed employees of the Commonwealth for  
11 the purposes of participation in the Pennsylvania Employee  
12 Benefit Trust Fund.

13 (3) To make and execute contracts and other instruments,  
14 including those for purchase of services and purchase or  
15 leasing of equipment and supplies, necessary or convenient to  
16 the exercise of the powers of the council. Any such contract  
17 shall be let only in accordance with the provision for  
18 contracting with vendors set forth in section 16.

19 (4) To conduct examinations and investigations, to  
20 conduct audits, pursuant to the provisions of subsection (c),  
21 and to hear testimony and take proof, under oath or  
22 affirmation, at public or private hearings, on any matter  
23 necessary to its duties.

24 (4.1) To provide hospitals with individualized data on  
25 patient safety indicators pursuant to section 6(c)(7). The  
26 data shall be risk adjusted and made available to hospitals  
27 electronically and free of charge on a quarterly basis within  
28 45 days of receipt of the corrected quarterly data from the  
29 hospitals. The data is intended to provide the patient safety  
30 committee of each hospital with information necessary to



1 assist in conducting patient safety analysis.

2 (5) To do all things necessary to carry out its duties  
3 under the provisions of this act.

4 (b) Rules and regulations.--The council shall promulgate  
5 rules and regulations in accordance with the act of June 25,  
6 1982 (P.L.633, No.181), known as the Regulatory Review Act,  
7 necessary to carry out its duties under this act. This  
8 subsection shall not apply to regulations in effect on June 30,  
9 [2003] 2008.

10 (c) Audit powers.--The council shall have the right to  
11 independently audit all information required to be submitted by  
12 data sources as needed to corroborate the accuracy of the  
13 submitted data, pursuant to the following:

14 (1) Audits of information submitted by providers or  
15 health care insurers shall be performed on a sample and  
16 issue-specific basis, as needed by the council, and shall be  
17 coordinated, to the extent practicable, with audits performed  
18 by the Commonwealth. All health care insurers and providers  
19 are hereby required to make those books, records of accounts  
20 and any other data needed by the auditors available to the  
21 council at a convenient location within 30 days of a written  
22 notification by the council.

23 (2) Audits of information submitted by purchasers shall  
24 be performed on a sample basis, unless there exists  
25 reasonable cause to audit specific purchasers, but in no case  
26 shall the council have the power to audit financial  
27 statements of purchasers.

28 (3) All audits performed by the council shall be  
29 performed at the expense of the council.

30 (4) The results of audits of providers or health care

1 insurers shall be provided to the audited providers and  
2 health care insurers on a timely basis, not to exceed 30 days  
3 beyond presentation of audit findings to the council.

4 (d) General duties and functions.--The council is hereby  
5 authorized to and shall perform the following duties and  
6 functions:

7 (1) Develop a computerized system for the collection,  
8 analysis and dissemination of data. The council may contract  
9 with a vendor who will provide such data processing services.  
10 The council shall assure that the system will be capable of  
11 processing all data required to be collected under this act.  
12 Any vendor selected by the council shall be selected in  
13 accordance with the provisions of section 16, and said vendor  
14 shall relinquish any and all proprietary rights or claims to  
15 the data base created as a result of implementation of the  
16 data processing system.

17 (2) Establish a Pennsylvania Uniform Claims and Billing  
18 Form for all data sources and all providers which shall be  
19 utilized and maintained by all data sources and all providers  
20 for all services covered under this act.

21 (3) Collect and disseminate data, as specified in  
22 section 6, and other information from data sources to which  
23 the council is entitled, prepared according to formats, time  
24 frames and confidentiality provisions as specified in  
25 sections 6 and 10, and by the council.

26 (4) Adopt and implement a methodology to collect and  
27 disseminate data reflecting provider quality and provider  
28 service effectiveness pursuant to section 6.

29 (5) Subject to the restrictions on access to raw data  
30 set forth in section 10, issue special reports and make

1 available raw data as defined in section 3 to any purchaser  
2 requesting it. Sale by any recipient or exchange or  
3 publication by a recipient, other than a purchaser, of raw  
4 council data to other parties without the express written  
5 consent of, and under terms approved by, the council shall be  
6 unauthorized use of data pursuant to section 10(c).

7 (6) On an annual basis, publish in the Pennsylvania  
8 Bulletin a list of all the raw data reports it has prepared  
9 under section 10(f) and a description of the data obtained  
10 through each computer-to-computer access it has provided  
11 under section 10(f) and of the names of the parties to whom  
12 the council provided the reports or the computer-to-computer  
13 access during the previous month.

14 (7) Promote competition in the health care and health  
15 insurance markets.

16 (8) Assure that the use of council data does not raise  
17 access barriers to care.

18 (10) Make annual reports to the General Assembly on the  
19 rate of increase in the cost of health care in the  
20 Commonwealth and the effectiveness of the council in carrying  
21 out the legislative intent of this act. In addition, the  
22 council may make recommendations on the need for further  
23 health care cost containment legislation. The council shall  
24 also make annual reports to the General Assembly on the  
25 quality and effectiveness of health care and access to health  
26 care for all citizens of the Commonwealth.

27 (12) Conduct studies and publish reports thereon  
28 analyzing the effects that noninpatient, alternative health  
29 care delivery systems have on health care costs. These  
30 systems shall include, but not be limited to: HMO's; PPO's;

1 primary health care facilities; home health care; attendant  
2 care; ambulatory service facilities; freestanding emergency  
3 centers; birthing centers; and hospice care. These reports  
4 shall be submitted to the General Assembly and shall be made  
5 available to the public.

6 (13) Conduct studies and make reports concerning the  
7 utilization of experimental and nonexperimental transplant  
8 surgery and other highly technical and experimental  
9 procedures, including costs and mortality rates.

10 [(14) In order to ensure that the council adopts and  
11 maintains both scientifically credible and cost-effective  
12 methodology to collect and disseminate data reflecting  
13 provider quality and effectiveness, the council shall, within  
14 one year of the effective date of this paragraph, utilizing  
15 current Commonwealth agency guidelines and procedures, issue  
16 a request for information from any vendor that wishes to  
17 provide data collection or risk adjustment methodology to the  
18 council to help meet the requirements of this subsection and  
19 section 6. The council shall establish an independent Request  
20 for Information Review Committee to review and rank all  
21 responses and to make a final recommendation to the council.  
22 The Request for Information Review Committee shall consist of  
23 the following members appointed by the Governor:

24 (i) One representative of the Hospital and  
25 Healthsystem Association of Pennsylvania.

26 (ii) One representative of the Pennsylvania Medical  
27 Society.

28 (iii) One representative of insurance.

29 (iv) One representative of labor.

30 (v) One representative of business.

1 (vi) Two representatives of the general public.

2 (15) The council shall execute a request for proposals  
3 with third-party vendors for the purpose of demonstrating a  
4 methodology for the collection, analysis and reporting of  
5 hospital-specific complication rates. The results of this  
6 demonstration shall be provided to the chairman and minority  
7 chairman of the Public Health and Welfare Committee of the  
8 Senate and the chairman and minority chairman of the Health  
9 and Human Services Committee of the House of Representatives.  
10 This methodology may be utilized by the council for public  
11 reporting on comparative hospital complication rates.]

12 Section 6. Data submission and collection.

13 (a) [(1)] Submission of data.--

14 (1) The council is hereby authorized to collect and data  
15 sources are hereby required to submit, upon request of the  
16 council, all data required in this section, according to  
17 uniform submission formats, coding systems and other  
18 technical specifications necessary to render the incoming  
19 data substantially valid, consistent, compatible and  
20 manageable using electronic data processing according to data  
21 submission schedules, such schedules to avoid, to the extent  
22 possible, submission of identical data from more than one  
23 data source, established and promulgated by the council in  
24 regulations pursuant to its authority under section 5(b). If  
25 payor data is requested by the council, it shall, to the  
26 extent possible, be obtained from primary payor sources. The  
27 council shall not require any data sources to contract with  
28 any specific vendor for submission of any specific data  
29 elements to the council.

30 (1.1) Any data source shall comply with data submission

1 guidelines established in the report submitted under section  
2 17.2. The council shall maintain a vendor list of at least  
3 two vendors that may be chosen by any data source for  
4 submission of any specific data elements.

5 (2) Except as provided in this section, the council may  
6 adopt any nationally recognized methodology to adjust data  
7 submitted under subsection (c) for severity of illness. Every  
8 three years after the effective date of this paragraph, the  
9 council shall solicit bids from third-party vendors to adjust  
10 the data. The solicitation shall be in accordance with 62  
11 Pa.C.S. (relating to procurement). Except as provided in  
12 subparagraph (i), in carrying out its responsibilities, the  
13 council shall not require health care facilities to report  
14 data elements which are not included in the manual developed  
15 by the national uniform billing committee. The [following  
16 apply:

17 (i) Within 60 days of the effective date of this  
18 paragraph, the] council shall publish in the Pennsylvania  
19 Bulletin a list of diseases, procedures and medical  
20 conditions, not to exceed 35, for which data under  
21 subsections (c)(21) and (d) shall be required. The chosen  
22 list shall not represent more than 50% of total hospital  
23 discharges, based upon the previous year's hospital  
24 discharge data. Subsequent to the publication of the  
25 list, any data submission requirements under subsections  
26 (c)(21) and (d) previously in effect shall be null and  
27 void for diseases, procedures and medical conditions not  
28 found on the list. All other data elements pursuant to  
29 subsection (c) shall continue to be required from data  
30 sources. The council shall review the list and may add no

1 more than a net of three diseases, procedures or medical  
2 conditions per year over a five-year period starting on  
3 the effective date of this subparagraph. The adjusted  
4 list of diseases, procedures and medical conditions shall  
5 at no time be more than 50% of total hospital discharges.

6 [(ii) If the current data vendor is unable to  
7 achieve, on a per-chart basis, savings of at least 40% in  
8 the cost of hospital compliance with the data abstracting  
9 and submission requirements of this act by June 30, 2004,  
10 as compared to June 30, 2003, then the council shall  
11 disqualify the current vendor and reopen the bidding  
12 process. The independent auditor shall determine the  
13 extent and validity of the savings. In determining any  
14 demonstrated cost savings, surveys of all hospitals in  
15 this Commonwealth shall be conducted and consideration  
16 shall be given at a minimum to:

17 (A) new costs, in terms of making the  
18 methodology operational, associated with laboratory,  
19 pharmacy and other information systems a hospital is  
20 required to purchase in order to reduce hospital  
21 compliance costs, including the cost of electronic  
22 transfer of required data; and

23 (B) the audited direct personnel and related  
24 costs of data abstracting and submission required.

25 (iii) Review by the independent auditor shall  
26 commence by March 1, 2004, and shall conclude with a  
27 report of findings by July 31, 2004. The report shall be  
28 delivered to the council, the Governor, the Health and  
29 Human Services Committee of the House of Representatives  
30 and the Public Health and Welfare Committee of the

1 Senate.

2 (a.1) Abstraction and technology work group.--

3 (1) The council shall establish a data abstraction and  
4 technology work group to produce recommendations for  
5 improving and refining the data required by the council and  
6 reducing, through innovative direct data collection  
7 techniques, the cost of collecting required data. The work  
8 group shall consist of the following members appointed by the  
9 council:

10 (i) one member representing the Office of Health  
11 Care Reform;

12 (ii) one member representing the business community;

13 (iii) one member representing labor;

14 (iv) one member representing consumers;

15 (v) two members representing physicians;

16 (vi) two members representing nurses;

17 (vii) two members representing hospitals;

18 (viii) one member representing health underwriters;

19 and

20 (ix) one member representing commercial insurance  
21 carriers.

22 (2) The work group, with approval of the council, may  
23 hire an independent auditor to determine the value of various  
24 data sets. The work group shall have no more than one year to  
25 study current data requirements and methods of collecting and  
26 transferring data and to make recommendations for changes to  
27 produce a 50% overall reduction in the cost of collecting and  
28 reporting required data to the council while maintaining the  
29 scientific credibility of the council's analysis and  
30 reporting. The work group recommendations shall be presented



1 to the council for a vote.]

2 (b) Pennsylvania Uniform Claims and Billing Form.--The  
3 council shall [adopt, within 180 days of the commencement of its  
4 operations pursuant to section 4(i),] maintain a Pennsylvania  
5 Uniform Claims and Billing Form format. The council shall  
6 furnish said claims and billing form format to all data sources,  
7 and said claims and billing form shall be utilized and  
8 maintained by all data sources for all services covered by this  
9 act. The Pennsylvania Uniform Claims and Billing Form shall  
10 consist of the Uniform Hospital Billing Form UB-82/HCFA-1450,  
11 and the HCFA-1500, or their successors, as developed by the  
12 National Uniform Billing Committee, with additional fields as  
13 necessary to provide all of the data set forth in subsections  
14 (c) and (d).

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 (1) uniform patient identifier, continuous across  
19 multiple episodes and providers;
- 20 (2) patient date of birth;
- 21 (3) patient sex;
- 22 (3.1) patient race, consistent with the method of  
23 collection of race/ethnicity data by the United States Bureau  
24 of the Census and the United States Standard Certificates of  
25 Live Birth and Death;
- 26 (4) patient ZIP Code number;
- 27 (5) date of admission;
- 28 (6) date of discharge;
- 29 (7) principal and secondary diagnoses by standard code,  
30 including external cause of injury, complication, infection

1 and childbirth;

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 (20) patient discharge status; and

2 (21) provider service effectiveness and provider quality  
3 pursuant to section 5(d)(4) and subsection (d).

4 (d) Provider quality and provider service effectiveness data  
5 elements.--In carrying out its duty to collect data on provider  
6 quality and provider service effectiveness under section 5(d)(4)  
7 and subsection (c)(21), the council shall define a methodology  
8 to measure provider service effectiveness which may include  
9 additional data elements to be specified by the council  
10 sufficient to carry out its responsibilities under section 5(d)  
11 (4). The council may adopt a nationally recognized methodology  
12 of quantifying and collecting data on provider quality and  
13 provider service effectiveness until such time as the council  
14 has the capability of developing its own methodology and  
15 standard data elements. The council shall include in the  
16 Pennsylvania Uniform Claims and Billing Form a field consisting  
17 of the data elements required pursuant to subsection (c)(21) to  
18 provide information on each provision of covered services  
19 sufficient to permit analysis of provider quality and provider  
20 service effectiveness within 180 days of commencement of its  
21 operations pursuant to section 4. In carrying out its  
22 responsibilities, the council shall not require health care  
23 insurers to report on data elements that are not reported to  
24 nationally recognized accrediting organizations, to the  
25 Department of Health or to the Insurance Department in quarterly  
26 or annual reports. The council shall not require reporting by  
27 health care insurers in different formats than are required for  
28 reporting to nationally recognized accrediting organizations or  
29 on quarterly or annual reports submitted to the Department of  
30 Health or to the Insurance Department. The council may adopt the

1 quality findings as reported to nationally recognized  
2 accrediting organizations. Additional quality data elements must  
3 be defined and released for public comment prior to the  
4 promulgation of regulations under section 5(b). The public  
5 comment period shall be no less than 30 days from the release of  
6 these elements.

7 (e) Reserve field utilization and addition or deletion of  
8 data elements.--The council shall include in the Pennsylvania  
9 Uniform Claims and Billing Form a reserve field. The council may  
10 utilize the reserve field by adding other data elements beyond  
11 those required to carry out its responsibilities under section  
12 5(d)(3) and (4) and subsections (c) and (d), or the council may  
13 delete data elements from the Pennsylvania Uniform Claims and  
14 Billing Form only by a majority vote of the council and only  
15 pursuant to the following procedure:

16 (1) The council shall obtain a cost-benefit analysis of  
17 the proposed addition or deletion which shall include the  
18 cost to data sources of any proposed additions.

19 (2) The council shall publish notice of the proposed  
20 addition or deletion, along with a copy or summary of the  
21 cost-benefit analysis, in the Pennsylvania Bulletin, and such  
22 notice shall include provision for a 60-day comment period.

23 (3) The council may hold additional hearings or request  
24 such other reports as it deems necessary and shall consider  
25 the comments received during the 60-day comment period and  
26 any additional information gained through such hearings or  
27 other reports in making a final determination on the proposed  
28 addition or deletion.

29 (f) Other data required to be submitted.--Providers are  
30 hereby required to submit and the council is hereby authorized

1 to collect, in accordance with submission dates and schedules  
2 established by the council, the following additional data,  
3 provided such data is not available to the council from public  
4 records:

5 (1) Audited annual financial reports of all hospitals  
6 and ambulatory service facilities providing covered services  
7 as defined in section 3.

8 (2) The Medicare cost report (OMB Form 2552 or  
9 equivalent Federal form), or the AG-12 form for Medical  
10 Assistance or successor forms, whether completed or partially  
11 completed, and including the settled Medicare cost report and  
12 the certified AG-12 form.

13 (3) Additional data, including, but not limited to, data  
14 which can be used to provide at least the following  
15 information:

16 (i) the incidence of medical and surgical procedures  
17 in the population for individual providers;

18 (ii) physicians who provide covered services and  
19 accept medical assistance patients;

20 (iii) physicians who provide covered services and  
21 accept Medicare assignment as full payment;

22 (v) mortality rates for specified diagnoses and  
23 treatments, grouped by severity, for individual  
24 providers;

25 (vi) rates of infection for specified diagnoses and  
26 treatments, grouped by severity, for individual  
27 providers;

28 (vii) morbidity rates for specified diagnoses and  
29 treatments, grouped by severity, for individual  
30 providers;

1 (viii) readmission rates for specified diagnoses and  
2 treatments, grouped by severity, for individual  
3 providers; and

4 (ix) rate of incidence of postdischarge professional  
5 care for selected diagnoses and procedures, grouped by  
6 severity, for individual providers.

7 (4) Any other data the council requires to carry out its  
8 responsibilities pursuant to section 5(d).

9 (f.1) Review and correction of data.--The council shall  
10 provide a reasonable period for data sources to review and  
11 correct the data submitted under section 6 which the council  
12 intends to prepare and issue in reports to the General Assembly,  
13 to the general public or in special studies and reports under  
14 section 11. When corrections are provided, the council shall  
15 correct the appropriate data in its data files and subsequent  
16 reports.

17 (g) Allowance for clarification or dissents.--The council  
18 shall maintain a file of written statements submitted by data  
19 sources who wish to provide an explanation of data that they  
20 feel might be misleading or misinterpreted. The council shall  
21 provide access to such file to any person and shall, where  
22 practical, in its reports and data files indicate the  
23 availability of such statements. When the council agrees with  
24 such statements, it shall correct the appropriate data and  
25 comments in its data files and subsequent reports.

26 (g.1) Allowance for correction.--The council shall verify  
27 the patient safety indicator data submitted by hospitals  
28 pursuant to subsection (c)(7) within 60 days of receipt. The  
29 council may allow hospitals to make changes to the data  
30 submitted during the verification period. After the verification

1 period, but within 45 days of receipt of the adjusted hospital  
2 data, the council shall risk adjust the information and provide  
3 reports to the patient safety committee of the relevant  
4 hospital.

5 (h) Availability of data.--Nothing in this act shall  
6 prohibit a purchaser from obtaining from its health care  
7 insurer, nor relieve said health care insurer from the  
8 obligation of providing said purchaser, on terms consistent with  
9 past practices, data previously provided or additional data not  
10 currently provided to said purchaser by said health care insurer  
11 pursuant to any existing or future arrangement, agreement or  
12 understanding.

13 Section 3. Sections 7, 8 and 9 of the act are reenacted to  
14 read:

15 Section 7. Data dissemination and publication.

16 (a) Public reports.--Subject to the restrictions on access  
17 to council data set forth in section 10 and utilizing the data  
18 collected under section 6 as well as other data, records and  
19 matters of record available to it, the council shall prepare and  
20 issue reports to the General Assembly and to the general public  
21 according to the following provisions:

22 (1) The council shall, for every provider of both  
23 inpatient and outpatient services within this Commonwealth  
24 and within appropriate regions and subregions, prepare and  
25 issue reports on provider quality and service effectiveness  
26 on diseases or procedures that, when ranked by volume, cost,  
27 payment and high variation in outcome, represent the best  
28 opportunity to improve overall provider quality, improve  
29 patient safety and provide opportunities for cost reduction.  
30 These reports shall provide comparative information on the

1 following:

2 (i) Differences in mortality rates; differences in  
3 length of stay; differences in complication rates;  
4 differences in readmission rates; differences in  
5 infection rates; and other comparative outcome measures  
6 the council may develop that will allow purchasers,  
7 providers and consumers to make purchasing and quality  
8 improvement decisions based upon quality patient care and  
9 to restrain costs.

10 (ii) The incidence rate of selected medical or  
11 surgical procedures, the quality and service  
12 effectiveness and the payments received for those  
13 providers, identified by the name and type or specialty,  
14 for which these elements vary significantly from the  
15 norms for all providers.

16 (2) In preparing its reports under paragraph (1), the  
17 council shall ensure that factors which have the effect of  
18 either reducing provider revenue or increasing provider costs  
19 and other factors beyond a provider's control which reduce  
20 provider competitiveness in the marketplace are explained in  
21 the reports. The council shall also ensure that any  
22 clarifications and dissents submitted by individual providers  
23 under section 6(g) are noted in any reports that include  
24 release of data on that individual provider.

25 (b) Raw data reports and computer access to council data.--  
26 The council shall provide special reports derived from raw data  
27 and a means for computer-to-computer access to its raw data to  
28 any purchaser, pursuant to section 10(f). The council shall  
29 provide such reports and computer-to-computer access, at its  
30 discretion, to other parties, pursuant to section 10(g). The



1 council shall provide these special reports and computer-to-  
2 computer access in as timely a fashion as the council's  
3 responsibilities to publish the public reports required in this  
4 section will allow. Any such provision of special reports or  
5 computer-to-computer access by the council shall be made only  
6 subject to the restrictions on access to raw data set forth in  
7 section 10(b) and only after payment for costs of preparation or  
8 duplication pursuant to section 10(f) or (g).

9 Section 8. Health care for the medically indigent.

10 (a) Declaration of policy.--The General Assembly finds that  
11 every person in this Commonwealth should receive timely and  
12 appropriate health care services from any provider operating in  
13 this Commonwealth; that, as a continuing condition of licensure,  
14 each provider should offer and provide medically necessary,  
15 lifesaving and emergency health care services to every person in  
16 this Commonwealth, regardless of financial status or ability to  
17 pay; and that health care facilities may transfer patients only  
18 in instances where the facility lacks the staff or facilities to  
19 properly render definitive treatment.

20 (b) Studies on indigent care.--To reduce the undue burden on  
21 the several providers that disproportionately treat medically  
22 indigent people on an uncompensated basis, to contain the long-  
23 term costs generated by untreated or delayed treatment of  
24 illness and disease and to determine the most appropriate means  
25 of treating and financing the treatment of medically indigent  
26 persons, the council, at the request of the Governor or the  
27 General Assembly, may undertake studies and utilize its current  
28 data base to:

29 (1) Study and analyze the medically indigent population,  
30 the magnitude of uncompensated care for the medically

1 indigent, the degree of access to and the result of any lack  
2 of access by the medically indigent to appropriate care, the  
3 types of providers and the settings in which they provide  
4 indigent care and the cost of the provision of that care  
5 pursuant to subsection (c).

6 (2) Determine, from studies undertaken under paragraph  
7 (1), a definition of the medically indigent population and  
8 the most appropriate method for the delivery of timely and  
9 appropriate health care services to the medically indigent.

10 (c) Studies.--The council shall conduct studies pursuant to  
11 subsection (b) (1) and thereafter report to the Governor and the  
12 General Assembly the results of the studies and its  
13 recommendations. The council may contract with an independent  
14 vendor to conduct the study in accordance with the provisions  
15 for selecting vendors in section 16. The study shall include,  
16 but not be limited to, the following:

17 (1) the number and characteristics of the medically  
18 indigent population, including such factors as income,  
19 employment status, health status, patterns of health care  
20 utilization, type of health care needed and utilized,  
21 eligibility for health care insurance, distribution of this  
22 population on a geographic basis and by age, sex and racial  
23 or linguistic characteristics, and the changes in these  
24 characteristics, including the following:

25 (i) the needs and problems of indigent persons in  
26 urban areas;

27 (ii) the needs and problems of indigent persons in  
28 rural areas;

29 (iii) the needs and problems of indigent persons who  
30 are members of racial or linguistic minorities;

1 (iv) the needs and problems of indigent persons in  
2 areas of high unemployment; and

3 (v) the needs and problems of the underinsured;

4 (2) the degree of and any change in access of this  
5 population to sources of health care, including hospitals,  
6 physicians and other providers;

7 (3) the distribution and means of financing indigent  
8 care between and among providers, insurers, government,  
9 purchasers and consumers, and the effect of that distribution  
10 on each;

11 (4) the major types of care rendered to the indigent,  
12 the setting in which each type of care is rendered and the  
13 need for additional care of each type by the indigent;

14 (5) the likely impact of changes in the health delivery  
15 system, including managed care entities, and the effects of  
16 cost containment in the Commonwealth on the access to,  
17 availability of and financing of needed care for the  
18 indigent, including the impact on providers which provide a  
19 disproportionate amount of care to the indigent;

20 (6) the distribution of delivered care and actual cost  
21 to render such care by provider, region and subregion;

22 (7) the provision of care to the indigent through  
23 improvements in the primary health care system, including the  
24 management of needed hospital care by primary care providers;

25 (8) innovative means to finance and deliver care to the  
26 medically indigent; and

27 (9) reduction in the dependence of indigent persons on  
28 hospital services through improvements in preventive health  
29 measures.

30 Section 9. Mandated health benefits.

1 In relation to current law or proposed legislation, the  
2 council shall, upon the request of the appropriate committee  
3 chairman in the Senate and in the House of Representatives or  
4 upon the request of the Secretary of Health, provide information  
5 on the proposed mandated health benefit pursuant to the  
6 following:

7 (1) The General Assembly hereby declares that proposals  
8 for mandated health benefits or mandated health insurance  
9 coverage should be accompanied by adequate, independently  
10 certified documentation defining the social and financial  
11 impact and medical efficacy of the proposal. To that end the  
12 council, upon receipt of such requests, is hereby authorized  
13 to conduct a preliminary review of the material submitted by  
14 both proponents and opponents concerning the proposed  
15 mandated benefit. If, after this preliminary review, the  
16 council is satisfied that both proponents and opponents have  
17 submitted sufficient documentation necessary for a review  
18 pursuant to paragraphs (3) and (4), the council is directed  
19 to contract with individuals, pursuant to the selection  
20 procedures for vendors set forth in section 16, who will  
21 constitute a Mandated Benefits Review Panel to review  
22 mandated benefits proposals and provide independently  
23 certified documentation, as provided for in this section.

24 (2) The panel shall consist of senior researchers, each  
25 of whom shall be a recognized expert:

26 (i) one in health research;

27 (ii) one in biostatistics;

28 (iii) one in economic research;

29 (iv) one, a physician, in the appropriate specialty  
30 with current knowledge of the subject being proposed as a

1 mandated benefit; and

2 (v) one with experience in insurance or actuarial  
3 research.

4 (3) The Mandated Benefits Review Panel shall have the  
5 following duties and responsibilities:

6 (i) To review documentation submitted by persons  
7 proposing or opposing mandated benefits within 90 days of  
8 submission of said documentation to the panel.

9 (ii) To report to the council, pursuant to its  
10 review in subparagraph (i), the following:

11 (A) Whether or not the documentation is complete  
12 as defined in paragraph (4).

13 (B) Whether or not the research cited in the  
14 documentation meets professional standards.

15 (C) Whether or not all relevant research  
16 respecting the proposed mandated benefit has been  
17 cited in the documentation.

18 (D) Whether or not the conclusions and  
19 interpretations in the documentation are consistent  
20 with the data submitted.

21 (4) To provide the Mandated Benefits Review Panel with  
22 sufficient information to carry out its duties and  
23 responsibilities pursuant to paragraph (3), persons proposing  
24 or opposing legislation mandating benefits coverage should  
25 submit documentation to the council, pursuant to the  
26 procedure established in paragraph (5), which demonstrates  
27 the following:

28 (i) The extent to which the proposed benefit and the  
29 services it would provide are needed by, available to and  
30 utilized by the population of the Commonwealth.

1           (ii) The extent to which insurance coverage for the  
2 proposed benefit already exists, or if no such coverage  
3 exists, the extent to which this lack of coverage results  
4 in inadequate health care or financial hardship for the  
5 population of the Commonwealth.

6           (iii) The demand for the proposed benefit from the  
7 public and the source and extent of opposition to  
8 mandating the benefit.

9           (iv) All relevant findings bearing on the social  
10 impact of the lack of the proposed benefit.

11           (v) Where the proposed benefit would mandate  
12 coverage of a particular therapy, the results of at least  
13 one professionally accepted, controlled trial comparing  
14 the medical consequences of the proposed therapy,  
15 alternative therapies and no therapy.

16           (vi) Where the proposed benefit would mandate  
17 coverage of an additional class of practitioners, the  
18 results of at least one professionally accepted,  
19 controlled trial comparing the medical results achieved  
20 by the additional class of practitioners and those  
21 practitioners already covered by benefits.

22           (vii) The results of any other relevant research.

23           (viii) Evidence of the financial impact of the  
24 proposed legislation, including at least:

25               (A) The extent to which the proposed benefit  
26 would increase or decrease cost for treatment or  
27 service.

28               (B) The extent to which similar mandated  
29 benefits in other states have affected charges, costs  
30 and payments for services.

1 (C) The extent to which the proposed benefit  
2 would increase the appropriate use of the treatment  
3 or service.

4 (D) The impact of the proposed benefit on  
5 administrative expenses of health care insurers.

6 (E) The impact of the proposed benefits on  
7 benefits costs of purchasers.

8 (F) The impact of the proposed benefits on the  
9 total cost of health care within the Commonwealth.

10 (5) The procedure for review of documentation is as  
11 follows:

12 (i) Any person wishing to submit information on  
13 proposed legislation mandating insurance benefits for  
14 review by the panel should submit the documentation  
15 specified in paragraph (4) to the council.

16 (ii) The council shall, within 30 days of receipt of  
17 the documentation:

18 (A) Publish in the Pennsylvania Bulletin notice  
19 of receipt of the documentation, a description of the  
20 proposed legislation, provision for a period of 60  
21 days for public comment and the time and place at  
22 which any person may examine the documentation.

23 (B) Submit copies of the documentation to the  
24 Secretary of Health and the Insurance Commissioner,  
25 who shall review and submit comments to the council  
26 on the proposed legislation within 30 days.

27 (C) Submit copies of the documentation to the  
28 panel, which shall review the documentation and issue  
29 their findings, pursuant to paragraph (3), within 90  
30 days.

1           (iii) Upon receipt of the comments of the Secretary  
2 of Health and the Insurance Commissioner and of the  
3 findings of the panel, pursuant to subparagraph (ii), but  
4 no later than 120 days following the publication required  
5 in subparagraph (ii), the council shall submit said  
6 comments and findings, together with its recommendations  
7 respecting the proposed legislation, to the Governor, the  
8 President pro tempore of the Senate, the Speaker of the  
9 House of Representatives, the Secretary of Health, the  
10 Insurance Commissioner and the person who submitted the  
11 information pursuant to subparagraph (i).

12       Section 4. Section 10 of the act is reenacted and amended to  
13 read:

14       Section 10. Access to council data.

15       (a) Public access.--The information and data received by the  
16 council shall be utilized by the council for the benefit of the  
17 public and public officials. Subject to the specific limitations  
18 set forth in this section, the council shall make determinations  
19 on requests for information in favor of access.

20       (a.1) Outreach programs.--The council shall develop and  
21 implement outreach programs designed to make its information  
22 understandable and usable to purchasers, providers, other  
23 Commonwealth agencies and the general public. The programs shall  
24 include efforts to educate through pamphlets, booklets, seminars  
25 and other appropriate measures and to facilitate making more  
26 informed health care choices.

27       (b) Limitations on access.--Unless specifically provided for  
28 in this act, neither the council nor any contracting system  
29 vendor shall release and no data source, person, member of the  
30 public or other user of any data of the council shall gain



1 access to:

2 (1) Any raw data of the council that does not  
3 simultaneously disclose payment, as well as provider quality  
4 and provider service effectiveness pursuant to sections 5(d)  
5 (4) and 6(d) or 7(a)(1)(iii).

6 (2) Any raw data of the council which could reasonably  
7 be expected to reveal the identity of an individual patient.

8 (3) Any raw data of the council which could reasonably  
9 be expected to reveal the identity of any purchaser, as  
10 defined in section 3, other than a purchaser requesting data  
11 on its own group or an entity entitled to said purchaser's  
12 data pursuant to subsection (f).

13 (4) Any raw data of the council relating to actual  
14 payments to any identified provider made by any purchaser,  
15 except that this provision shall not apply to access by a  
16 purchaser requesting data on the group for which it purchases  
17 or otherwise provides covered services or to access to that  
18 same data by an entity entitled to the purchaser's data  
19 pursuant to subsection (f).

20 (5) Any raw data disclosing discounts or differentials  
21 between payments accepted by providers for services and their  
22 billed charges obtained by identified payors from identified  
23 providers unless the data is released in a Statewide,  
24 aggregate format that does not identify any individual payor  
25 or class of payors and the council assures that the release  
26 of such information is not prejudicial or inequitable to any  
27 individual payor or provider or group thereof. Payor data  
28 shall be released to individual providers for purposes of  
29 verification and validation prior to inclusion in a public  
30 report. An individual provider shall verify and validate the

1 payor data within 30 days of its release to that specific  
2 individual provider.

3 (c) Unauthorized use of data.--Any person who knowingly  
4 releases council data violating the patient confidentiality,  
5 actual payments, discount data or raw data safeguards set forth  
6 in this section to an unauthorized person commits a misdemeanor  
7 of the first degree and shall, upon conviction, be sentenced to  
8 pay a fine of \$10,000 or to imprisonment for not more than five  
9 years, or both. An unauthorized person who knowingly receives or  
10 possesses such data commits a misdemeanor of the first degree.

11 (d) Unauthorized access to data.--Should any person  
12 inadvertently or by council error gain access to data that  
13 violates the safeguards set forth in this section, the data must  
14 immediately be returned, without duplication, to the council  
15 with proper notification.

16 (e) Public access to records.--All public reports prepared  
17 by the council shall be public records and shall be available to  
18 the public for a reasonable fee, and copies shall be provided,  
19 upon request of the chair, to the Public Health and Welfare  
20 Committee of the Senate and the Health and Welfare Committee of  
21 the House of Representatives.

22 (f) Access to raw council data by purchasers.--Pursuant to  
23 sections 5(d)(5) and 7(b) and subject to the limitations on  
24 access set forth in subsection (b), the council shall provide  
25 access to its raw data to purchasers in accordance with the  
26 following procedure:

27 (1) Special reports derived from raw data of the council  
28 shall be provided by the council to any purchaser requesting  
29 such reports.

30 (2) A means to enable computer-to-computer access by any

1 purchaser to raw data of the council as defined in section 3  
2 shall be developed, adopted and implemented by the council,  
3 and the council shall provide such access to its raw data to  
4 any purchaser upon request.

5 (3) In the event that any employer obtains from the  
6 council, pursuant to paragraph (1) or (2), data pertaining to  
7 its employees and their dependents for whom said employer  
8 purchases or otherwise provides covered services as defined  
9 in section 3 and who are represented by a certified  
10 collective bargaining representative, said collective  
11 bargaining representative shall be entitled to that same  
12 data, after payment of fees as specified in paragraph (4).  
13 Likewise, should a certified collective bargaining  
14 representative obtain from the council, pursuant to paragraph  
15 (1) or (2), data pertaining to its members and their  
16 dependents who are employed by and for whom covered services  
17 are purchased or otherwise provided by any employer, said  
18 employer shall be entitled to that same data, after payment  
19 of fees as specified in paragraph (4).

20 (4) In providing for access to its raw data, the council  
21 shall charge the purchasers which originally obtained such  
22 access a fee sufficient to cover its costs to prepare and  
23 provide special reports requested pursuant to paragraph (1)  
24 or to provide computer-to-computer access to its raw data  
25 requested pursuant to paragraph (2). Should a second or  
26 subsequent party or parties request this same information  
27 pursuant to paragraph (3), the council shall charge said  
28 party a reasonable fee.

29 (g) Access to raw council data by other parties.--Subject to  
30 the limitations on access to raw council data set forth in

1 subsection (b), the council may, at its discretion, provide  
2 special reports derived from its raw data or computer-to-  
3 computer access to parties other than purchasers. The council  
4 shall publish regulations that set forth the criteria and the  
5 procedure it shall use in making determinations on such access,  
6 pursuant to the powers vested in the council in section 4. In  
7 providing such access, the council shall charge the party  
8 requesting the access a reasonable fee.

9 Section 5. Sections 11, 12, 13, 14, 15, 16 and 17.1 of the  
10 act are reenacted to read:

11 Section 11. Special studies and reports.

12 (a) Special studies.--Any Commonwealth agency may publish or  
13 contract for publication of special studies. Any special study  
14 so published shall become a public document.

15 (b) Special reports.--

16 (1) Any Commonwealth agency may study and issue a report  
17 on the special medical needs, demographic characteristics,  
18 access or lack thereof to health care services and need for  
19 financing of health care services of:

20 (i) Senior citizens, particularly low-income senior  
21 citizens, senior citizens who are members of minority  
22 groups and senior citizens residing in low-income urban  
23 or rural areas.

24 (ii) Low-income urban or rural areas.

25 (iii) Minority communities.

26 (iv) Women.

27 (v) Children

28 (vi) Unemployed workers.

29 (vii) Veterans.

30 The reports shall include information on the current

1 availability of services to these targeted parts of the  
2 population, and whether access to such services has increased  
3 or decreased over the past ten years, and specific  
4 recommendations for the improvement of their primary care and  
5 health delivery systems, including disease prevention and  
6 comprehensive health care services. The department may also  
7 study and report on the effects of using prepaid, capitated  
8 or HMO health delivery systems as ways to promote the  
9 delivery of primary health care services to the underserved  
10 segments of the population enumerated above.

11 (2) The department may study and report on the short-  
12 term and long-term fiscal and programmatic impact on the  
13 health care consumer of changes in ownership of hospitals  
14 from nonprofit to profit, whether through purchase, merger or  
15 the like. The department may also study and report on factors  
16 which have the effect of either reducing provider revenue or  
17 increasing provider cost, and other factors beyond a  
18 provider's control which reduce provider competitiveness in  
19 the marketplace, are explained in the reports.

20 Section 12. Enforcement; penalty.

21 (a) Compliance enforcement.--The council shall have standing  
22 to bring an action in law or in equity through private counsel  
23 in any court of common pleas to enforce compliance with any  
24 provision of this act, except section 11, or any requirement or  
25 appropriate request of the council made pursuant to this act. In  
26 addition, the Attorney General is authorized and shall bring any  
27 such enforcement action in aid of the council in any court of  
28 common pleas at the request of the council in the name of the  
29 Commonwealth.

30 (b) Penalty.--

1 (1) Any person who fails to supply data pursuant to  
2 section 6 may be assessed a civil penalty not to exceed  
3 \$1,000 for each day the data is not submitted.

4 (2) Any person who knowingly submits inaccurate data  
5 under section 6 commits a misdemeanor of the third degree and  
6 shall, upon conviction, be sentenced to pay a fine of \$1,000  
7 or to imprisonment for not more than one year, or both.

8 Section 13. Research and demonstration projects.

9 The council shall actively encourage research and  
10 demonstrations to design and test improved methods of assessing  
11 provider quality, provider service effectiveness and efficiency.  
12 To that end, provided that no data submission requirements in a  
13 mandated demonstration may exceed the current reserve field on  
14 the Pennsylvania Uniform Claims and Billing Form, the council  
15 may:

16 (1) Authorize contractors engaged in health services  
17 research selected by the council, pursuant to the provisions  
18 of section 16, to have access to the council's raw data  
19 files, providing such entities assume any contractual  
20 obligations imposed by the council to assure patient identity  
21 confidentiality.

22 (2) Place data sources participating in research and  
23 demonstrations on different data submission requirements from  
24 other data sources in this Commonwealth.

25 (3) Require data source participation in research and  
26 demonstration projects when this is the only testing method  
27 the council determines is promising.

28 Section 14. Grievances and grievance procedures.

29 (a) Procedures and requirements.--Pursuant to its powers to  
30 publish regulations under section 5(b) and with the requirements

1 of this section, the council is hereby authorized and directed  
2 to establish procedures and requirements for the filing, hearing  
3 and adjudication of grievances against the council of any data  
4 source. Such procedures and requirements shall be published in  
5 the Pennsylvania Bulletin pursuant to law.

6 (b) Claims; hearings.--Grievance claims of any data source  
7 shall be submitted to the council or to a third party designated  
8 by the council, and the council or the designated third party  
9 shall convene a hearing, if requested, and adjudicate the  
10 grievance.

11 Section 15. Antitrust provisions.

12 Persons or entities required to submit data or information  
13 under this act or receiving data or information from the council  
14 in accordance with this act are declared to be acting pursuant  
15 to State requirements embodied in this act and shall be exempt  
16 from antitrust claims or actions grounded upon submission or  
17 receipt of such data or information.

18 Section 16. Contracts with vendors.

19 Any contract with any vendor other than a sole source vendor  
20 for purchase of services or for purchase or lease of supplies  
21 and equipment related to the council's powers and duties shall  
22 be let only after a public bidding process and only in  
23 accordance with the following provisions, and no contract shall  
24 be let by the council that does not conform to these provisions:

25 (1) The council shall prepare specifications fully  
26 describing the services to be rendered or equipment or  
27 supplies to be provided by a vendor and shall make these  
28 specifications available for inspection by any person at the  
29 council's offices during normal working hours and at such  
30 other places and such other times as the council deems

1       advisable.

2           (2)   The council shall publish notice of invitations to  
3       bid in the Pennsylvania Bulletin. The council shall also  
4       publish such notice in at least four newspapers in general  
5       circulation in the Commonwealth on at least three occasions  
6       at intervals of not less than three days. Said notice shall  
7       include at least the following:

8           (i)   The deadline for submission of bids by  
9       prospective vendors, which shall be no sooner than 30  
10      days following the latest publication of the notice as  
11      prescribed in this paragraph.

12          (ii)  The locations, dates and times during which  
13      prospective vendors can examine the specifications  
14      required in paragraph (1).

15          (iii) The date, time and place of the meeting or  
16      meetings of the council at which bids will be opened and  
17      accepted.

18          (iv)  A statement to the effect that any person is  
19      eligible to bid.

20      (3)   Bids shall be accepted as follows:

21          (i)   No council member who is affiliated in any way  
22      with any bidder shall vote on the awarding of any  
23      contract for which said bidder has submitted a bid, and  
24      any council member who has an affiliation with a bidder  
25      shall state the nature of the affiliation prior to any  
26      vote of the council.

27          (ii)  Bids shall be opened and reviewed by the  
28      appropriate council committee, which shall make  
29      recommendations to the council on approval. Bids shall be  
30      accepted and such acceptance shall be announced only at a



1 public meeting of the council as defined in section 4(e),  
2 and no bids shall be accepted at an executive session of  
3 the council.

4 (iii) The council may require that a certified  
5 check, in an amount determined by the council, accompany  
6 every bid, and, when so required, no bid shall be  
7 accepted unless so accompanied.

8 (4) In order to prevent any party from deliberately  
9 underbidding contracts in order to gain or prevent access to  
10 council data, the council may award any contract at its  
11 discretion, regardless of the amount of the bid, pursuant to  
12 the following:

13 (i) Any bid accepted must reasonably reflect the  
14 actual cost of services provided.

15 (ii) Any vendor so selected by the council shall be  
16 found by the council to be of such character and such  
17 integrity as to assure, to the maximum extent possible,  
18 adherence to all the provisions of this act in the  
19 provision of contracted services.

20 (iii) The council may require the selected vendor to  
21 furnish, within 20 days after the contract has been  
22 awarded, a bond with suitable and reasonable requirements  
23 guaranteeing the services to be performed with sufficient  
24 surety in an amount determined by the council, and upon  
25 failure to furnish such bond within the time specified,  
26 the previous award shall be void.

27 (5) The council shall make efforts to assure that its  
28 vendors have established affirmative action plans to assure  
29 equal opportunity policies for hiring and promoting  
30 employees.

1 Section 17.1. Reporting.

2 The council shall provide an annual report of its financial  
3 expenditures to the Appropriations Committee of the Senate and  
4 the Appropriations Committee of the House of Representatives.

5 Section 6. The act is amended by adding a section to read:

6 Section 17.2. Health Care Cost Containment Council Act Review  
7 Committee.

8 (a) Establishment.--There is hereby established an  
9 independent committee to be known as the Health Care Cost  
10 Containment Council Act Review Committee.

11 (b) Composition.--The committee shall consist of the  
12 following voting members composed of and appointed as follows:

13 (1) One member appointed by the Governor.

14 (2) Four members appointed by the General Assembly, one  
15 of whom shall be appointed by each of the following:

16 (i) one by the President pro tempore of the Senate;

17 (ii) one by the Minority Leader of the Senate;

18 (iii) one by the Majority Leader of the House of  
19 Representatives; and

20 (iv) one by the Minority Leader of the House of  
21 Representatives.

22 (3) Two representatives of the business community, at  
23 least one of whom represents small business, and neither of  
24 whom is primarily involved in the provision of health care or  
25 health insurance, one of whom shall be appointed by the  
26 President pro tempore of the Senate and one of whom shall be  
27 appointed by the Speaker of the House of Representatives from  
28 a list of four qualified persons recommended by the  
29 Pennsylvania Chamber of Business and Industry.

30 (4) Two representatives of organized labor, one of whom

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

5 (5) 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 President pro  
9 tempore of the Senate and the Speaker of the House of  
10 Representatives.

11 (6) One representative of hospitals, appointed by the  
12 Governor from a list of three qualified hospital  
13 representatives recommended by the Hospital and Health System  
14 Association of Pennsylvania.

15 (7) One representative of physicians, appointed by the  
16 Governor from a list of three qualified physician  
17 representatives recommended jointly by the Pennsylvania  
18 Medical Society and the Pennsylvania Osteopathic Medical  
19 Society.

20 (8) One representative of nurses, appointed by the  
21 Governor from a list of three qualified representatives  
22 recommended by the Pennsylvania State Nurses Association.

23 (9) One representative of the Blue Cross and Blue Shield  
24 plans in Pennsylvania, appointed by the Governor from a list  
25 of three qualified persons recommended jointly by the Blue  
26 Cross and Blue Shield plans of Pennsylvania.

27 (10) One representative of commercial insurance  
28 carriers, appointed by the Governor from a list of three  
29 qualified persons recommended by the Insurance Federation of  
30 Pennsylvania, Inc.

1 (c) Chairperson.--The appointment made by the Governor under  
2 subsection (b) (1) shall serve as chairman of the committee.

3 (d) Quorum.--Eleven members shall constitute a quorum for  
4 the transaction of any business, and the act by the majority of  
5 the members present at any meeting in which there is a quorum  
6 shall be deemed to be the act of the committee.

7 (e) Meetings.--

8 (1) All meetings of the committee shall be advertised  
9 and conducted pursuant to 65 Pa.C.S. Ch. 7 (relating to open  
10 meetings).

11 (2) All action taken by the committee shall be taken in  
12 open public session, and action of the committee shall not be  
13 taken except upon the affirmative vote of a majority of the  
14 members of the committee present during meetings at which a  
15 quorum is present.

16 (f) Compensation and expenses.--The members of the committee  
17 shall not receive a salary or per diem allowance for serving as  
18 members of the committee but shall be reimbursed for actual and  
19 necessary expenses incurred in the performance of their duties.  
20 Expenses may include reimbursement of travel and living expenses  
21 while engaged in committee business.

22 (g) Commencement of committee.--

23 (1) Within 15 days after the effective date of this  
24 section, each organization or individual required to submit a  
25 list of recommended persons to the Governor, the President  
26 pro tempore of the Senate or the Speaker of the House of  
27 Representatives under subsection (b) shall submit the list.

28 (2) Within 30 days of the effective date of this  
29 section, the Governor, the President pro tempore of the  
30 Senate and the Speaker of the House of Representatives shall

1 make the appointments called for in subsection (b), and the  
2 committee shall begin operations immediately following the  
3 appointments.

4 (h) Responsibilities of the committee.--The committee shall  
5 have the following powers and duties:

6 (1) To study, review and recommend changes to this act.

7 (2) To accept and review suggested changes to this act  
8 submitted by members of the committee.

9 (3) To approve, by a majority vote of the members of the  
10 committee, a report recommending statutory changes to this  
11 act. The report shall include, at a minimum, the following:

12 (i) The establishment of an Internet database for  
13 the general public showing Medicare reimbursement rates  
14 for common covered services and treatment.

15 (ii) In consultation with experts in the fields of  
16 quality data and outcome measures, the definition and  
17 implementation of:

18 (A) A methodology by provider type for the  
19 council to risk adjust quality data.

20 (B) A methodology for the council to collect and  
21 disseminate data reflecting provider quality and  
22 provider service effectiveness.

23 (4) To submit the report approved under paragraph (3) to  
24 the President pro tempore of the Senate and the Speaker of  
25 the House of Representatives by March 1, 2010.

26 (i) Committee support.--The council shall offer staff and  
27 administrative support from the council or its work groups  
28 necessary for the committee to carry out its duties under this  
29 section.

30 Section 7. Section 18 of the act is reenacted to read:

1 Section 18. Severability.

2 The provisions of this act are severable. If any provision of  
3 this act or its application to any person or circumstance is  
4 held invalid, the invalidity shall not affect other provisions  
5 or applications of this act which can be given effect without  
6 the invalid provision or application.

7 Section 8. Section 19 of the act is reenacted and amended to  
8 read:

9 Section 19. Sunset.

10 This act shall expire [June 30, 2008] December 31, 2014,  
11 unless reenacted prior to that date. By [September 1, 2007]  
12 December 31, 2013, a written report by the Legislative Budget  
13 and Finance Committee evaluating the management, visibility,  
14 awareness and performance of the council shall be provided to  
15 the Public Health and Welfare Committee of the Senate and the  
16 Health and Human Services Committee of the House of  
17 Representatives. The report shall include a review of the  
18 council's procedures and policies, the availability and quality  
19 of data for completing reports [to hospitals and outside vendor  
20 purchasers, the ability of the council to become self-sufficient  
21 by selling data to outside purchasers], whether there is a more  
22 cost-efficient way of accomplishing the objectives of the  
23 council and the need for reauthorization of the council.

24 Section 9. Section 20 of the act is reenacted to read:

25 Section 20. Effective date.

26 This act shall take effect immediately.

27 Section 10. In accordance with section 11 of this act, the  
28 following apply to the period from June 29, 2008, to the  
29 effective date of this section:

30 (1) There is no lapse in membership on the Health Care

1 Cost Containment Council.

2 (2) Eleven members constitute a quorum.

3 (3) Any action taken by the council is validated.

4 (4) There shall be no lapse in the employment  
5 relationship for employees of the council. This paragraph  
6 includes salary, seniority, benefits and retirement  
7 eligibility of the employees.

8 Section 11. This act shall apply as follows:

9 (1) Except as set forth in paragraph (2), this act shall  
10 apply retroactively to June 29, 2008.

11 (2) The reenactment of section 6 of the act shall apply  
12 retroactively under paragraph (1), but the amendment of  
13 section 6 of the act shall apply from the effective date of  
14 the amendment under section 12(1) of this act.

15 Section 12. This act shall take effect as follows:

16 (1) The amendment of section 6 of the act shall take  
17 effect June 30, 2011.

18 (2) The remainder of this act shall take effect  
19 immediately.