

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## SENATE BILL

No. 89

Session of  
2009

INTRODUCED BY VANCE, FONTANA, ERICKSON, SCARNATI, PILEGGI,  
ALLOWAY, BAKER, BOSCOLA, BROWNE, CORMAN, COSTA, EARLL,  
FARNESE, FERLO, GORDNER, GREENLEAF, HUGHES, KASUNIC, LEACH,  
LOGAN, MELLOW, O'PAKE, ORIE, PICCOLA, PIPPY, RAFFERTY,  
ROBBINS, STACK, STOUT, TARTAGLIONE, WASHINGTON, WAUGH, YAW,  
M. WHITE AND WARD, JANUARY 29, 2009

SENATOR ERICKSON, PUBLIC HEALTH AND WELFARE, AS AMENDED,  
MARCH 17, 2009

## AN ACT

1 ~~Amending~~REENACTING AND AMENDING the act of July 8, 1986 ←  
2 (P.L.408, No.89), entitled, as reenacted, "An act providing  
3 for the creation of the Health Care Cost Containment Council,  
4 for its powers and duties, for health care cost containment  
5 through the collection and dissemination of data, for public  
6 accountability of health care costs and for health care for  
7 the indigent; and making an appropriation," ~~defining~~ ←  
8 ~~"committee"; further providing~~FURTHER PROVIDING FOR POLICY ←  
9 DECLARATION, FOR DEFINITIONS, for the Health Care Cost  
10 Containment Council and its powers and duties, for data  
11 submission and collection and for access to council data; ~~and~~ ←  
12 providing for the establishment of a Health Care Cost  
13 Containment Council Act Review Committee ~~and~~; AND FURTHER ←  
14 PROVIDING for sunset of act.

15 The General Assembly of the Commonwealth of Pennsylvania  
16 hereby enacts as follows:

17 ~~Section 1. Section 3 of the act of July 8, 1986 (P.L.408,~~ ←  
18 ~~No.89), known as the Health Care Cost Containment Act, reenacted~~  
19 ~~and amended July 17, 2003 (P.L.31, No.14), is amended by adding~~  
20 ~~a definition to read:~~  
21 ~~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     ~~\* \* \*~~

5     ~~"Committee." The Health Care Cost Containment Council Act~~  
6     ~~Review Committee.~~

7     ~~\* \* \*~~

8     ~~Section 2. Sections 4(f), 5(c) and (d), 6(a) and (d) and~~  
9     ~~10(b) (5) of the act are amended to read:~~

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

11    ~~\* \* \*~~

12    ~~(f) Bylaws. The council shall adopt bylaws, not~~  
13    ~~inconsistent with this act, and may appoint such committees or~~  
14    ~~elect such officers subordinate to those provided for in~~  
15    ~~subsection (c) as it deems advisable. The council shall provide~~  
16    ~~for the approval and participation of additional delegates~~  
17    ~~appointed under subsection (b) (7) and (8) so that each~~  
18    ~~organization represented by delegates under those paragraphs~~  
19    ~~shall not have more than one vote on any committee to which they~~  
20    ~~are appointed. The council shall also appoint a technical~~  
21    ~~advisory group which shall, on an ad hoc basis, respond to~~  
22    ~~issues presented to it by the council or committees of the~~  
23    ~~council and shall make recommendations to the council. The~~  
24    ~~technical advisory group shall include physicians, researchers,~~  
25    ~~biostatisticians, one representative of the Hospital and~~  
26    ~~Healthsystem Association of Pennsylvania and one representative~~  
27    ~~of the Pennsylvania Medical Society. The Hospital and~~  
28    ~~Healthsystem Association of Pennsylvania and the Pennsylvania~~  
29    ~~Medical Society representatives shall not be subject to~~  
30    ~~executive committee approval. In appointing other physicians,~~

~~researchers and biostatisticians to the technical advisory group, the council shall consult with and take nominations from the representatives of the Hospital Association of Pennsylvania, the Pennsylvania Medical Society, the Pennsylvania Osteopathic Medical Society or other like organizations. At its discretion and in accordance with this section, nominations shall be approved by the executive committee of the council. If the subject matter of any project exceeds the expertise of the technical advisory group, physicians in appropriate specialties who possess current knowledge of the issue under study may be consulted. The technical advisory group shall also review the availability and reliability of severity of illness measurements as they relate to small hospitals and psychiatric, rehabilitation and children's hospitals and shall make recommendations to the council based upon this review. Meetings of the technical advisory group shall be open to the general public.~~

~~\* \* \*~~

~~Section 5. Powers and duties of the council.~~

~~\* \* \*~~

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

~~(1) Audits of information submitted by providers or health care insurers shall be performed on a sample and issue specific basis, as needed by the council, and shall be coordinated, to the extent practicable, with audits performed by the Commonwealth. All health care insurers and providers are hereby required to make those books, records of accounts~~

1 ~~and any other data needed by the auditors available to the~~  
2 ~~council at a convenient location within 30 days of a written~~  
3 ~~notification by the council.~~

4 ~~(2) Audits of information submitted by purchasers shall~~  
5 ~~be performed on a sample basis, unless there exists~~  
6 ~~reasonable cause to audit specific purchasers, but in no case~~  
7 ~~shall the council have the power to audit financial~~  
8 ~~statements of purchasers.~~

9 ~~(3) All audits performed by the council shall be~~  
10 ~~performed at the expense of the council.~~

11 ~~(4) The results of audits of providers or health care~~  
12 ~~insurers shall be provided to the audited providers and~~  
13 ~~health care insurers on a timely basis, not to exceed 30 days~~  
14 ~~beyond presentation of audit findings to the council.~~

15 ~~(d) General duties and functions. The council is hereby~~  
16 ~~authorized to and shall perform the following duties and~~  
17 ~~functions:~~

18 ~~(1) Develop a computerized system for the collection,~~  
19 ~~analysis and dissemination of data. The council may contract~~  
20 ~~with a vendor who will provide such data processing services.~~  
21 ~~The council shall assure that the system will be capable of~~  
22 ~~processing all data required to be collected under this act.~~  
23 ~~Any vendor selected by the council shall be selected in~~  
24 ~~accordance with the provisions of section 16, and said vendor~~  
25 ~~shall relinquish any and all proprietary rights or claims to~~  
26 ~~the data base created as a result of implementation of the~~  
27 ~~data processing system.~~

28 ~~(2) Establish a Pennsylvania Uniform Claims and Billing~~  
29 ~~Form for all data sources and all providers which shall be~~  
30 ~~utilized and maintained by all data sources and all providers~~

1 ~~for all services covered under this act.~~

2 ~~(3) Collect and disseminate data, as specified in~~  
3 ~~section 6, and other information from data sources to which~~  
4 ~~the council is entitled, prepared according to formats, time~~  
5 ~~frames and confidentiality provisions as specified in~~  
6 ~~sections 6 and 10, and by the council.~~

7 ~~(4) Adopt and implement a methodology to collect and~~  
8 ~~disseminate data reflecting provider quality and provider~~  
9 ~~service effectiveness pursuant to section 6.~~

10 ~~(5) Subject to the restrictions on access to raw data~~  
11 ~~set forth in section 10, issue special reports and make~~  
12 ~~available raw data as defined in section 3 to any purchaser~~  
13 ~~requesting it. Sale by any recipient or exchange or~~  
14 ~~publication by a recipient, other than a purchaser, of raw~~  
15 ~~council data to other parties without the express written~~  
16 ~~consent of, and under terms approved by, the council shall be~~  
17 ~~unauthorized use of data pursuant to section 10(c).~~

18 ~~(6) On an annual basis, publish in the Pennsylvania~~  
19 ~~Bulletin a list of all the raw data reports it has prepared~~  
20 ~~under section 10(f) and a description of the data obtained~~  
21 ~~through each computer to computer access it has provided~~  
22 ~~under section 10(f) and of the names of the parties to whom~~  
23 ~~the council provided the reports or the computer to computer~~  
24 ~~access during the previous month.~~

25 ~~(7) Promote competition in the health care and health~~  
26 ~~insurance markets.~~

27 ~~(8) Assure that the use of council data does not raise~~  
28 ~~access barriers to care.~~

29 ~~(10) Make annual reports to the General Assembly on the~~  
30 ~~rate of increase in the cost of health care in the~~

1 ~~Commonwealth and the effectiveness of the council in carrying~~  
2 ~~out the legislative intent of this act. In addition, the~~  
3 ~~council may make recommendations on the need for further~~  
4 ~~health care cost containment legislation. The council shall~~  
5 ~~also make annual reports to the General Assembly on the~~  
6 ~~quality and effectiveness of health care and access to health~~  
7 ~~care for all citizens of the Commonwealth.~~

8 ~~(12) Conduct studies and publish reports thereon~~  
9 ~~analyzing the effects that noninpatient, alternative health~~  
10 ~~care delivery systems have on health care costs. These~~  
11 ~~systems shall include, but not be limited to: HMO's; PPO's;~~  
12 ~~primary health care facilities; home health care; attendant~~  
13 ~~care; ambulatory service facilities; freestanding emergency~~  
14 ~~centers; birthing centers; and hospice care. These reports~~  
15 ~~shall be submitted to the General Assembly and shall be made~~  
16 ~~available to the public.~~

17 ~~(13) Conduct studies and make reports concerning the~~  
18 ~~utilization of experimental and nonexperimental transplant~~  
19 ~~surgery and other highly technical and experimental~~  
20 ~~procedures, including costs and mortality rates.~~

21 ~~(14) In order to ensure that the council adopts and~~  
22 ~~maintains both scientifically credible and cost effective~~  
23 ~~methodology to collect and disseminate data reflecting~~  
24 ~~provider quality and service effectiveness, the council~~  
25 ~~shall, within one year of the effective date of this~~  
26 ~~paragraph, utilizing current Commonwealth agency guidelines~~  
27 ~~and procedures, issue a request for information from any~~  
28 ~~vendor that wishes to provide data collection or risk~~  
29 ~~adjustment methodology to the council to help meet the~~  
30 ~~requirements of this subsection and section 6. The council~~

1 ~~shall establish an independent Request for Information Review~~  
2 ~~Committee to review and rank all responses and to make a~~  
3 ~~final recommendation to the council. The Request for~~  
4 ~~Information Review Committee shall consist of the following~~  
5 ~~members appointed by the Governor:~~

6 ~~(i) One representative of the Hospital and~~  
7 ~~Healthsystem Association of Pennsylvania.~~

8 ~~(ii) One representative of the Pennsylvania Medical~~  
9 ~~Society.~~

10 ~~(iii) One representative of insurance.~~

11 ~~(iv) One representative of labor.~~

12 ~~(v) One representative of business.~~

13 ~~(vi) Two representatives of the general public.~~

14 ~~(15) The council shall execute a request for proposals~~  
15 ~~with third party vendors for the purpose of demonstrating a~~  
16 ~~methodology for the collection, analysis and reporting of~~  
17 ~~hospital specific complication rates. The results of this~~  
18 ~~demonstration shall be provided to the chairman and minority~~  
19 ~~chairman of the Public Health and Welfare Committee of the~~  
20 ~~Senate and the chairman and minority chairman of the Health~~  
21 ~~and Human Services Committee of the House of Representatives.~~  
22 ~~This methodology may be utilized by the council for public~~  
23 ~~reporting on comparative hospital complication rates.~~

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

25 ~~(a) (1) Submission of data. The council is hereby~~  
26 ~~authorized to collect and data sources are hereby required to~~  
27 ~~submit, upon request of the council, all data required in~~  
28 ~~this section, according to uniform submission formats, coding~~  
29 ~~systems and other technical specifications necessary to~~  
30 ~~render the incoming data substantially valid, consistent,~~

1 ~~compatible and manageable using electronic data processing~~  
2 ~~according to data submission schedules, such schedules to~~  
3 ~~avoid, to the extent possible, submission of identical data~~  
4 ~~from more than one data source, established and promulgated~~  
5 ~~by the council in regulations pursuant to its authority under~~  
6 ~~section 5(b). If payor data is requested by the council, it~~  
7 ~~shall, to the extent possible, be obtained from primary payor~~  
8 ~~sources. The council shall not require any data sources to~~  
9 ~~contract with any specific vendor for submission of any~~  
10 ~~specific data elements to the council.~~

11 ~~(1.1) Any vendor shall comply with data submission~~  
12 ~~guidelines established in the report submitted under section~~  
13 ~~17.2. The council shall maintain a vendor list of at least~~  
14 ~~two vendors that may be chosen by any data source for~~  
15 ~~submission of any specific data elements.~~

16 ~~(2) Except as provided in this section, the council may~~  
17 ~~adopt any nationally recognized methodology to adjust data~~  
18 ~~submitted under subsection (c) for severity of illness. Every~~  
19 ~~three years after the effective date of this paragraph, the~~  
20 ~~council shall solicit bids from third party vendors to adjust~~  
21 ~~the data. The solicitation shall be in accordance with 62-~~  
22 ~~Pa.C.S. (relating to procurement). Except as provided in~~  
23 ~~subparagraph (i), in carrying out its responsibilities, the~~  
24 ~~council shall not require health care facilities to report~~  
25 ~~data elements which are not included in the manual developed~~  
26 ~~by the national uniform billing committee. The following~~  
27 ~~apply:~~

28 ~~(i) Within 60 days of the effective date of this~~  
29 ~~paragraph, the council shall publish in the Pennsylvania~~  
30 ~~Bulletin a list of diseases, procedures and medical~~



1 ~~conditions, not to exceed 35, for which data under~~  
2 ~~subsections (c) (21) and (d) shall be required. The chosen~~  
3 ~~list shall not represent more than 50% of total hospital~~  
4 ~~discharges, based upon the previous year's hospital~~  
5 ~~discharge data. Subsequent to the publication of the~~  
6 ~~list, any data submission requirements under subsections~~  
7 ~~(c) (21) and (d) previously in effect shall be null and~~  
8 ~~void for diseases, procedures and medical conditions not~~  
9 ~~found on the list. All other data elements pursuant to~~  
10 ~~subsection (c) shall continue to be required from data~~  
11 ~~sources. The council shall review the list and may add no~~  
12 ~~more than a net of three diseases, procedures or medical~~  
13 ~~conditions per year over a five year period starting on~~  
14 ~~the effective date of this subparagraph. The adjusted~~  
15 ~~list of diseases, procedures and medical conditions shall~~  
16 ~~at no time be more than 50% of total hospital discharges.~~

17 ~~(ii) If the current data vendor is unable to~~  
18 ~~achieve, on a per chart basis, savings of at least 40% in~~  
19 ~~the cost of hospital compliance with the data abstracting~~  
20 ~~and submission requirements of this act by June 30, 2004,~~  
21 ~~as compared to June 30, 2003, then the council shall~~  
22 ~~disqualify the current vendor and reopen the bidding~~  
23 ~~process. The independent auditor shall determine the~~  
24 ~~extent and validity of the savings. In determining any~~  
25 ~~demonstrated cost savings, surveys of all hospitals in~~  
26 ~~this Commonwealth shall be conducted and consideration~~  
27 ~~shall be given at a minimum to:~~

28 ~~(A) new costs, in terms of making the~~  
29 ~~methodology operational, associated with laboratory,~~  
30 ~~pharmacy and other information systems a hospital is~~

1 ~~required to purchase in order to reduce hospital~~  
2 ~~compliance costs, including the cost of electronic~~  
3 ~~transfer of required data; and~~

4 ~~(B) the audited direct personnel and related~~  
5 ~~costs of data abstracting and submission required.~~

6 ~~(iii) Review by the independent auditor shall~~  
7 ~~commence by March 1, 2004, and shall conclude with a~~  
8 ~~report of findings by July 31, 2004. The report shall be~~  
9 ~~delivered to the council, the Governor, the Health and~~  
10 ~~Human Services Committee of the House of Representatives~~  
11 ~~and the Public Health and Welfare Committee of the~~  
12 ~~Senate.~~

13 ~~\* \* \*~~

14 ~~(d) Provider quality and provider service effectiveness data~~  
15 ~~elements. In carrying out its duty to collect data on provider~~  
16 ~~quality and provider service effectiveness under section 5(d)(4)~~  
17 ~~and subsection (c)(21), the council shall define a methodology~~  
18 ~~to measure provider service effectiveness which may include~~  
19 ~~additional data elements to be specified by the council~~  
20 ~~sufficient to carry out its responsibilities under section 5(d)~~  
21 ~~(4). The council may adopt a nationally recognized methodology~~  
22 ~~of quantifying and collecting data on provider quality and~~  
23 ~~provider service effectiveness until such time as the council~~  
24 ~~has the capability of developing its own methodology and~~  
25 ~~standard data elements. The council shall include in the~~  
26 ~~Pennsylvania Uniform Claims and Billing Form a field consisting~~  
27 ~~of the data elements required pursuant to subsection (c)(21) to~~  
28 ~~provide information on each provision of covered services~~  
29 ~~sufficient to permit analysis of provider quality and provider~~  
30 ~~service effectiveness within 180 days of commencement of its~~

~~operations pursuant to section 4. In carrying out its responsibilities, the council shall not require health care insurers to report on data elements that are not reported to nationally recognized accrediting organizations, to the Department of Health or to the Insurance Department in quarterly or annual reports. The council shall not require reporting by health care insurers in different formats than are required for reporting to nationally recognized accrediting organizations or on quarterly or annual reports submitted to the Department of Health or to the Insurance Department. The council may adopt the quality findings as reported to nationally recognized accrediting organizations. Additional quality data elements must be defined and released for public comment prior to the promulgation of regulations pursuant to section 5(b). The public comment period shall be no less than 30 days from the release of these elements.~~

~~\* \* \*~~

~~Section 10. Access to council data.~~

~~\* \* \*~~

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

~~\* \* \*~~

~~(5) Any raw data disclosing discounts or differentials between payments accepted by providers for services and their billed charges obtained by identified payors from identified providers unless the data is released in a Statewide, aggregate format that does not identify any individual payor~~

~~or class of payors and the council assures that the release of such information is not prejudicial or inequitable to any individual payor or provider or group thereof. Payor data shall be released to individual providers for purposes of verification and validation prior to inclusion in a public report. An individual provider shall verify and validate the payor data within 30 days of its release to that specific individual provider.~~

~~\* \* \*~~

~~Section 3. The act is amended by adding sections to read:~~  
~~Section 17.2. Health Care Cost Containment Council Act Review~~  
~~Committee.~~

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

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

~~(1) One member appointed by the Governor.~~

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

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

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

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

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

~~(3) Two representatives of the business community, at least one of whom represents small business, and neither of whom is primarily involved in the provision of health care or health insurance, one of whom shall be appointed by the~~

~~President pro tempore of the Senate and one of whom shall be appointed by the Speaker of the House of Representatives from a list of four qualified persons recommended by the Pennsylvania Chamber of Business and Industry.~~

~~(4) Two representatives of organized labor, one of whom shall be appointed by the President pro tempore of the Senate and one of whom shall be appointed by the Speaker of the House of Representatives from a list of four qualified persons recommended by the Pennsylvania AFL-CIO.~~

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

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

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

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

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

~~Cross and Blue Shield plans of Pennsylvania.~~

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

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

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

~~(e) Meetings.~~

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

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

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

~~(g) Commencement of committee.~~

~~(1) Within 15 days after the effective date of this section, each organization or individual required to submit a list of recommended persons to the Governor, the President~~

~~pro tempore of the Senate or the Speaker of the House of Representatives under subsection (b) shall submit the list.~~

~~(2) Within 30 days of the effective date of this section, the Governor, the President pro tempore of the Senate and the Speaker of the House of Representatives shall make the appointments called for in subsection (b), and the committee shall begin operations immediately following the appointments.~~

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

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

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

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

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

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

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

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

~~(4) To submit the report approved under paragraph (3) to the President pro tempore of the Senate and the Speaker of the House of Representatives by April 30, 2009.~~

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

~~Section 4. Section 19 of the act is amended to read:  
Section 19. Sunset.~~

~~This act shall expire [June 30, 2008] June 30, 2013, unless reenacted prior to that date. By September 1, [2007] 2012, a written report by the Legislative Budget and Finance Committee evaluating the management, visibility, awareness and performance of the council shall be provided to the Public Health and Welfare Committee of the Senate and the Health and Human Services Committee of the House of Representatives. The report shall include a review of the council's procedures and policies, the availability and quality of data for completing reports [to hospitals and outside vendor purchasers, the ability of the council to become self sufficient by selling data to outside purchasers], whether there is a more cost efficient way of accomplishing the objectives of the council and the need for reauthorization of the council.~~

SECTION 1. THE TITLE AND SECTION 1 OF THE ACT OF JULY 8, 1986 (P.L.408, NO.89), KNOWN AS THE HEALTH CARE COST CONTAINMENT ACT, REENACTED AND AMENDED JULY 17, 2003 (P.L.31, NO.14), ARE REENACTED TO READ:

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



1 SECTION 1. SHORT TITLE.

2 THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE HEALTH CARE  
3 COST CONTAINMENT ACT.

4 SECTION 2. SECTIONS 2, 3, 4, 5 AND 6 OF THE ACT ARE  
5 REENACTED AND AMENDED TO READ:

6 [SECTION 2. LEGISLATIVE FINDING AND DECLARATION.

7 THE GENERAL ASSEMBLY FINDS THAT THERE EXISTS IN THIS  
8 COMMONWEALTH A MAJOR CRISIS BECAUSE OF THE CONTINUING ESCALATION  
9 OF COSTS FOR HEALTH CARE SERVICES. BECAUSE OF THE CONTINUING  
10 ESCALATION OF COSTS, AN INCREASINGLY LARGE NUMBER OF  
11 PENNSYLVANIA CITIZENS HAVE SEVERELY LIMITED ACCESS TO  
12 APPROPRIATE AND TIMELY HEALTH CARE. INCREASING COSTS ARE ALSO  
13 UNDERMINING THE QUALITY OF HEALTH CARE SERVICES CURRENTLY BEING  
14 PROVIDED. FURTHER, THE CONTINUING ESCALATION IS NEGATIVELY  
15 AFFECTING THE ECONOMY OF THIS COMMONWEALTH, IS RESTRICTING NEW  
16 ECONOMIC GROWTH AND IS IMPEDING THE CREATION OF NEW JOB  
17 OPPORTUNITIES IN THIS COMMONWEALTH.

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

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

22 (2) THE PRESENT SYSTEM OF HEALTH CARE COST PAYMENTS BY  
23 THIRD PARTIES.

24 (3) THE INCREASING BURDEN OF INDIGENT CARE WHICH  
25 ENCOURAGES COST SHIFTING.

26 (4) THE ABSENCE OF A CONCENTRATED AND CONTINUOUS EFFORT  
27 IN ALL SEGMENTS OF THE HEALTH CARE INDUSTRY TO CONTAIN HEALTH  
28 CARE COSTS.

29 THEREFORE, IT IS HEREBY DECLARED TO BE THE POLICY OF THE  
30 COMMONWEALTH OF PENNSYLVANIA TO PROMOTE HEALTH CARE COST

1 CONTAINMENT AND TO IDENTIFY APPROPRIATE UTILIZATION PRACTICES BY  
2 CREATING AN INDEPENDENT COUNCIL TO BE KNOWN AS THE HEALTH CARE  
3 COST CONTAINMENT COUNCIL.

4 IT IS THE PURPOSE OF THIS LEGISLATION TO PROMOTE THE PUBLIC  
5 INTEREST BY ENCOURAGING THE DEVELOPMENT OF COMPETITIVE HEALTH  
6 CARE SERVICES IN WHICH HEALTH CARE COSTS ARE CONTAINED AND TO  
7 ASSURE THAT ALL CITIZENS HAVE REASONABLE ACCESS TO QUALITY  
8 HEALTH CARE.

9 IT IS FURTHER THE INTENT OF THIS ACT TO FACILITATE THE  
10 CONTINUING PROVISION OF QUALITY, COST-EFFECTIVE HEALTH SERVICES  
11 THROUGHOUT THE COMMONWEALTH BY PROVIDING CURRENT, ACCURATE DATA  
12 AND INFORMATION TO THE PURCHASERS AND CONSUMERS OF HEALTH CARE  
13 ON BOTH COST AND QUALITY OF HEALTH CARE SERVICES AND TO PUBLIC  
14 OFFICIALS FOR THE PURPOSE OF DETERMINING HEALTH-RELATED PROGRAMS  
15 AND POLICIES AND TO ASSURE ACCESS TO HEALTH CARE SERVICES.

16 NOTHING IN THIS ACT SHALL PROHIBIT A PURCHASER FROM OBTAINING  
17 FROM ITS THIRD-PARTY INSURER, CARRIER OR ADMINISTRATOR, NOR  
18 RELIEVE SAID THIRD-PARTY INSURER, CARRIER OR ADMINISTRATOR FROM  
19 THE OBLIGATION OF PROVIDING, ON TERMS CONSISTENT WITH PAST  
20 PRACTICES, DATA PREVIOUSLY PROVIDED TO A PURCHASER PURSUANT TO  
21 ANY EXISTING OR FUTURE ARRANGEMENT, AGREEMENT OR UNDERSTANDING.]

22 SECTION 3. DEFINITIONS.

23 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL  
24 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
25 CONTEXT CLEARLY INDICATES OTHERWISE:

26 "ALLOWANCE." THE MAXIMUM ALLOWED COMBINED PAYMENT FROM A  
27 PAYOR AND A PATIENT TO A PROVIDER FOR SERVICES RENDERED.

28 "AMBULATORY SERVICE FACILITY." A FACILITY LICENSED IN THIS  
29 COMMONWEALTH, NOT PART OF A HOSPITAL, WHICH PROVIDES MEDICAL,  
30 DIAGNOSTIC OR SURGICAL TREATMENT TO PATIENTS NOT REQUIRING

1 HOSPITALIZATION, INCLUDING AMBULATORY SURGICAL FACILITIES,  
2 AMBULATORY IMAGING OR DIAGNOSTIC CENTERS, BIRTHING CENTERS,  
3 FREESTANDING EMERGENCY ROOMS AND ANY OTHER FACILITIES PROVIDING  
4 AMBULATORY CARE WHICH CHARGE A SEPARATE FACILITY CHARGE. THIS  
5 TERM DOES NOT INCLUDE THE OFFICES OF PRIVATE PHYSICIANS OR  
6 DENTISTS, WHETHER FOR INDIVIDUAL OR GROUP PRACTICES.

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

10 "COMMITTEE." THE HEALTH CARE COST CONTAINMENT COUNCIL ACT  
11 REVIEW COMMITTEE.

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

13 "COVERED SERVICES." ANY HEALTH CARE SERVICES OR PROCEDURES  
14 CONNECTED WITH EPISODES OF ILLNESS THAT REQUIRE EITHER INPATIENT  
15 HOSPITAL CARE OR MAJOR AMBULATORY SERVICE SUCH AS SURGICAL,  
16 MEDICAL OR MAJOR RADIOLOGICAL PROCEDURES, INCLUDING ANY INITIAL  
17 AND FOLLOW-UP OUTPATIENT SERVICES ASSOCIATED WITH THE EPISODE OF  
18 ILLNESS BEFORE, DURING OR AFTER INPATIENT HOSPITAL CARE OR MAJOR  
19 AMBULATORY SERVICE. THE TERM DOES NOT INCLUDE ROUTINE OUTPATIENT  
20 SERVICES CONNECTED WITH EPISODES OF ILLNESS THAT DO NOT REQUIRE  
21 HOSPITALIZATION OR MAJOR AMBULATORY SERVICE.

22 "DATA SOURCE." A [HOSPITAL] HEALTH CARE FACILITY; AMBULATORY  
23 SERVICE FACILITY; PHYSICIAN; HEALTH MAINTENANCE ORGANIZATION AS  
24 DEFINED IN THE ACT OF DECEMBER 29, 1972 (P.L.1701, NO.364),  
25 KNOWN AS THE HEALTH MAINTENANCE ORGANIZATION ACT; HOSPITAL,  
26 MEDICAL OR HEALTH SERVICE PLAN WITH A CERTIFICATE OF AUTHORITY  
27 ISSUED BY THE INSURANCE DEPARTMENT, INCLUDING, BUT NOT LIMITED  
28 TO, HOSPITAL PLAN CORPORATIONS AS DEFINED IN 40 PA.C.S. CH. 61  
29 (RELATING TO HOSPITAL PLAN CORPORATIONS) AND PROFESSIONAL HEALTH  
30 SERVICES PLAN CORPORATIONS AS DEFINED IN 40 PA.C.S. CH. 63

1 (RELATING TO PROFESSIONAL HEALTH SERVICES PLAN CORPORATIONS);  
2 COMMERCIAL INSURER WITH A CERTIFICATE OF AUTHORITY ISSUED BY THE  
3 INSURANCE DEPARTMENT PROVIDING HEALTH OR ACCIDENT INSURANCE;  
4 SELF-INSURED EMPLOYER PROVIDING HEALTH OR ACCIDENT COVERAGE OR  
5 BENEFITS FOR EMPLOYEES EMPLOYED IN THE COMMONWEALTH;  
6 ADMINISTRATOR OF A SELF-INSURED OR PARTIALLY SELF-INSURED HEALTH  
7 OR ACCIDENT PLAN PROVIDING COVERED SERVICES IN THE COMMONWEALTH;  
8 ANY HEALTH AND WELFARE FUND THAT PROVIDES HEALTH OR ACCIDENT  
9 BENEFITS OR INSURANCE PERTAINING TO COVERED SERVICE IN THE  
10 COMMONWEALTH; THE DEPARTMENT OF PUBLIC WELFARE FOR THOSE COVERED  
11 SERVICES IT PURCHASES OR PROVIDES THROUGH THE MEDICAL ASSISTANCE  
12 PROGRAM UNDER THE ACT OF JUNE 13, 1967 (P.L.31, NO.21), KNOWN AS  
13 THE PUBLIC WELFARE CODE, AND ANY OTHER PAYOR FOR COVERED  
14 SERVICES IN THE COMMONWEALTH OTHER THAN AN INDIVIDUAL.

15 "HEALTH CARE FACILITY." A GENERAL OR SPECIAL HOSPITAL,  
16 INCLUDING TUBERCULOSIS AND PSYCHIATRIC HOSPITALS, KIDNEY DISEASE  
17 TREATMENT CENTERS, INCLUDING FREESTANDING HEMODIALYSIS UNITS,  
18 AND AMBULATORY SERVICE FACILITIES AS DEFINED IN THIS SECTION,  
19 AND HOSPICES, BOTH PROFIT AND NONPROFIT, AND INCLUDING THOSE  
20 OPERATED BY AN AGENCY OF STATE OR LOCAL GOVERNMENT.

21 "HEALTH CARE INSURER." ANY PERSON, CORPORATION OR OTHER  
22 ENTITY THAT OFFERS ADMINISTRATIVE, INDEMNITY OR PAYMENT SERVICES  
23 FOR HEALTH CARE IN EXCHANGE FOR A PREMIUM OR SERVICE CHARGE  
24 UNDER A PROGRAM OF HEALTH CARE BENEFITS, INCLUDING, BUT NOT  
25 LIMITED TO, AN INSURANCE COMPANY, ASSOCIATION OR EXCHANGE  
26 ISSUING HEALTH INSURANCE POLICIES IN THIS COMMONWEALTH; HOSPITAL  
27 PLAN CORPORATION AS DEFINED IN 40 PA.C.S. CH. 61 (RELATING TO  
28 HOSPITAL PLAN CORPORATIONS); PROFESSIONAL HEALTH SERVICES PLAN  
29 CORPORATION AS DEFINED IN 40 PA.C.S. CH. 63 (RELATING TO  
30 PROFESSIONAL HEALTH SERVICES PLAN CORPORATIONS); HEALTH

1 MAINTENANCE ORGANIZATION; PREFERRED PROVIDER ORGANIZATION;  
2 FRATERNAL BENEFIT SOCIETIES; BENEFICIAL SOCIETIES; AND THIRD-  
3 PARTY ADMINISTRATORS; BUT EXCLUDING EMPLOYERS, LABOR UNIONS OR  
4 HEALTH AND WELFARE FUNDS JOINTLY OR SEPARATELY ADMINISTERED BY  
5 EMPLOYERS OR LABOR UNIONS THAT PURCHASE OR SELF-FUND A PROGRAM  
6 OF HEALTH CARE BENEFITS FOR THEIR EMPLOYEES OR MEMBERS AND THEIR  
7 DEPENDENTS.

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

14 "HOSPITAL." AN INSTITUTION, LICENSED IN THIS COMMONWEALTH,  
15 WHICH IS A GENERAL, [TUBERCULOSIS,] MENTAL, CHRONIC DISEASE OR  
16 OTHER TYPE OF HOSPITAL, OR KIDNEY DISEASE TREATMENT CENTER,  
17 WHETHER PROFIT OR NONPROFIT, AND INCLUDING THOSE OPERATED BY AN  
18 AGENCY OF STATE OR LOCAL GOVERNMENT.

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

25 "MAJOR AMBULATORY SERVICE." SURGICAL OR MEDICAL PROCEDURES,  
26 INCLUDING DIAGNOSTIC AND THERAPEUTIC RADIOLOGICAL PROCEDURES,  
27 COMMONLY PERFORMED IN HOSPITALS OR AMBULATORY SERVICE  
28 FACILITIES, WHICH ARE NOT OF A TYPE COMMONLY PERFORMED OR WHICH  
29 CANNOT BE SAFELY PERFORMED IN PHYSICIANS' OFFICES AND WHICH  
30 REQUIRE SPECIAL FACILITIES SUCH AS OPERATING ROOMS OR SUITES OR

1 SPECIAL EQUIPMENT SUCH AS FLUOROSCOPIC EQUIPMENT OR COMPUTED  
2 TOMOGRAPHIC SCANNERS, OR A POSTPROCEDURE RECOVERY ROOM OR SHORT-  
3 TERM CONVALESCENT ROOM.

4 "MEDICAL PROCEDURE INCIDENCE VARIATIONS." THE VARIATION IN  
5 THE INCIDENCE IN THE POPULATION OF SPECIFIC MEDICAL, SURGICAL  
6 AND RADIOLOGICAL PROCEDURES IN ANY GIVEN YEAR, EXPRESSED AS A  
7 DEVIATION FROM THE NORM, AS THESE TERMS ARE DEFINED IN THE  
8 CLASSICAL STATISTICAL DEFINITION OF "VARIATION," "INCIDENCE,"  
9 "DEVIATION" AND "NORM."

10 "MEDICALLY INDIGENT" OR "INDIGENT." THE STATUS OF A PERSON  
11 AS DESCRIBED IN THE DEFINITION OF INDIGENT CARE.

12 "PAYMENT." THE PAYMENTS THAT PROVIDERS ACTUALLY ACCEPT FOR  
13 THEIR SERVICES, EXCLUSIVE OF CHARITY CARE, RATHER THAN THE  
14 CHARGES THEY BILL.

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

18 "PHYSICIAN." AN INDIVIDUAL LICENSED UNDER THE LAWS OF THIS  
19 COMMONWEALTH TO PRACTICE MEDICINE AND SURGERY WITHIN THE SCOPE  
20 OF THE ACT OF OCTOBER 5, 1978 (P.L.1109, NO.261), KNOWN AS THE  
21 OSTEOPATHIC MEDICAL PRACTICE ACT, OR THE ACT OF DECEMBER 20,  
22 1985 (P.L.457, NO.112), KNOWN AS THE MEDICAL PRACTICE ACT OF  
23 1985.

24 "PREFERRED PROVIDER ORGANIZATION." ANY ARRANGEMENT BETWEEN A  
25 HEALTH CARE INSURER AND PROVIDERS OF HEALTH CARE SERVICES WHICH  
26 SPECIFIES RATES OF PAYMENT TO SUCH PROVIDERS WHICH DIFFER FROM  
27 THEIR USUAL AND CUSTOMARY CHARGES TO THE GENERAL PUBLIC AND  
28 WHICH ENCOURAGE ENROLLEES TO RECEIVE HEALTH SERVICES FROM SUCH  
29 PROVIDERS.

30 "PROVIDER." A HOSPITAL, AN AMBULATORY SERVICE FACILITY OR A

1   PHYSICIAN.

2       "PROVIDER QUALITY."   THE EXTENT TO WHICH A PROVIDER RENDERS  
3   CARE THAT, WITHIN THE CAPABILITIES OF MODERN MEDICINE, OBTAINS  
4   FOR PATIENTS MEDICALLY ACCEPTABLE HEALTH OUTCOMES AND PROGNOSSES,  
5   ADJUSTED FOR PATIENT SEVERITY, AND TREATS PATIENTS  
6   COMPASSIONATELY AND RESPONSIVELY.

7       "PROVIDER SERVICE EFFECTIVENESS."   THE EFFECTIVENESS OF  
8   SERVICES RENDERED BY A PROVIDER, DETERMINED BY MEASUREMENT OF  
9   THE MEDICAL OUTCOME OF PATIENTS GROUPED BY SEVERITY RECEIVING  
10  THOSE SERVICES.

11       "PURCHASER."   ALL CORPORATIONS, LABOR ORGANIZATIONS AND OTHER  
12  ENTITIES THAT PURCHASE BENEFITS WHICH PROVIDE COVERED SERVICES  
13  FOR THEIR EMPLOYEES OR MEMBERS, EITHER THROUGH A HEALTH CARE  
14  INSURER OR BY MEANS OF A SELF-FUNDED PROGRAM OF BENEFITS, AND A  
15  CERTIFIED BARGAINING REPRESENTATIVE THAT REPRESENTS A GROUP OR  
16  GROUPS OF EMPLOYEES FOR WHOM EMPLOYERS PURCHASE A PROGRAM OF  
17  BENEFITS WHICH PROVIDE COVERED SERVICES, BUT EXCLUDING ENTITIES  
18  DEFINED IN THIS SECTION AS "HEALTH CARE INSURERS."

19       "RAW DATA" OR "DATA."   DATA COLLECTED BY THE COUNCIL UNDER  
20  SECTION 6 [IN THE FORM INITIALLY RECEIVED]. NO DATA SHALL BE  
21  RELEASED BY THE COUNCIL EXCEPT AS PROVIDED FOR IN SECTION 11.

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

24  SECTION 4.   HEALTH CARE COST CONTAINMENT COUNCIL.

25       (A)   ESTABLISHMENT.--THE GENERAL ASSEMBLY HEREBY ESTABLISHES  
26  AN INDEPENDENT COUNCIL TO BE KNOWN AS THE HEALTH CARE COST  
27  CONTAINMENT COUNCIL.

28       (B)   COMPOSITION.--THE COUNCIL SHALL CONSIST OF VOTING  
29  MEMBERS, COMPOSED OF AND APPOINTED IN ACCORDANCE WITH THE  
30  FOLLOWING:

1           (1)   THE SECRETARY OF HEALTH.

2           (2)   THE SECRETARY OF PUBLIC WELFARE.

3           (3)   THE INSURANCE COMMISSIONER.

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

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

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

25          (7)   TWO REPRESENTATIVES OF HOSPITALS, APPOINTED BY THE  
26  GOVERNOR FROM A LIST OF FIVE QUALIFIED HOSPITAL  
27  REPRESENTATIVES RECOMMENDED BY THE HOSPITAL AND HEALTH SYSTEM  
28  ASSOCIATION OF PENNSYLVANIA ONE OF WHOM SHALL BE A  
29  REPRESENTATIVE OF RURAL HOSPITALS. EACH REPRESENTATIVE UNDER  
30  THIS PARAGRAPH MAY APPOINT TWO ADDITIONAL DELEGATES TO ACT



1 FOR THE REPRESENTATIVE ONLY AT MEETINGS OF COMMITTEES, AS  
2 PROVIDED FOR IN SUBSECTION (F).

3 (8) TWO REPRESENTATIVES OF PHYSICIANS, APPOINTED BY THE  
4 GOVERNOR FROM A LIST OF FIVE QUALIFIED PHYSICIAN  
5 REPRESENTATIVES RECOMMENDED JOINTLY BY THE PENNSYLVANIA  
6 MEDICAL SOCIETY AND THE PENNSYLVANIA OSTEOPATHIC MEDICAL  
7 SOCIETY. THE REPRESENTATIVE UNDER THIS PARAGRAPH MAY APPOINT  
8 TWO ADDITIONAL DELEGATES TO ACT FOR THE REPRESENTATIVE ONLY  
9 AT MEETINGS OF COMMITTEES, AS PROVIDED FOR IN SUBSECTION (F).

10 (8.1) AN INDIVIDUAL APPOINTED BY THE GOVERNOR WHO HAS  
11 EXPERTISE IN THE APPLICATION OF CONTINUOUS QUALITY  
12 IMPROVEMENT METHODS IN HOSPITALS.

13 (8.2) ONE REPRESENTATIVE OF NURSES, APPOINTED BY THE  
14 GOVERNOR FROM A LIST OF THREE QUALIFIED REPRESENTATIVES  
15 RECOMMENDED BY THE PENNSYLVANIA STATE NURSES ASSOCIATION.

16 (9) ONE REPRESENTATIVE OF THE BLUE CROSS AND BLUE SHIELD  
17 PLANS IN PENNSYLVANIA, APPOINTED BY THE GOVERNOR FROM A LIST  
18 OF THREE QUALIFIED PERSONS RECOMMENDED JOINTLY BY THE BLUE  
19 CROSS AND BLUE SHIELD PLANS OF PENNSYLVANIA.

20 (10) ONE REPRESENTATIVE OF COMMERCIAL INSURANCE  
21 CARRIERS, APPOINTED BY THE GOVERNOR FROM A LIST OF THREE  
22 QUALIFIED PERSONS RECOMMENDED BY THE INSURANCE FEDERATION OF  
23 PENNSYLVANIA, INC.

24 (11) ONE REPRESENTATIVE OF HEALTH MAINTENANCE  
25 ORGANIZATIONS, APPOINTED BY THE GOVERNOR [FROM A LIST OF  
26 THREE QUALIFIED PERSONS RECOMMENDED BY THE MANAGED CARE  
27 ASSOCIATION OF PENNSYLVANIA].

28 (12) IN THE CASE OF EACH APPOINTMENT TO BE MADE FROM A  
29 LIST SUPPLIED BY A SPECIFIED ORGANIZATION, IT IS INCUMBENT  
30 UPON THAT ORGANIZATION TO CONSULT WITH AND PROVIDE A LIST

1 WHICH REFLECTS THE INPUT OF OTHER EQUIVALENT ORGANIZATIONS  
2 REPRESENTING SIMILAR INTERESTS. EACH APPOINTING AUTHORITY  
3 WILL HAVE THE DISCRETION TO REQUEST ADDITIONS TO THE LIST  
4 ORIGINALLY SUBMITTED. ADDITIONAL NAMES WILL BE PROVIDED NOT  
5 LATER THAN 15 DAYS AFTER SUCH REQUEST. APPOINTMENTS SHALL BE  
6 MADE BY THE APPOINTING AUTHORITY NO LATER THAN 90 DAYS AFTER  
7 RECEIPT OF THE ORIGINAL LIST. IF, FOR ANY REASON, ANY  
8 SPECIFIED ORGANIZATION SUPPLYING A LIST SHOULD CEASE TO  
9 EXIST, THEN THE RESPECTIVE APPOINTING AUTHORITY SHALL SPECIFY  
10 A NEW EQUIVALENT ORGANIZATION TO FULFILL THE RESPONSIBILITIES  
11 OF THIS ACT.

12 (C) CHAIRPERSON AND VICE CHAIRPERSON.--THE MEMBERS SHALL  
13 ANNUALLY ELECT, BY A MAJORITY VOTE OF THE MEMBERS, A CHAIRPERSON  
14 AND A VICE CHAIRPERSON OF THE COUNCIL FROM AMONG THE BUSINESS  
15 AND LABOR REPRESENTATIVES ON THE COUNCIL.

16 (D) QUORUM.--THIRTEEN MEMBERS, AT LEAST SIX OF WHOM MUST BE  
17 MADE UP OF REPRESENTATIVES OF BUSINESS AND LABOR, SHALL  
18 CONSTITUTE A QUORUM FOR THE TRANSACTION OF ANY BUSINESS, AND THE  
19 ACT BY THE MAJORITY OF THE MEMBERS PRESENT AT ANY MEETING IN  
20 WHICH THERE IS A QUORUM SHALL BE DEEMED TO BE THE ACT OF THE  
21 COUNCIL.

22 (E) MEETINGS.--ALL MEETINGS OF THE COUNCIL SHALL BE  
23 ADVERTISED AND CONDUCTED PURSUANT TO 65 PA.C.S. CH. 7 (RELATING  
24 TO OPEN MEETINGS), UNLESS OTHERWISE PROVIDED IN THIS SECTION.

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

30 (2) ALL MEETINGS OF THE COUNCIL SHALL BE PUBLICLY

1 ADVERTISED, AS PROVIDED FOR IN THIS SUBSECTION, AND SHALL BE  
2 OPEN TO THE PUBLIC, EXCEPT THAT THE COUNCIL, THROUGH ITS  
3 BYLAWS, MAY PROVIDE FOR EXECUTIVE SESSIONS OF THE COUNCIL ON  
4 SUBJECTS PERMITTED TO BE DISCUSSED IN SUCH SESSIONS UNDER 65  
5 PA.C.S. CH. 7. NO ACT OF THE COUNCIL SHALL BE TAKEN IN AN  
6 EXECUTIVE SESSION.

7 (3) THE COUNCIL SHALL PUBLISH A SCHEDULE OF ITS MEETINGS  
8 IN THE PENNSYLVANIA BULLETIN AND IN AT LEAST ONE NEWSPAPER IN  
9 GENERAL CIRCULATION IN THE COMMONWEALTH. SUCH NOTICE SHALL BE  
10 PUBLISHED AT LEAST ONCE IN EACH CALENDAR QUARTER AND SHALL  
11 LIST THE SCHEDULE OF MEETINGS OF THE COUNCIL TO BE HELD IN  
12 THE SUBSEQUENT CALENDAR QUARTER. SUCH NOTICE SHALL SPECIFY  
13 THE DATE, TIME AND PLACE OF THE MEETING AND SHALL STATE THAT  
14 THE COUNCIL'S MEETINGS ARE OPEN TO THE GENERAL PUBLIC, EXCEPT  
15 THAT NO SUCH NOTICE SHALL BE REQUIRED FOR EXECUTIVE SESSIONS  
16 OF THE COUNCIL.

17 (4) ALL ACTION TAKEN BY THE COUNCIL SHALL BE TAKEN IN  
18 OPEN PUBLIC SESSION, AND ACTION OF THE COUNCIL SHALL NOT BE  
19 TAKEN EXCEPT UPON THE AFFIRMATIVE VOTE OF A MAJORITY OF THE  
20 MEMBERS OF THE COUNCIL PRESENT DURING MEETINGS AT WHICH A  
21 QUORUM IS PRESENT.

22 (F) BYLAWS.--THE COUNCIL SHALL ADOPT BYLAWS, NOT  
23 INCONSISTENT WITH THIS ACT, AND MAY APPOINT SUCH COMMITTEES OR  
24 ELECT SUCH OFFICERS SUBORDINATE TO THOSE PROVIDED FOR IN  
25 SUBSECTION (C) AS IT DEEMS ADVISABLE. THE COUNCIL SHALL PROVIDE  
26 FOR THE APPROVAL AND PARTICIPATION OF ADDITIONAL DELEGATES  
27 APPOINTED UNDER SUBSECTION (B) (7) AND (8) SO THAT EACH  
28 ORGANIZATION REPRESENTED BY DELEGATES UNDER THOSE PARAGRAPHS  
29 SHALL NOT HAVE MORE THAN ONE VOTE ON ANY COMMITTEE TO WHICH THEY  
30 ARE APPOINTED. THE COUNCIL SHALL ALSO APPOINT A TECHNICAL

1 ADVISORY GROUP WHICH SHALL, ON AN AD HOC BASIS, RESPOND TO  
2 ISSUES PRESENTED TO IT BY THE COUNCIL OR COMMITTEES OF THE  
3 COUNCIL AND SHALL MAKE RECOMMENDATIONS TO THE COUNCIL. THE  
4 TECHNICAL ADVISORY GROUP SHALL INCLUDE PHYSICIANS, RESEARCHERS,  
5 BIOSTATISTICIANS, ONE REPRESENTATIVE OF THE HOSPITAL AND  
6 HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA AND ONE REPRESENTATIVE  
7 OF THE PENNSYLVANIA MEDICAL SOCIETY. THE HOSPITAL AND  
8 HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA AND THE PENNSYLVANIA  
9 MEDICAL SOCIETY REPRESENTATIVES SHALL NOT BE SUBJECT TO  
10 EXECUTIVE COMMITTEE APPROVAL. IN APPOINTING OTHER PHYSICIANS,  
11 RESEARCHERS AND BIOSTATISTICIANS TO THE TECHNICAL ADVISORY  
12 GROUP, THE COUNCIL SHALL CONSULT WITH AND TAKE NOMINATIONS FROM  
13 THE REPRESENTATIVES OF THE HOSPITAL ASSOCIATION OF PENNSYLVANIA,  
14 THE PENNSYLVANIA MEDICAL SOCIETY, THE PENNSYLVANIA OSTEOPATHIC  
15 MEDICAL SOCIETY OR OTHER LIKE ORGANIZATIONS. AT ITS DISCRETION  
16 AND IN ACCORDANCE WITH THIS SECTION, NOMINATIONS SHALL BE  
17 APPROVED BY THE EXECUTIVE COMMITTEE OF THE COUNCIL. IF THE  
18 SUBJECT MATTER OF ANY PROJECT EXCEEDS THE EXPERTISE OF THE  
19 TECHNICAL ADVISORY GROUP, PHYSICIANS IN APPROPRIATE SPECIALTIES  
20 WHO POSSESS CURRENT KNOWLEDGE OF THE ISSUE UNDER STUDY MAY BE  
21 CONSULTED. THE TECHNICAL ADVISORY GROUP SHALL ALSO REVIEW THE  
22 AVAILABILITY AND RELIABILITY OF SEVERITY OF ILLNESS MEASUREMENTS  
23 AS THEY RELATE TO SMALL HOSPITALS AND PSYCHIATRIC,  
24 REHABILITATION AND CHILDREN'S HOSPITALS AND SHALL MAKE  
25 RECOMMENDATIONS TO THE COUNCIL BASED UPON THIS REVIEW. MEETINGS  
26 OF THE TECHNICAL ADVISORY GROUP SHALL BE OPEN TO THE GENERAL  
27 PUBLIC.

28 (F.1) PAYMENT DATA ADVISORY GROUP.--

29 (1) IN ORDER TO ASSURE THE TECHNICAL APPROPRIATENESS AND  
30 ACCURACY OF PAYMENT DATA, THE COUNCIL SHALL ESTABLISH A

1 PAYMENT DATA ADVISORY GROUP TO PRODUCE RECOMMENDATIONS  
2 SURROUNDING THE COLLECTION OF PAYMENT DATA, THE ANALYSIS AND  
3 MANIPULATION OF PAYMENT DATA AND THE PUBLIC REPORTING OF  
4 PAYMENT DATA. THE PAYMENT DATA ADVISORY GROUP SHALL INCLUDE  
5 TECHNICAL EXPERTS AND INDIVIDUALS KNOWLEDGEABLE IN PAYMENT  
6 SYSTEMS AND DISCHARGE CLAIMS DATA. THE ADVISORY GROUP SHALL  
7 CONSIST OF THE FOLLOWING MEMBERS APPOINTED BY THE COUNCIL:

8 (I) ONE MEMBER REPRESENTING EACH PLAN UNDER 40  
9 PA.C.S. CH. 61 (RELATING TO HOSPITAL PLAN CORPORATIONS)  
10 AND CH. 63 (RELATING TO PROFESSIONAL HEALTH SERVICES PLAN  
11 CORPORATIONS)).

12 (II) TWO MEMBERS REPRESENTING COMMERCIAL INSURANCE  
13 CARRIERS.

14 (III) THREE MEMBERS REPRESENTING HEALTH CARE  
15 FACILITIES.

16 (IV) THREE MEMBERS REPRESENTING PHYSICIANS.

17 (2) THE PAYMENT DATA ADVISORY GROUP SHALL MEET AT LEAST  
18 FOUR TIMES A YEAR AND MAY PROVIDE FOR SPECIAL MEETINGS AS MAY  
19 BE NECESSARY.

20 (3) THE PAYMENT DATA ADVISORY GROUP SHALL REVIEW AND  
21 CONCUR WITH THE TECHNICAL APPROPRIATENESS OF THE USE AND  
22 PRESENTATION OF DATA AND REPORT ITS FINDINGS TO THE COUNCIL  
23 PRIOR TO ANY VOTE TO PUBLICLY RELEASE REPORTS. IF THE COUNCIL  
24 ELECTS TO RELEASE A REPORT WITHOUT ADDRESSING THE TECHNICAL  
25 CONCERNS OF THE ADVISORY GROUP, IT SHALL PROMINENTLY DISCLOSE  
26 THIS IN THE PUBLIC REPORT AND INCLUDE THE COMMENTS OF THE  
27 ADVISORY GROUP IN THE PUBLIC REPORT.

28 (4) THE PAYMENT DATA ADVISORY GROUP SHALL EXERCISE ALL  
29 POWERS NECESSARY AND APPROPRIATE TO CARRY OUT ITS DUTIES,  
30 INCLUDING ADVISING THE COUNCIL ON THE FOLLOWING:

1           (I) COLLECTION OF PAYMENT DATA BY THE COUNCIL.

2           (II) MANIPULATION, ADJUSTMENTS AND METHODS USED WITH  
3           PAYMENT DATA.

4           (III) PUBLIC REPORTING OF PAYMENT DATA BY THE  
5           COUNCIL.

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

12          (H) TERMS OF COUNCIL MEMBERS.--

13               (1) THE TERMS OF THE SECRETARY OF HEALTH, THE SECRETARY  
14               OF PUBLIC WELFARE AND THE INSURANCE COMMISSIONER SHALL BE  
15               CONCURRENT WITH THEIR HOLDING OF PUBLIC OFFICE. THE COUNCIL  
16               MEMBERS UNDER SUBSECTION (B) (4) THROUGH (11) SHALL EACH SERVE  
17               FOR A TERM OF FOUR YEARS AND SHALL CONTINUE TO SERVE  
18               THEREAFTER UNTIL THEIR SUCCESSOR IS APPOINTED.

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

30               (3) A MEMBER MAY BE REMOVED FOR JUST CAUSE BY THE

1 APPOINTING AUTHORITY AFTER RECOMMENDATION BY A VOTE OF AT  
2 LEAST 14 MEMBERS OF THE COUNCIL.

3 (4) NO APPOINTED MEMBER UNDER SUBSECTION (B) (4) THROUGH  
4 (11) SHALL BE ELIGIBLE TO SERVE MORE THAN TWO FULL  
5 CONSECUTIVE TERMS OF FOUR YEARS BEGINNING ON THE EFFECTIVE  
6 DATE OF THIS PARAGRAPH.

7 (J) SUBSEQUENT APPOINTMENTS.--SUBMISSION OF LISTS OF  
8 RECOMMENDED PERSONS AND APPOINTMENTS OF COUNCIL MEMBERS FOR  
9 SUCCEEDING TERMS SHALL BE MADE IN THE SAME MANNER AS PRESCRIBED  
10 IN SUBSECTION (B), EXCEPT THAT:

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

14 (2) THE OFFICER REQUIRED UNDER SUBSECTION (B) TO MAKE  
15 APPOINTMENTS TO THE COUNCIL SHALL MAKE SAID APPOINTMENTS AT  
16 LEAST 30 DAYS PRIOR TO EXPIRATION OF THE COUNCIL MEMBERS'  
17 TERMS. IF THE APPOINTMENTS ARE NOT MADE WITHIN THE SPECIFIED  
18 TIME, THE COUNCIL CHAIRPERSON MAY MAKE INTERIM APPOINTMENTS  
19 FROM THE LISTS OF RECOMMENDED INDIVIDUALS. AN INTERIM  
20 APPOINTMENT SHALL BE VALID ONLY UNTIL THE APPROPRIATE OFFICER  
21 UNDER SUBSECTION (B) MAKES THE REQUIRED APPOINTMENT. WHETHER  
22 THE APPOINTMENT IS BY THE REQUIRED OFFICER OR BY THE  
23 CHAIRPERSON OF THE COUNCIL, THE APPOINTMENT SHALL BECOME  
24 EFFECTIVE IMMEDIATELY UPON EXPIRATION OF THE INCUMBENT  
25 MEMBER'S TERM.

26 SECTION 5. POWERS AND DUTIES OF THE COUNCIL.

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

30 (1) TO EMPLOY AN EXECUTIVE DIRECTOR, INVESTIGATORS AND

1 OTHER STAFF NECESSARY TO COMPLY WITH THE PROVISIONS OF THIS  
2 ACT AND REGULATIONS PROMULGATED THEREUNDER, TO EMPLOY OR  
3 RETAIN LEGAL COUNSEL AND TO ENGAGE PROFESSIONAL CONSULTANTS,  
4 AS IT DEEMS NECESSARY TO THE PERFORMANCE OF ITS DUTIES. ANY  
5 CONSULTANTS, OTHER THAN SOLE SOURCE CONSULTANTS, ENGAGED BY  
6 THE COUNCIL SHALL BE SELECTED IN ACCORDANCE WITH THE  
7 PROVISIONS FOR CONTRACTING WITH VENDORS SET FORTH IN SECTION  
8 16.

9 (2) TO FIX THE COMPENSATION OF ALL EMPLOYEES AND TO  
10 PRESCRIBE THEIR DUTIES. NOTWITHSTANDING THE INDEPENDENCE OF  
11 THE COUNCIL UNDER SECTION 4(A), EMPLOYEES UNDER THIS  
12 PARAGRAPH SHALL BE DEEMED EMPLOYEES OF THE COMMONWEALTH FOR  
13 THE PURPOSES OF PARTICIPATION IN THE PENNSYLVANIA EMPLOYEE  
14 BENEFIT TRUST FUND.

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

21 (4) TO CONDUCT EXAMINATIONS AND INVESTIGATIONS, TO  
22 CONDUCT AUDITS, PURSUANT TO THE PROVISIONS OF SUBSECTION (C),  
23 AND TO HEAR TESTIMONY AND TAKE PROOF, UNDER OATH OR  
24 AFFIRMATION, AT PUBLIC OR PRIVATE HEARINGS, ON ANY MATTER  
25 NECESSARY TO ITS DUTIES.

26 (4.1) TO PROVIDE HOSPITALS WITH INDIVIDUALIZED DATA ON  
27 PATIENT SAFETY INDICATORS PURSUANT TO SECTION 6(C)(7). THE  
28 DATA SHALL BE RISK ADJUSTED AND MADE AVAILABLE TO HOSPITALS  
29 ELECTRONICALLY AND FREE OF CHARGE ON A QUARTERLY BASIS WITHIN  
30 45 DAYS OF RECEIPT OF THE CORRECTED QUARTERLY DATA FROM THE



1 HOSPITALS. THE DATA IS INTENDED TO PROVIDE THE PATIENT SAFETY  
2 COMMITTEE OF EACH HOSPITAL WITH INFORMATION NECESSARY TO  
3 ASSIST IN CONDUCTING PATIENT SAFETY ANALYSIS.

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

6 (B) RULES AND REGULATIONS.--THE COUNCIL SHALL PROMULGATE  
7 RULES AND REGULATIONS IN ACCORDANCE WITH THE ACT OF JUNE 25,  
8 1982 (P.L.633, NO.181), KNOWN AS THE REGULATORY REVIEW ACT,  
9 NECESSARY TO CARRY OUT ITS DUTIES UNDER THIS ACT. THIS  
10 SUBSECTION SHALL NOT APPLY TO REGULATIONS IN EFFECT ON JUNE 30,  
11 2003.

12 (C) AUDIT POWERS.--THE COUNCIL SHALL HAVE THE RIGHT TO  
13 INDEPENDENTLY AUDIT ALL INFORMATION REQUIRED TO BE SUBMITTED BY  
14 DATA SOURCES AS NEEDED TO CORROBORATE THE ACCURACY OF THE  
15 SUBMITTED DATA, PURSUANT TO THE FOLLOWING:

16 (1) AUDITS OF INFORMATION SUBMITTED BY PROVIDERS OR  
17 HEALTH CARE INSURERS SHALL BE PERFORMED ON A SAMPLE AND  
18 ISSUE-SPECIFIC BASIS, AS NEEDED BY THE COUNCIL, AND SHALL BE  
19 COORDINATED, TO THE EXTENT PRACTICABLE, WITH AUDITS PERFORMED  
20 BY THE COMMONWEALTH. ALL HEALTH CARE INSURERS AND PROVIDERS  
21 ARE HEREBY REQUIRED TO MAKE THOSE BOOKS, RECORDS OF ACCOUNTS  
22 AND ANY OTHER DATA NEEDED BY THE AUDITORS AVAILABLE TO THE  
23 COUNCIL AT A CONVENIENT LOCATION WITHIN 30 DAYS OF A WRITTEN  
24 NOTIFICATION BY THE COUNCIL.

25 (2) AUDITS OF INFORMATION SUBMITTED BY PURCHASERS SHALL  
26 BE PERFORMED ON A SAMPLE BASIS, UNLESS THERE EXISTS  
27 REASONABLE CAUSE TO AUDIT SPECIFIC PURCHASERS, BUT IN NO CASE  
28 SHALL THE COUNCIL HAVE THE POWER TO AUDIT FINANCIAL  
29 STATEMENTS OF PURCHASERS.

30 (3) ALL AUDITS PERFORMED BY THE COUNCIL SHALL BE

PERFORMED AT THE EXPENSE OF THE COUNCIL.

(4) THE RESULTS OF AUDITS OF PROVIDERS OR HEALTH CARE INSURERS SHALL BE PROVIDED TO THE AUDITED PROVIDERS AND HEALTH CARE INSURERS ON A TIMELY BASIS, NOT TO EXCEED 30 DAYS BEYOND PRESENTATION OF AUDIT FINDINGS TO THE COUNCIL.

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

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

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

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

(4) ADOPT AND IMPLEMENT A METHODOLOGY TO COLLECT AND DISSEMINATE DATA REFLECTING PROVIDER QUALITY AND PROVIDER SERVICE EFFECTIVENESS PURSUANT TO SECTION 6.

1           (5)   SUBJECT TO THE RESTRICTIONS ON ACCESS TO RAW DATA  
2   SET FORTH IN SECTION 10, ISSUE SPECIAL REPORTS AND MAKE  
3   AVAILABLE RAW DATA AS DEFINED IN SECTION 3 TO ANY PURCHASER  
4   REQUESTING IT. SALE BY ANY RECIPIENT OR EXCHANGE OR  
5   PUBLICATION BY A RECIPIENT, OTHER THAN A PURCHASER, OF RAW  
6   COUNCIL DATA TO OTHER PARTIES WITHOUT THE EXPRESS WRITTEN  
7   CONSENT OF, AND UNDER TERMS APPROVED BY, THE COUNCIL SHALL BE  
8   UNAUTHORIZED USE OF DATA PURSUANT TO SECTION 10(C).

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

16          (7)   PROMOTE COMPETITION IN THE HEALTH CARE AND HEALTH  
17   INSURANCE MARKETS.

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

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

29          (12)   CONDUCT STUDIES AND PUBLISH REPORTS THEREON  
30   ANALYZING THE EFFECTS THAT NONINPATIENT, ALTERNATIVE HEALTH

1 CARE DELIVERY SYSTEMS HAVE ON HEALTH CARE COSTS. THESE  
2 SYSTEMS SHALL INCLUDE, BUT NOT BE LIMITED TO: HMO'S; PPO'S;  
3 PRIMARY HEALTH CARE FACILITIES; HOME HEALTH CARE; ATTENDANT  
4 CARE; AMBULATORY SERVICE FACILITIES; FREESTANDING EMERGENCY  
5 CENTERS; BIRTHING CENTERS; AND HOSPICE CARE. THESE REPORTS  
6 SHALL BE SUBMITTED TO THE GENERAL ASSEMBLY AND SHALL BE MADE  
7 AVAILABLE TO THE PUBLIC.

8 (13) CONDUCT STUDIES AND MAKE REPORTS CONCERNING THE  
9 UTILIZATION OF EXPERIMENTAL AND NONEXPERIMENTAL TRANSPLANT  
10 SURGERY AND OTHER HIGHLY TECHNICAL AND EXPERIMENTAL  
11 PROCEDURES, INCLUDING COSTS AND MORTALITY RATES.

12 [(14) IN ORDER TO ENSURE THAT THE COUNCIL ADOPTS AND  
13 MAINTAINS BOTH SCIENTIFICALLY CREDIBLE AND COST-EFFECTIVE  
14 METHODOLOGY TO COLLECT AND DISSEMINATE DATA REFLECTING  
15 PROVIDER QUALITY AND EFFECTIVENESS, THE COUNCIL SHALL, WITHIN  
16 ONE YEAR OF THE EFFECTIVE DATE OF THIS PARAGRAPH, UTILIZING  
17 CURRENT COMMONWEALTH AGENCY GUIDELINES AND PROCEDURES, ISSUE  
18 A REQUEST FOR INFORMATION FROM ANY VENDOR THAT WISHES TO  
19 PROVIDE DATA COLLECTION OR RISK ADJUSTMENT METHODOLOGY TO THE  
20 COUNCIL TO HELP MEET THE REQUIREMENTS OF THIS SUBSECTION AND  
21 SECTION 6. THE COUNCIL SHALL ESTABLISH AN INDEPENDENT REQUEST  
22 FOR INFORMATION REVIEW COMMITTEE TO REVIEW AND RANK ALL  
23 RESPONSES AND TO MAKE A FINAL RECOMMENDATION TO THE COUNCIL.  
24 THE REQUEST FOR INFORMATION REVIEW COMMITTEE SHALL CONSIST OF  
25 THE FOLLOWING MEMBERS APPOINTED BY THE GOVERNOR:

26 (I) ONE REPRESENTATIVE OF THE HOSPITAL AND  
27 HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA.

28 (II) ONE REPRESENTATIVE OF THE PENNSYLVANIA MEDICAL  
29 SOCIETY.

30 (III) ONE REPRESENTATIVE OF INSURANCE.

1 (IV) ONE REPRESENTATIVE OF LABOR.

2 (V) ONE REPRESENTATIVE OF BUSINESS.

3 (VI) TWO REPRESENTATIVES OF THE GENERAL PUBLIC.

4 (15) THE COUNCIL SHALL EXECUTE A REQUEST FOR PROPOSALS  
5 WITH THIRD-PARTY VENDORS FOR THE PURPOSE OF DEMONSTRATING A  
6 METHODOLOGY FOR THE COLLECTION, ANALYSIS AND REPORTING OF  
7 HOSPITAL-SPECIFIC COMPLICATION RATES. THE RESULTS OF THIS  
8 DEMONSTRATION SHALL BE PROVIDED TO THE CHAIRMAN AND MINORITY  
9 CHAIRMAN OF THE PUBLIC HEALTH AND WELFARE COMMITTEE OF THE  
10 SENATE AND THE CHAIRMAN AND MINORITY CHAIRMAN OF THE HEALTH  
11 AND HUMAN SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES.  
12 THIS METHODOLOGY MAY BE UTILIZED BY THE COUNCIL FOR PUBLIC  
13 REPORTING ON COMPARATIVE HOSPITAL COMPLICATION RATES.]

14 SECTION 6. DATA SUBMISSION AND COLLECTION.

15 (A) (1) SUBMISSION OF DATA.--THE COUNCIL IS HEREBY  
16 AUTHORIZED TO COLLECT AND DATA SOURCES ARE HEREBY REQUIRED TO  
17 SUBMIT, UPON REQUEST OF THE COUNCIL, ALL DATA REQUIRED IN  
18 THIS SECTION, ACCORDING TO UNIFORM SUBMISSION FORMATS, CODING  
19 SYSTEMS AND OTHER TECHNICAL SPECIFICATIONS NECESSARY TO  
20 RENDER THE INCOMING DATA SUBSTANTIALLY VALID, CONSISTENT,  
21 COMPATIBLE AND MANAGEABLE USING ELECTRONIC DATA PROCESSING  
22 ACCORDING TO DATA SUBMISSION SCHEDULES, SUCH SCHEDULES TO  
23 AVOID, TO THE EXTENT POSSIBLE, SUBMISSION OF IDENTICAL DATA  
24 FROM MORE THAN ONE DATA SOURCE, ESTABLISHED AND PROMULGATED  
25 BY THE COUNCIL IN REGULATIONS PURSUANT TO ITS AUTHORITY UNDER  
26 SECTION 5(B). IF PAYOR DATA IS REQUESTED BY THE COUNCIL, IT  
27 SHALL, TO THE EXTENT POSSIBLE, BE OBTAINED FROM PRIMARY PAYOR  
28 SOURCES. THE COUNCIL SHALL NOT REQUIRE ANY DATA SOURCES TO  
29 CONTRACT WITH ANY SPECIFIC VENDOR FOR SUBMISSION OF ANY  
30 SPECIFIC DATA ELEMENTS TO THE COUNCIL.

1           (1.1) ANY DATA SOURCE SHALL COMPLY WITH DATA SUBMISSION  
2           GUIDELINES ESTABLISHED IN THE REPORT SUBMITTED UNDER SECTION  
3           17.2. THE COUNCIL SHALL MAINTAIN A VENDOR LIST OF AT LEAST  
4           TWO VENDORS THAT MAY BE CHOSEN BY ANY DATA SOURCE FOR  
5           SUBMISSION OF ANY SPECIFIC DATA ELEMENTS.

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

18               (I) WITHIN 60 DAYS OF THE EFFECTIVE DATE OF THIS  
19          PARAGRAPH, THE COUNCIL SHALL PUBLISH IN THE PENNSYLVANIA  
20          BULLETIN A LIST OF DISEASES, PROCEDURES AND MEDICAL  
21          CONDITIONS, NOT TO EXCEED 35, FOR WHICH DATA UNDER  
22          SUBSECTIONS (C) (21) AND (D) SHALL BE REQUIRED. THE CHOSEN  
23          LIST SHALL NOT REPRESENT MORE THAN 50% OF TOTAL HOSPITAL  
24          DISCHARGES, BASED UPON THE PREVIOUS YEAR'S HOSPITAL  
25          DISCHARGE DATA. SUBSEQUENT TO THE PUBLICATION OF THE  
26          LIST, ANY DATA SUBMISSION REQUIREMENTS UNDER SUBSECTIONS  
27          (C) (21) AND (D) PREVIOUSLY IN EFFECT SHALL BE NULL AND  
28          VOID FOR DISEASES, PROCEDURES AND MEDICAL CONDITIONS NOT  
29          FOUND ON THE LIST. ALL OTHER DATA ELEMENTS PURSUANT TO  
30          SUBSECTION (C) SHALL CONTINUE TO BE REQUIRED FROM DATA

1 SOURCES. THE COUNCIL SHALL REVIEW THE LIST AND MAY ADD NO  
2 MORE THAN A NET OF THREE DISEASES, PROCEDURES OR MEDICAL  
3 CONDITIONS PER YEAR OVER A FIVE-YEAR PERIOD STARTING ON  
4 THE EFFECTIVE DATE OF THIS SUBPARAGRAPH. THE ADJUSTED  
5 LIST OF DISEASES, PROCEDURES AND MEDICAL CONDITIONS SHALL  
6 AT NO TIME BE MORE THAN 50% OF TOTAL HOSPITAL DISCHARGES.

7 [(II) IF THE CURRENT DATA VENDOR IS UNABLE TO  
8 ACHIEVE, ON A PER-CHART BASIS, SAVINGS OF AT LEAST 40% IN  
9 THE COST OF HOSPITAL COMPLIANCE WITH THE DATA ABSTRACTING  
10 AND SUBMISSION REQUIREMENTS OF THIS ACT BY JUNE 30, 2004,  
11 AS COMPARED TO JUNE 30, 2003, THEN THE COUNCIL SHALL  
12 DISQUALIFY THE CURRENT VENDOR AND REOPEN THE BIDDING  
13 PROCESS. THE INDEPENDENT AUDITOR SHALL DETERMINE THE  
14 EXTENT AND VALIDITY OF THE SAVINGS. IN DETERMINING ANY  
15 DEMONSTRATED COST SAVINGS, SURVEYS OF ALL HOSPITALS IN  
16 THIS COMMONWEALTH SHALL BE CONDUCTED AND CONSIDERATION  
17 SHALL BE GIVEN AT A MINIMUM TO:

18 (A) NEW COSTS, IN TERMS OF MAKING THE  
19 METHODOLOGY OPERATIONAL, ASSOCIATED WITH LABORATORY,  
20 PHARMACY AND OTHER INFORMATION SYSTEMS A HOSPITAL IS  
21 REQUIRED TO PURCHASE IN ORDER TO REDUCE HOSPITAL  
22 COMPLIANCE COSTS, INCLUDING THE COST OF ELECTRONIC  
23 TRANSFER OF REQUIRED DATA; AND

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

26 (III) REVIEW BY THE INDEPENDENT AUDITOR SHALL  
27 COMMENCE BY MARCH 1, 2004, AND SHALL CONCLUDE WITH A  
28 REPORT OF FINDINGS BY JULY 31, 2004. THE REPORT SHALL BE  
29 DELIVERED TO THE COUNCIL, THE GOVERNOR, THE HEALTH AND  
30 HUMAN SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES

1           AND THE PUBLIC HEALTH AND WELFARE COMMITTEE OF THE  
2           SENATE.

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

4           (1)   THE COUNCIL SHALL ESTABLISH A DATA ABSTRACTION AND  
5       TECHNOLOGY WORK GROUP TO PRODUCE RECOMMENDATIONS FOR  
6       IMPROVING AND REFINING THE DATA REQUIRED BY THE COUNCIL AND  
7       REDUCING, THROUGH INNOVATIVE DIRECT DATA COLLECTION  
8       TECHNIQUES, THE COST OF COLLECTING REQUIRED DATA. THE WORK  
9       GROUP SHALL CONSIST OF THE FOLLOWING MEMBERS APPOINTED BY THE  
10      COUNCIL:

11           (I)   ONE MEMBER REPRESENTING THE OFFICE OF HEALTH  
12      CARE REFORM;

13           (II)  ONE MEMBER REPRESENTING THE BUSINESS COMMUNITY;

14           (III) ONE MEMBER REPRESENTING LABOR;

15           (IV)  ONE MEMBER REPRESENTING CONSUMERS;

16           (V)   TWO MEMBERS REPRESENTING PHYSICIANS;

17           (VI)  TWO MEMBERS REPRESENTING NURSES;

18           (VII) TWO MEMBERS REPRESENTING HOSPITALS;

19           (VIII) ONE MEMBER REPRESENTING HEALTH UNDERWRITERS;

20      AND

21           (IX)  ONE MEMBER REPRESENTING COMMERCIAL INSURANCE  
22      CARRIERS.

23           (2)   THE WORK GROUP, WITH APPROVAL OF THE COUNCIL, MAY  
24      HIRE AN INDEPENDENT AUDITOR TO DETERMINE THE VALUE OF VARIOUS  
25      DATA SETS. THE WORK GROUP SHALL HAVE NO MORE THAN ONE YEAR TO  
26      STUDY CURRENT DATA REQUIREMENTS AND METHODS OF COLLECTING AND  
27      TRANSFERRING DATA AND TO MAKE RECOMMENDATIONS FOR CHANGES TO  
28      PRODUCE A 50% OVERALL REDUCTION IN THE COST OF COLLECTING AND  
29      REPORTING REQUIRED DATA TO THE COUNCIL WHILE MAINTAINING THE  
30      SCIENTIFIC CREDIBILITY OF THE COUNCIL'S ANALYSIS AND



REPORTING. THE WORK GROUP RECOMMENDATIONS SHALL BE PRESENTED  
TO THE COUNCIL FOR A VOTE.]

(B) PENNSYLVANIA UNIFORM CLAIMS AND BILLING FORM.--THE  
COUNCIL SHALL [ADOPT, WITHIN 180 DAYS OF THE COMMENCEMENT OF ITS  
OPERATIONS PURSUANT TO SECTION 4(I),] MAINTAIN A PENNSYLVANIA  
UNIFORM CLAIMS AND BILLING FORM FORMAT. THE COUNCIL SHALL  
FURNISH SAID CLAIMS AND BILLING FORM FORMAT TO ALL DATA SOURCES,  
AND SAID CLAIMS AND BILLING FORM SHALL BE UTILIZED AND  
MAINTAINED BY ALL DATA SOURCES FOR ALL SERVICES COVERED BY THIS  
ACT. THE PENNSYLVANIA UNIFORM CLAIMS AND BILLING FORM SHALL  
CONSIST OF THE UNIFORM HOSPITAL BILLING FORM [UB-82/HCFA-1450,  
AND THE HCFA-1500, OR THEIR SUCCESSORS], AS DEVELOPED BY THE  
NATIONAL UNIFORM BILLING COMMITTEE, WITH ADDITIONAL FIELDS AS  
NECESSARY TO PROVIDE ALL OF THE DATA SET FORTH IN SUBSECTIONS  
(C) AND (D).

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

- (1) UNIFORM PATIENT IDENTIFIER, CONTINUOUS ACROSS  
MULTIPLE EPISODES AND PROVIDERS;
- (2) PATIENT DATE OF BIRTH;
- (3) PATIENT SEX;
- (3.1) PATIENT RACE, CONSISTENT WITH THE METHOD OF  
COLLECTION OF RACE/ETHNICITY DATA BY THE UNITED STATES BUREAU  
OF THE CENSUS AND THE UNITED STATES STANDARD CERTIFICATES OF  
LIVE BIRTH AND DEATH;
- (4) PATIENT ZIP CODE NUMBER;
- (5) DATE OF ADMISSION;
- (6) DATE OF DISCHARGE;
- (7) PRINCIPAL AND SECONDARY DIAGNOSES BY STANDARD CODE,

1 INCLUDING EXTERNAL CAUSE OF INJURY, COMPLICATION, INFECTION  
2 AND CHILDBIRTH;

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

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

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

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

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

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

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

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

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

28 (17) UNIFORM IDENTIFIER OF PRIMARY PAYOR;

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

1           (19) UNIFORM IDENTIFIER FOR PAYOR GROUP CONTRACT NUMBER;  
2           (20) PATIENT DISCHARGE STATUS; AND  
3           (21) PROVIDER SERVICE EFFECTIVENESS AND PROVIDER QUALITY  
4 PURSUANT TO SECTION 5(D)(4) AND SUBSECTION (D).

5       (D) PROVIDER QUALITY AND PROVIDER SERVICE EFFECTIVENESS DATA  
6 ELEMENTS.--IN CARRYING OUT ITS DUTY TO COLLECT DATA ON PROVIDER  
7 QUALITY AND PROVIDER SERVICE EFFECTIVENESS UNDER SECTION 5(D)(4)  
8 AND SUBSECTION (C)(21), THE COUNCIL SHALL DEFINE A METHODOLOGY  
9 TO MEASURE PROVIDER SERVICE EFFECTIVENESS WHICH MAY INCLUDE  
10 ADDITIONAL DATA ELEMENTS TO BE SPECIFIED BY THE COUNCIL  
11 SUFFICIENT TO CARRY OUT ITS RESPONSIBILITIES UNDER SECTION 5(D)  
12 (4). THE [COUNCIL MAY ADOPT A NATIONALLY RECOGNIZED METHODOLOGY  
13 OF QUANTIFYING AND COLLECTING DATA ON PROVIDER QUALITY AND  
14 PROVIDER SERVICE EFFECTIVENESS UNTIL SUCH TIME AS THE COUNCIL  
15 HAS THE CAPABILITY OF DEVELOPING ITS OWN METHODOLOGY AND  
16 STANDARD DATA ELEMENTS. THE COUNCIL SHALL INCLUDE IN THE  
17 PENNSYLVANIA UNIFORM CLAIMS AND BILLING FORM A FIELD CONSISTING  
18 OF THE DATA ELEMENTS REQUIRED PURSUANT TO SUBSECTION (C)(21) TO  
19 PROVIDE INFORMATION ON EACH PROVISION OF COVERED SERVICES  
20 SUFFICIENT TO PERMIT ANALYSIS OF PROVIDER QUALITY AND PROVIDER  
21 SERVICE EFFECTIVENESS WITHIN 180 DAYS OF COMMENCEMENT OF ITS  
22 OPERATIONS PURSUANT TO SECTION 4. IN CARRYING OUT ITS  
23 RESPONSIBILITIES, THE] COUNCIL SHALL NOT REQUIRE HEALTH CARE  
24 INSURERS TO REPORT ON DATA ELEMENTS THAT ARE NOT REPORTED TO  
25 NATIONALLY RECOGNIZED ACCREDITING ORGANIZATIONS, TO THE  
26 DEPARTMENT OF HEALTH OR TO THE INSURANCE DEPARTMENT IN QUARTERLY  
27 OR ANNUAL REPORTS. THE COUNCIL SHALL NOT REQUIRE REPORTING BY  
28 HEALTH CARE INSURERS IN DIFFERENT FORMATS THAN ARE REQUIRED FOR  
29 REPORTING TO NATIONALLY RECOGNIZED ACCREDITING ORGANIZATIONS OR  
30 ON QUARTERLY OR ANNUAL REPORTS SUBMITTED TO THE DEPARTMENT OF

1 HEALTH OR TO THE INSURANCE DEPARTMENT. THE COUNCIL MAY ADOPT THE  
2 QUALITY FINDINGS AS REPORTED TO NATIONALLY RECOGNIZED  
3 ACCREDITING ORGANIZATIONS. ADDITIONAL QUALITY DATA ELEMENTS MUST  
4 BE DEFINED AND RELEASED FOR PUBLIC COMMENT PRIOR TO THE  
5 PROMULGATION OF REGULATIONS UNDER SECTION 5(B). THE PUBLIC  
6 COMMENT PERIOD SHALL BE NO LESS THAN 30 DAYS FROM THE RELEASE OF  
7 THESE ELEMENTS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 PROVIDERS;

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

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

8 (X) DATA FROM OTHER PUBLIC SOURCES.

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

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

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

28 (G.1) ALLOWANCE FOR CORRECTION.--THE COUNCIL SHALL VERIFY  
29 THE PATIENT SAFETY INDICATOR DATA SUBMITTED BY HOSPITALS  
30 PURSUANT TO SUBSECTION (C) (7) WITHIN 60 DAYS OF RECEIPT. THE

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

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

15 SECTION 3. SECTIONS 7, 8 AND 9 OF THE ACT ARE REENACTED TO  
16 READ:

17 SECTION 7. DATA DISSEMINATION AND PUBLICATION.

18 (A) PUBLIC REPORTS.--SUBJECT TO THE RESTRICTIONS ON ACCESS  
19 TO COUNCIL DATA SET FORTH IN SECTION 10 AND UTILIZING THE DATA  
20 COLLECTED UNDER SECTION 6 AS WELL AS OTHER DATA, RECORDS AND  
21 MATTERS OF RECORD AVAILABLE TO IT, THE COUNCIL SHALL PREPARE AND  
22 ISSUE REPORTS TO THE GENERAL ASSEMBLY AND TO THE GENERAL PUBLIC  
23 ACCORDING TO THE FOLLOWING PROVISIONS:

24 (1) THE COUNCIL SHALL, FOR EVERY PROVIDER OF BOTH  
25 INPATIENT AND OUTPATIENT SERVICES WITHIN THIS COMMONWEALTH  
26 AND WITHIN APPROPRIATE REGIONS AND SUBREGIONS, PREPARE AND  
27 ISSUE REPORTS ON PROVIDER QUALITY AND SERVICE EFFECTIVENESS  
28 ON DISEASES OR PROCEDURES THAT, WHEN RANKED BY VOLUME, COST,  
29 PAYMENT AND HIGH VARIATION IN OUTCOME, REPRESENT THE BEST  
30 OPPORTUNITY TO IMPROVE OVERALL PROVIDER QUALITY, IMPROVE

1 PATIENT SAFETY AND PROVIDE OPPORTUNITIES FOR COST REDUCTION.  
2 THESE REPORTS SHALL PROVIDE COMPARATIVE INFORMATION ON THE  
3 FOLLOWING:

4 (I) DIFFERENCES IN MORTALITY RATES; DIFFERENCES IN  
5 LENGTH OF STAY; DIFFERENCES IN COMPLICATION RATES;  
6 DIFFERENCES IN READMISSION RATES; DIFFERENCES IN  
7 INFECTION RATES; AND OTHER COMPARATIVE OUTCOME MEASURES  
8 THE COUNCIL MAY DEVELOP THAT WILL ALLOW PURCHASERS,  
9 PROVIDERS AND CONSUMERS TO MAKE PURCHASING AND QUALITY  
10 IMPROVEMENT DECISIONS BASED UPON QUALITY PATIENT CARE AND  
11 TO RESTRAIN COSTS.

12 (II) THE INCIDENCE RATE OF SELECTED MEDICAL OR  
13 SURGICAL PROCEDURES, THE QUALITY AND SERVICE  
14 EFFECTIVENESS AND THE PAYMENTS RECEIVED FOR THOSE  
15 PROVIDERS, IDENTIFIED BY THE NAME AND TYPE OR SPECIALTY,  
16 FOR WHICH THESE ELEMENTS VARY SIGNIFICANTLY FROM THE  
17 NORMS FOR ALL PROVIDERS.

18 (2) IN PREPARING ITS REPORTS UNDER PARAGRAPH (1), THE  
19 COUNCIL SHALL ENSURE THAT FACTORS WHICH HAVE THE EFFECT OF  
20 EITHER REDUCING PROVIDER REVENUE OR INCREASING PROVIDER COSTS  
21 AND OTHER FACTORS BEYOND A PROVIDER'S CONTROL WHICH REDUCE  
22 PROVIDER COMPETITIVENESS IN THE MARKETPLACE ARE EXPLAINED IN  
23 THE REPORTS. THE COUNCIL SHALL ALSO ENSURE THAT ANY  
24 CLARIFICATIONS AND DISSENTS SUBMITTED BY INDIVIDUAL PROVIDERS  
25 UNDER SECTION 6(G) ARE NOTED IN ANY REPORTS THAT INCLUDE  
26 RELEASE OF DATA ON THAT INDIVIDUAL PROVIDER.

27 (B) RAW DATA REPORTS AND COMPUTER ACCESS TO COUNCIL DATA.--  
28 THE COUNCIL SHALL PROVIDE SPECIAL REPORTS DERIVED FROM RAW DATA  
29 AND A MEANS FOR COMPUTER-TO-COMPUTER ACCESS TO ITS RAW DATA TO  
30 ANY PURCHASER, PURSUANT TO SECTION 10(F). THE COUNCIL SHALL



1 PROVIDE SUCH REPORTS AND COMPUTER-TO-COMPUTER ACCESS, AT ITS  
2 DISCRETION, TO OTHER PARTIES, PURSUANT TO SECTION 10(G). THE  
3 COUNCIL SHALL PROVIDE THESE SPECIAL REPORTS AND COMPUTER-TO-  
4 COMPUTER ACCESS IN AS TIMELY A FASHION AS THE COUNCIL'S  
5 RESPONSIBILITIES TO PUBLISH THE PUBLIC REPORTS REQUIRED IN THIS  
6 SECTION WILL ALLOW. ANY SUCH PROVISION OF SPECIAL REPORTS OR  
7 COMPUTER-TO-COMPUTER ACCESS BY THE COUNCIL SHALL BE MADE ONLY  
8 SUBJECT TO THE RESTRICTIONS ON ACCESS TO RAW DATA SET FORTH IN  
9 SECTION 10(B) AND ONLY AFTER PAYMENT FOR COSTS OF PREPARATION OR  
10 DUPLICATION PURSUANT TO SECTION 10(F) OR (G).

11 SECTION 8. HEALTH CARE FOR THE MEDICALLY INDIGENT.

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

22 (B) STUDIES ON INDIGENT CARE.--TO REDUCE THE UNDUE BURDEN ON  
23 THE SEVERAL PROVIDERS THAT DISPROPORTIONATELY TREAT MEDICALLY  
24 INDIGENT PEOPLE ON AN UNCOMPENSATED BASIS, TO CONTAIN THE LONG-  
25 TERM COSTS GENERATED BY UNTREATED OR DELAYED TREATMENT OF  
26 ILLNESS AND DISEASE AND TO DETERMINE THE MOST APPROPRIATE MEANS  
27 OF TREATING AND FINANCING THE TREATMENT OF MEDICALLY INDIGENT  
28 PERSONS, THE COUNCIL, AT THE REQUEST OF THE GOVERNOR OR THE  
29 GENERAL ASSEMBLY, MAY UNDERTAKE STUDIES AND UTILIZE ITS CURRENT  
30 DATA BASE TO:

1           (1)   STUDY AND ANALYZE THE MEDICALLY INDIGENT POPULATION,  
2           THE MAGNITUDE OF UNCOMPENSATED CARE FOR THE MEDICALLY  
3           INDIGENT, THE DEGREE OF ACCESS TO AND THE RESULT OF ANY LACK  
4           OF ACCESS BY THE MEDICALLY INDIGENT TO APPROPRIATE CARE, THE  
5           TYPES OF PROVIDERS AND THE SETTINGS IN WHICH THEY PROVIDE  
6           INDIGENT CARE AND THE COST OF THE PROVISION OF THAT CARE  
7           PURSUANT TO SUBSECTION (C) .

8           (2)   DETERMINE, FROM STUDIES UNDERTAKEN UNDER PARAGRAPH  
9           (1), A DEFINITION OF THE MEDICALLY INDIGENT POPULATION AND  
10          THE MOST APPROPRIATE METHOD FOR THE DELIVERY OF TIMELY AND  
11          APPROPRIATE HEALTH CARE SERVICES TO THE MEDICALLY INDIGENT.

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

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

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

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

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

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

5 (V) THE NEEDS AND PROBLEMS OF THE UNDERINSURED;

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

9 (3) THE DISTRIBUTION AND MEANS OF FINANCING INDIGENT  
10 CARE BETWEEN AND AMONG PROVIDERS, INSURERS, GOVERNMENT,  
11 PURCHASERS AND CONSUMERS, AND THE EFFECT OF THAT DISTRIBUTION  
12 ON EACH;

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

16 (5) THE LIKELY IMPACT OF CHANGES IN THE HEALTH DELIVERY  
17 SYSTEM, INCLUDING MANAGED CARE ENTITIES, AND THE EFFECTS OF  
18 COST CONTAINMENT IN THE COMMONWEALTH ON THE ACCESS TO,  
19 AVAILABILITY OF AND FINANCING OF NEEDED CARE FOR THE  
20 INDIGENT, INCLUDING THE IMPACT ON PROVIDERS WHICH PROVIDE A  
21 DISPROPORTIONATE AMOUNT OF CARE TO THE INDIGENT;

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

24 (7) THE PROVISION OF CARE TO THE INDIGENT THROUGH  
25 IMPROVEMENTS IN THE PRIMARY HEALTH CARE SYSTEM, INCLUDING THE  
26 MANAGEMENT OF NEEDED HOSPITAL CARE BY PRIMARY CARE PROVIDERS;

27 (8) INNOVATIVE MEANS TO FINANCE AND DELIVER CARE TO THE  
28 MEDICALLY INDIGENT; AND

29 (9) REDUCTION IN THE DEPENDENCE OF INDIGENT PERSONS ON  
30 HOSPITAL SERVICES THROUGH IMPROVEMENTS IN PREVENTIVE HEALTH

MEASURES.

SECTION 9. MANDATED HEALTH BENEFITS.

IN RELATION TO CURRENT LAW OR PROPOSED LEGISLATION, THE COUNCIL SHALL, UPON THE REQUEST OF THE APPROPRIATE COMMITTEE CHAIRMAN IN THE SENATE AND IN THE HOUSE OF REPRESENTATIVES OR UPON THE REQUEST OF THE SECRETARY OF HEALTH, PROVIDE INFORMATION ON THE PROPOSED MANDATED HEALTH BENEFIT PURSUANT TO THE FOLLOWING:

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

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

(I) ONE IN HEALTH RESEARCH;

(II) ONE IN BIOSTATISTICS;

(III) ONE IN ECONOMIC RESEARCH;

1 (IV) ONE, A PHYSICIAN, IN THE APPROPRIATE SPECIALTY  
2 WITH CURRENT KNOWLEDGE OF THE SUBJECT BEING PROPOSED AS A  
3 MANDATED BENEFIT; AND

4 (V) ONE WITH EXPERIENCE IN INSURANCE OR ACTUARIAL  
5 RESEARCH.

6 (3) THE MANDATED BENEFITS REVIEW PANEL SHALL HAVE THE  
7 FOLLOWING DUTIES AND RESPONSIBILITIES:

8 (I) TO REVIEW DOCUMENTATION SUBMITTED BY PERSONS  
9 PROPOSING OR OPPOSING MANDATED BENEFITS WITHIN 90 DAYS OF  
10 SUBMISSION OF SAID DOCUMENTATION TO THE PANEL.

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

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

15 (B) WHETHER OR NOT THE RESEARCH CITED IN THE  
16 DOCUMENTATION MEETS PROFESSIONAL STANDARDS.

17 (C) WHETHER OR NOT ALL RELEVANT RESEARCH  
18 RESPECTING THE PROPOSED MANDATED BENEFIT HAS BEEN  
19 CITED IN THE DOCUMENTATION.

20 (D) WHETHER OR NOT THE CONCLUSIONS AND  
21 INTERPRETATIONS IN THE DOCUMENTATION ARE CONSISTENT  
22 WITH THE DATA SUBMITTED.

23 (4) TO PROVIDE THE MANDATED BENEFITS REVIEW PANEL WITH  
24 SUFFICIENT INFORMATION TO CARRY OUT ITS DUTIES AND  
25 RESPONSIBILITIES PURSUANT TO PARAGRAPH (3), PERSONS PROPOSING  
26 OR OPPOSING LEGISLATION MANDATING BENEFITS COVERAGE SHOULD  
27 SUBMIT DOCUMENTATION TO THE COUNCIL, PURSUANT TO THE  
28 PROCEDURE ESTABLISHED IN PARAGRAPH (5), WHICH DEMONSTRATES  
29 THE FOLLOWING:

30 (I) THE EXTENT TO WHICH THE PROPOSED BENEFIT AND THE

SERVICES IT WOULD PROVIDE ARE NEEDED BY, AVAILABLE TO AND  
UTILIZED BY THE POPULATION OF THE COMMONWEALTH.

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

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

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

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

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

(VII) THE RESULTS OF ANY OTHER RELEVANT RESEARCH.

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

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

(B) THE EXTENT TO WHICH SIMILAR MANDATED

1 BENEFITS IN OTHER STATES HAVE AFFECTED CHARGES, COSTS  
2 AND PAYMENTS FOR SERVICES.

3 (C) THE EXTENT TO WHICH THE PROPOSED BENEFIT  
4 WOULD INCREASE THE APPROPRIATE USE OF THE TREATMENT  
5 OR SERVICE.

6 (D) THE IMPACT OF THE PROPOSED BENEFIT ON  
7 ADMINISTRATIVE EXPENSES OF HEALTH CARE INSURERS.

8 (E) THE IMPACT OF THE PROPOSED BENEFITS ON  
9 BENEFITS COSTS OF PURCHASERS.

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

12 (5) THE PROCEDURE FOR REVIEW OF DOCUMENTATION IS AS  
13 FOLLOWS:

14 (I) ANY PERSON WISHING TO SUBMIT INFORMATION ON  
15 PROPOSED LEGISLATION MANDATING INSURANCE BENEFITS FOR  
16 REVIEW BY THE PANEL SHOULD SUBMIT THE DOCUMENTATION  
17 SPECIFIED IN PARAGRAPH (4) TO THE COUNCIL.

18 (II) THE COUNCIL SHALL, WITHIN 30 DAYS OF RECEIPT OF  
19 THE DOCUMENTATION:

20 (A) PUBLISH IN THE PENNSYLVANIA BULLETIN NOTICE  
21 OF RECEIPT OF THE DOCUMENTATION, A DESCRIPTION OF THE  
22 PROPOSED LEGISLATION, PROVISION FOR A PERIOD OF 60  
23 DAYS FOR PUBLIC COMMENT AND THE TIME AND PLACE AT  
24 WHICH ANY PERSON MAY EXAMINE THE DOCUMENTATION.

25 (B) SUBMIT COPIES OF THE DOCUMENTATION TO THE  
26 SECRETARY OF HEALTH AND THE INSURANCE COMMISSIONER,  
27 WHO SHALL REVIEW AND SUBMIT COMMENTS TO THE COUNCIL  
28 ON THE PROPOSED LEGISLATION WITHIN 30 DAYS.

29 (C) SUBMIT COPIES OF THE DOCUMENTATION TO THE  
30 PANEL, WHICH SHALL REVIEW THE DOCUMENTATION AND ISSUE

1           THEIR FINDINGS, PURSUANT TO PARAGRAPH (3), WITHIN 90  
2           DAYS.

3           (III) UPON RECEIPT OF THE COMMENTS OF THE SECRETARY  
4           OF HEALTH AND THE INSURANCE COMMISSIONER AND OF THE  
5           FINDINGS OF THE PANEL, PURSUANT TO SUBPARAGRAPH (II), BUT  
6           NO LATER THAN 120 DAYS FOLLOWING THE PUBLICATION REQUIRED  
7           IN SUBPARAGRAPH (II), THE COUNCIL SHALL SUBMIT SAID  
8           COMMENTS AND FINDINGS, TOGETHER WITH ITS RECOMMENDATIONS  
9           RESPECTING THE PROPOSED LEGISLATION, TO THE GOVERNOR, THE  
10          PRESIDENT PRO TEMPORE OF THE SENATE, THE SPEAKER OF THE  
11          HOUSE OF REPRESENTATIVES, THE SECRETARY OF HEALTH, THE  
12          INSURANCE COMMISSIONER AND THE PERSON WHO SUBMITTED THE  
13          INFORMATION PURSUANT TO SUBPARAGRAPH (I).

14        SECTION 4. SECTION 10 OF THE ACT IS REENACTED AND AMENDED TO  
15        READ:

16        SECTION 10. [ACCESS] RIGHT-TO-KNOW LAW AND ACCESS TO COUNCIL  
17        DATA.

18        (A) PUBLIC ACCESS.--THE INFORMATION AND DATA RECEIVED BY THE  
19        COUNCIL SHALL BE UTILIZED BY THE COUNCIL FOR THE BENEFIT OF THE  
20        PUBLIC AND PUBLIC OFFICIALS. SUBJECT TO THE SPECIFIC LIMITATIONS  
21        SET FORTH IN THIS SECTION AND SECTION 3101.1 OF THE ACT OF  
22        FEBRUARY 14, 2008 (P.L.6, NO.3), KNOWN AS THE RIGHT-TO-KNOW LAW,  
23        THE COUNCIL SHALL MAKE DETERMINATIONS ON REQUESTS FOR  
24        INFORMATION IN FAVOR OF ACCESS. PAYOR DISCOUNTS AND ALLOWANCES  
25        ARE CONSIDERED CONFIDENTIAL PROPRIETARY INFORMATION AND, AS SUCH  
26        ARE NOT RECORDS SUBJECT TO THE REQUIREMENTS FOR PUBLIC ACCESS  
27        ESTABLISHED UNDER THE RIGHT-TO-KNOW LAW.

28        (A.1) OUTREACH PROGRAMS.--THE COUNCIL SHALL DEVELOP AND  
29        IMPLEMENT OUTREACH PROGRAMS DESIGNED TO MAKE ITS INFORMATION  
30        UNDERSTANDABLE AND USABLE TO PURCHASERS, PROVIDERS, OTHER



1 COMMONWEALTH AGENCIES AND THE GENERAL PUBLIC. THE PROGRAMS SHALL  
2 INCLUDE EFFORTS TO EDUCATE THROUGH PAMPHLETS, BOOKLETS, SEMINARS  
3 AND OTHER APPROPRIATE MEASURES AND TO FACILITATE MAKING MORE  
4 INFORMED HEALTH CARE CHOICES.

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

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

14 (2) ANY RAW DATA OF THE COUNCIL WHICH COULD REASONABLY  
15 BE EXPECTED TO REVEAL THE IDENTITY OF AN INDIVIDUAL PATIENT.

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

21 (4) ANY RAW DATA OF THE COUNCIL RELATING TO ACTUAL  
22 PAYMENTS TO ANY IDENTIFIED PROVIDER MADE BY ANY PURCHASER,  
23 EXCEPT THAT THIS PROVISION SHALL NOT APPLY TO ACCESS BY A  
24 PURCHASER REQUESTING DATA ON THE GROUP FOR WHICH IT PURCHASES  
25 OR OTHERWISE PROVIDES COVERED SERVICES OR TO ACCESS TO THAT  
26 SAME DATA BY AN ENTITY ENTITLED TO THE PURCHASER'S DATA  
27 PURSUANT TO SUBSECTION (F).

28 (5) ANY RAW DATA DISCLOSING DISCOUNTS OR [DIFFERENTIALS  
29 BETWEEN PAYMENTS ACCEPTED BY PROVIDERS FOR SERVICES AND THEIR  
30 BILLED CHARGES OBTAINED BY] ALLOWANCES BETWEEN IDENTIFIED

1 PAYORS [FROM IDENTIFIED] AND PROVIDERS UNLESS THE DATA IS  
2 RELEASED IN A STATEWIDE, AGGREGATE FORMAT THAT DOES NOT  
3 IDENTIFY ANY INDIVIDUAL PAYOR OR CLASS OF PAYORS, DIRECTLY OR  
4 INDIRECTLY THROUGH THE USE OF A MARKET SHARE, AND UNLESS THE  
5 COUNCIL ASSURES THAT THE RELEASE OF SUCH INFORMATION IS NOT  
6 PREJUDICIAL OR INEQUITABLE TO ANY INDIVIDUAL PAYOR OR  
7 PROVIDER OR GROUP THEREOF. PAYOR DATA SHALL BE RELEASED TO  
8 INDIVIDUAL PROVIDERS FOR PURPOSES OF VERIFICATION AND  
9 VALIDATION PRIOR TO INCLUSION IN A PUBLIC REPORT. AN  
10 INDIVIDUAL PROVIDER SHALL VERIFY AND VALIDATE THE PAYOR DATA  
11 WITHIN 30 DAYS OF ITS RELEASE TO THAT SPECIFIC INDIVIDUAL  
12 PROVIDER.

13 (C) UNAUTHORIZED USE OF DATA.--ANY PERSON WHO KNOWINGLY  
14 RELEASES COUNCIL DATA VIOLATING THE PATIENT CONFIDENTIALITY,  
15 ACTUAL PAYMENTS, DISCOUNT DATA OR RAW DATA SAFEGUARDS SET FORTH  
16 IN THIS SECTION TO AN UNAUTHORIZED PERSON COMMITS A MISDEMEANOR  
17 OF THE FIRST DEGREE AND SHALL, UPON CONVICTION, BE SENTENCED TO  
18 PAY A FINE OF \$10,000 OR TO IMPRISONMENT FOR NOT MORE THAN FIVE  
19 YEARS, OR BOTH. AN UNAUTHORIZED PERSON WHO KNOWINGLY RECEIVES OR  
20 POSSESSES SUCH DATA COMMITS A MISDEMEANOR OF THE FIRST DEGREE.

21 (D) UNAUTHORIZED ACCESS TO DATA.--SHOULD ANY PERSON  
22 INADVERTENTLY OR BY COUNCIL ERROR GAIN ACCESS TO DATA THAT  
23 VIOLATES THE SAFEGUARDS SET FORTH IN THIS SECTION, THE DATA MUST  
24 IMMEDIATELY BE RETURNED, WITHOUT DUPLICATION, TO THE COUNCIL  
25 WITH PROPER NOTIFICATION.

26 (E) PUBLIC ACCESS TO RECORDS.--ALL PUBLIC REPORTS PREPARED  
27 BY THE COUNCIL SHALL BE PUBLIC RECORDS AND SHALL BE AVAILABLE TO  
28 THE PUBLIC FOR A REASONABLE FEE, AND COPIES SHALL BE PROVIDED,  
29 UPON REQUEST OF THE CHAIR, TO THE PUBLIC HEALTH AND WELFARE  
30 COMMITTEE OF THE SENATE AND THE HEALTH AND WELFARE COMMITTEE OF

1 THE HOUSE OF REPRESENTATIVES.

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

7 (1) SPECIAL REPORTS DERIVED FROM RAW DATA OF THE COUNCIL  
8 SHALL BE PROVIDED BY THE COUNCIL TO ANY PURCHASER REQUESTING  
9 SUCH REPORTS.

10 (2) A MEANS TO ENABLE COMPUTER-TO-COMPUTER ACCESS BY ANY  
11 PURCHASER TO RAW DATA OF THE COUNCIL AS DEFINED IN SECTION 3  
12 SHALL BE DEVELOPED, ADOPTED AND IMPLEMENTED BY THE COUNCIL,  
13 AND THE COUNCIL SHALL PROVIDE SUCH ACCESS TO ITS RAW DATA TO  
14 ANY PURCHASER UPON REQUEST.

15 (3) IN THE EVENT THAT ANY EMPLOYER OBTAINS FROM THE  
16 COUNCIL, PURSUANT TO PARAGRAPH (1) OR (2), DATA PERTAINING TO  
17 ITS EMPLOYEES AND THEIR DEPENDENTS FOR WHOM SAID EMPLOYER  
18 PURCHASES OR OTHERWISE PROVIDES COVERED SERVICES AS DEFINED  
19 IN SECTION 3 AND WHO ARE REPRESENTED BY A CERTIFIED  
20 COLLECTIVE BARGAINING REPRESENTATIVE, SAID COLLECTIVE  
21 BARGAINING REPRESENTATIVE SHALL BE ENTITLED TO THAT SAME  
22 DATA, AFTER PAYMENT OF FEES AS SPECIFIED IN PARAGRAPH (4).  
23 LIKEWISE, SHOULD A CERTIFIED COLLECTIVE BARGAINING  
24 REPRESENTATIVE OBTAIN FROM THE COUNCIL, PURSUANT TO PARAGRAPH  
25 (1) OR (2), DATA PERTAINING TO ITS MEMBERS AND THEIR  
26 DEPENDENTS WHO ARE EMPLOYED BY AND FOR WHOM COVERED SERVICES  
27 ARE PURCHASED OR OTHERWISE PROVIDED BY ANY EMPLOYER, SAID  
28 EMPLOYER SHALL BE ENTITLED TO THAT SAME DATA, AFTER PAYMENT  
29 OF FEES AS SPECIFIED IN PARAGRAPH (4).

30 (4) IN PROVIDING FOR ACCESS TO ITS RAW DATA, THE COUNCIL

1 SHALL CHARGE THE PURCHASERS WHICH ORIGINALLY OBTAINED SUCH  
2 ACCESS A FEE SUFFICIENT TO COVER ITS COSTS TO PREPARE AND  
3 PROVIDE SPECIAL REPORTS REQUESTED PURSUANT TO PARAGRAPH (1)  
4 OR TO PROVIDE COMPUTER-TO-COMPUTER ACCESS TO ITS RAW DATA  
5 REQUESTED PURSUANT TO PARAGRAPH (2). SHOULD A SECOND OR  
6 SUBSEQUENT PARTY OR PARTIES REQUEST THIS SAME INFORMATION  
7 PURSUANT TO PARAGRAPH (3), THE COUNCIL SHALL CHARGE SAID  
8 PARTY A REASONABLE FEE.

9 (G) ACCESS TO RAW COUNCIL DATA BY OTHER PARTIES.--SUBJECT TO  
10 THE LIMITATIONS ON ACCESS TO RAW COUNCIL DATA SET FORTH IN  
11 SUBSECTION (B), THE COUNCIL MAY, AT ITS DISCRETION, PROVIDE  
12 SPECIAL REPORTS DERIVED FROM ITS RAW DATA OR COMPUTER-TO-  
13 COMPUTER ACCESS TO PARTIES OTHER THAN PURCHASERS. THE COUNCIL  
14 SHALL PUBLISH REGULATIONS THAT SET FORTH THE CRITERIA AND THE  
15 PROCEDURE IT SHALL USE IN MAKING DETERMINATIONS ON SUCH ACCESS,  
16 PURSUANT TO THE POWERS VESTED IN THE COUNCIL IN SECTION 4. IN  
17 PROVIDING SUCH ACCESS, THE COUNCIL SHALL CHARGE THE PARTY  
18 REQUESTING THE ACCESS A REASONABLE FEE.

19 SECTION 5. SECTIONS 11, 12, 13, 14, 15, 16 AND 17.1 OF THE  
20 ACT ARE REENACTED TO READ:

21 SECTION 11. SPECIAL STUDIES AND REPORTS.

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

25 (B) SPECIAL REPORTS.--

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

30 (I) SENIOR CITIZENS, PARTICULARLY LOW-INCOME SENIOR

1 CITIZENS, SENIOR CITIZENS WHO ARE MEMBERS OF MINORITY  
2 GROUPS AND SENIOR CITIZENS RESIDING IN LOW-INCOME URBAN  
3 OR RURAL AREAS.

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

5 (III) MINORITY COMMUNITIES.

6 (IV) WOMEN.

7 (V) CHILDREN

8 (VI) UNEMPLOYED WORKERS.

9 (VII) VETERANS.

10 THE REPORTS SHALL INCLUDE INFORMATION ON THE CURRENT  
11 AVAILABILITY OF SERVICES TO THESE TARGETED PARTS OF THE  
12 POPULATION, AND WHETHER ACCESS TO SUCH SERVICES HAS INCREASED  
13 OR DECREASED OVER THE PAST TEN YEARS, AND SPECIFIC  
14 RECOMMENDATIONS FOR THE IMPROVEMENT OF THEIR PRIMARY CARE AND  
15 HEALTH DELIVERY SYSTEMS, INCLUDING DISEASE PREVENTION AND  
16 COMPREHENSIVE HEALTH CARE SERVICES. THE DEPARTMENT MAY ALSO  
17 STUDY AND REPORT ON THE EFFECTS OF USING PREPAID, CAPITATED  
18 OR HMO HEALTH DELIVERY SYSTEMS AS WAYS TO PROMOTE THE  
19 DELIVERY OF PRIMARY HEALTH CARE SERVICES TO THE UNDERSERVED  
20 SEGMENTS OF THE POPULATION ENUMERATED ABOVE.

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

30 SECTION 12. ENFORCEMENT; PENALTY.

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

10 (B) PENALTY.--

11 (1) ANY PERSON WHO FAILS TO SUPPLY DATA PURSUANT TO  
12 SECTION 6 MAY BE ASSESSED A CIVIL PENALTY NOT TO EXCEED  
13 \$1,000 FOR EACH DAY THE DATA IS NOT SUBMITTED.

14 (2) ANY PERSON WHO KNOWINGLY SUBMITS INACCURATE DATA  
15 UNDER SECTION 6 COMMITS A MISDEMEANOR OF THE THIRD DEGREE AND  
16 SHALL, UPON CONVICTION, BE SENTENCED TO PAY A FINE OF \$1,000  
17 OR TO IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BOTH.

18 SECTION 13. RESEARCH AND DEMONSTRATION PROJECTS.

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

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

1 CONFIDENTIALITY.

2 (2) PLACE DATA SOURCES PARTICIPATING IN RESEARCH AND  
3 DEMONSTRATIONS ON DIFFERENT DATA SUBMISSION REQUIREMENTS FROM  
4 OTHER DATA SOURCES IN THIS COMMONWEALTH.

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

8 SECTION 14. GRIEVANCES AND GRIEVANCE PROCEDURES.

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

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

21 SECTION 15. ANTITRUST PROVISIONS.

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

28 SECTION 16. CONTRACTS WITH VENDORS.

29 ANY CONTRACT WITH ANY VENDOR OTHER THAN A SOLE SOURCE VENDOR  
30 FOR PURCHASE OF SERVICES OR FOR PURCHASE OR LEASE OF SUPPLIES

1 AND EQUIPMENT RELATED TO THE COUNCIL'S POWERS AND DUTIES SHALL  
2 BE LET ONLY AFTER A PUBLIC BIDDING PROCESS AND ONLY IN  
3 ACCORDANCE WITH THE FOLLOWING PROVISIONS, AND NO CONTRACT SHALL  
4 BE LET BY THE COUNCIL THAT DOES NOT CONFORM TO THESE PROVISIONS:

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

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

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

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

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

28 (IV) A STATEMENT TO THE EFFECT THAT ANY PERSON IS  
29 ELIGIBLE TO BID.

30 (3) BIDS SHALL BE ACCEPTED AS FOLLOWS:



1           (I) NO COUNCIL MEMBER WHO IS AFFILIATED IN ANY WAY  
2 WITH ANY BIDDER SHALL VOTE ON THE AWARDING OF ANY  
3 CONTRACT FOR WHICH SAID BIDDER HAS SUBMITTED A BID, AND  
4 ANY COUNCIL MEMBER WHO HAS AN AFFILIATION WITH A BIDDER  
5 SHALL STATE THE NATURE OF THE AFFILIATION PRIOR TO ANY  
6 VOTE OF THE COUNCIL.

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

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

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

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

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

30           (III) THE COUNCIL MAY REQUIRE THE SELECTED VENDOR TO

FURNISH, WITHIN 20 DAYS AFTER THE CONTRACT HAS BEEN  
AWARDED, A BOND WITH SUITABLE AND REASONABLE REQUIREMENTS  
GUARANTEEING THE SERVICES TO BE PERFORMED WITH SUFFICIENT  
SURETY IN AN AMOUNT DETERMINED BY THE COUNCIL, AND UPON  
FAILURE TO FURNISH SUCH BOND WITHIN THE TIME SPECIFIED,  
THE PREVIOUS AWARD SHALL BE VOID.

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

SECTION 17.1. REPORTING.

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

SECTION 6. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

SECTION 17.2. HEALTH CARE COST CONTAINMENT COUNCIL ACT REVIEW  
COMMITTEE.

(A) ESTABLISHMENT.--THERE IS ESTABLISHED AN INDEPENDENT  
COMMITTEE TO BE KNOWN AS THE HEALTH CARE COST CONTAINMENT  
COUNCIL ACT REVIEW COMMITTEE.

(B) COMPOSITION.--THE COMMITTEE SHALL CONSIST OF THE  
FOLLOWING VOTING MEMBERS COMPOSED OF AND APPOINTED AS FOLLOWS:

(1) ONE MEMBER APPOINTED BY THE GOVERNOR.

(2) FOUR MEMBERS APPOINTED BY THE GENERAL ASSEMBLY, ONE  
OF WHOM APPOINTED BY EACH OF THE FOLLOWING:

(I) ONE BY THE PRESIDENT PRO TEMPORE OF THE SENATE;

(II) ONE BY THE MINORITY LEADER OF THE SENATE;

(III) ONE BY THE MAJORITY LEADER OF THE HOUSE OF  
REPRESENTATIVES; AND

(IV) ONE BY THE MINORITY LEADER OF THE HOUSE OF

1           REPRESENTATIVES.

2           (3) TWO REPRESENTATIVES OF THE BUSINESS COMMUNITY, AT  
3           LEAST ONE OF WHOM REPRESENTS SMALL BUSINESS, AND NEITHER OF  
4           WHOM IS PRIMARILY INVOLVED IN THE PROVISION OF HEALTH CARE OR  
5           HEALTH INSURANCE, ONE OF WHOM APPOINTED BY THE PRESIDENT PRO  
6           TEMPORE OF THE SENATE AND ONE OF WHOM APPOINTED BY THE  
7           SPEAKER OF THE HOUSE OF REPRESENTATIVES FROM A LIST OF FOUR  
8           QUALIFIED PERSONS RECOMMENDED BY THE PENNSYLVANIA CHAMBER OF  
9           BUSINESS AND INDUSTRY.

10          (4) TWO REPRESENTATIVES OF ORGANIZED LABOR, ONE OF WHOM  
11          APPOINTED BY THE PRESIDENT PRO TEMPORE OF THE SENATE AND ONE  
12          OF WHOM APPOINTED BY THE SPEAKER OF THE HOUSE OF  
13          REPRESENTATIVES FROM A LIST OF FOUR QUALIFIED PERSONS  
14          RECOMMENDED BY THE PENNSYLVANIA AFL-CIO.

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

21          (6) ONE REPRESENTATIVE OF HOSPITALS, APPOINTED BY THE  
22          GOVERNOR FROM A LIST OF THREE QUALIFIED HOSPITAL  
23          REPRESENTATIVES RECOMMENDED BY THE HOSPITAL AND HEALTH SYSTEM  
24          ASSOCIATION OF PENNSYLVANIA.

25          (7) ONE REPRESENTATIVE OF PHYSICIANS, APPOINTED BY THE  
26          GOVERNOR FROM A LIST OF THREE QUALIFIED PHYSICIAN  
27          REPRESENTATIVES RECOMMENDED JOINTLY BY THE PENNSYLVANIA  
28          MEDICAL SOCIETY AND THE PENNSYLVANIA OSTEOPATHIC MEDICAL  
29          SOCIETY.

30          (8) ONE REPRESENTATIVE OF NURSES, APPOINTED BY THE

1 GOVERNOR FROM A LIST OF THREE QUALIFIED REPRESENTATIVES  
2 RECOMMENDED BY THE PENNSYLVANIA STATE NURSES ASSOCIATION.

3 (9) ONE REPRESENTATIVE OF THE BLUE CROSS AND BLUE SHIELD  
4 PLANS IN PENNSYLVANIA, APPOINTED BY THE GOVERNOR FROM A LIST  
5 OF THREE QUALIFIED PERSONS RECOMMENDED JOINTLY BY THE BLUE  
6 CROSS AND BLUE SHIELD PLANS OF PENNSYLVANIA.

7 (10) ONE REPRESENTATIVE OF COMMERCIAL INSURANCE  
8 CARRIERS, APPOINTED BY THE GOVERNOR FROM A LIST OF THREE  
9 QUALIFIED PERSONS RECOMMENDED BY THE INSURANCE FEDERATION OF  
10 PENNSYLVANIA, INC.

11 (C) CHAIRPERSON.--THE APPOINTMENT MADE BY THE GOVERNOR UNDER  
12 SUBSECTION (B) (1) SHALL SERVE AS CHAIRMAN OF THE COMMITTEE.

13 (D) QUORUM.--ELEVEN MEMBERS SHALL CONSTITUTE A QUORUM FOR  
14 THE TRANSACTION OF ANY BUSINESS, AND ACTION BY THE MAJORITY OF  
15 THE MEMBERS PRESENT AT ANY MEETING IN WHICH THERE IS A QUORUM  
16 SHALL BE DEEMED TO BE ACTION OF THE COMMITTEE.

17 (E) MEETINGS.--

18 (1) ALL MEETINGS OF THE COMMITTEE SHALL BE ADVERTISED  
19 AND CONDUCTED PURSUANT TO 65 PA.C.S. CH. 7 (RELATING TO OPEN  
20 MEETINGS).

21 (2) ALL ACTION TAKEN BY THE COMMITTEE SHALL BE TAKEN IN  
22 OPEN PUBLIC SESSION, AND ACTION OF THE COMMITTEE SHALL NOT BE  
23 TAKEN EXCEPT UPON THE AFFIRMATIVE VOTE OF A MAJORITY OF THE  
24 MEMBERS OF THE COMMITTEE PRESENT DURING MEETINGS AT WHICH A  
25 QUORUM IS PRESENT.

26 (F) COMPENSATION AND EXPENSES.--THE MEMBERS OF THE COMMITTEE  
27 SHALL NOT RECEIVE A SALARY OR PER DIEM ALLOWANCE FOR SERVING AS  
28 MEMBERS OF THE COMMITTEE BUT SHALL BE REIMBURSED FOR ACTUAL AND  
29 NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES.  
30 EXPENSES MAY INCLUDE REIMBURSEMENT OF TRAVEL AND LIVING EXPENSES

1 WHILE ENGAGED IN COMMITTEE BUSINESS.

2 (G) COMMENCEMENT OF COMMITTEE.--

3 (1) WITHIN 15 DAYS AFTER THE EFFECTIVE DATE OF THIS  
4 SECTION, EACH ORGANIZATION OR INDIVIDUAL REQUIRED TO SUBMIT A  
5 LIST OF RECOMMENDED PERSONS TO THE GOVERNOR, THE PRESIDENT  
6 PRO TEMPORE OF THE SENATE OR THE SPEAKER OF THE HOUSE OF  
7 REPRESENTATIVES UNDER SUBSECTION (B) SHALL SUBMIT THE LIST.

8 (2) WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS  
9 SECTION, THE GOVERNOR, THE PRESIDENT PRO TEMPORE OF THE  
10 SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL  
11 MAKE THE APPOINTMENTS CALLED FOR IN SUBSECTION (B), AND THE  
12 COMMITTEE SHALL BEGIN OPERATIONS IMMEDIATELY FOLLOWING THE  
13 APPOINTMENTS.

14 (H) RESPONSIBILITIES OF THE COMMITTEE.--THE COMMITTEE SHALL  
15 HAVE THE FOLLOWING POWERS AND DUTIES:

16 (1) TO STUDY, REVIEW AND RECOMMEND CHANGES TO THIS ACT.

17 (2) TO ACCEPT AND REVIEW SUGGESTED CHANGES TO THIS ACT  
18 SUBMITTED BY MEMBERS OF THE COMMITTEE.

19 (3) TO APPROVE, BY A MAJORITY VOTE OF THE MEMBERS OF THE  
20 COMMITTEE, A REPORT RECOMMENDING STATUTORY CHANGES TO THIS  
21 ACT. THE REPORT SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

22 (I) THE ESTABLISHMENT OF AN INTERNET DATABASE FOR  
23 THE GENERAL PUBLIC SHOWING MEDICARE REIMBURSEMENT RATES  
24 FOR COMMON COVERED SERVICES AND TREATMENT.

25 (II) IN CONSULTATION WITH EXPERTS IN THE FIELDS OF  
26 QUALITY DATA AND OUTCOME MEASURES, THE DEFINITION AND  
27 IMPLEMENTATION OF:

28 (A) A METHODOLOGY BY PROVIDER TYPE FOR THE  
29 COUNCIL TO RISK ADJUST QUALITY DATA.

30 (B) A METHODOLOGY FOR THE COUNCIL TO COLLECT AND

1           DISSEMINATE DATA REFLECTING PROVIDER QUALITY AND  
2           PROVIDER SERVICE EFFECTIVENESS.

3           (4) TO SUBMIT THE REPORT APPROVED UNDER PARAGRAPH (3) TO  
4           THE PRESIDENT PRO TEMPORE OF THE SENATE AND THE SPEAKER OF  
5           THE HOUSE OF REPRESENTATIVES WITHIN SIX MONTHS AFTER THE  
6           EFFECTIVE DATE OF THIS SECTION.

7           (I) COMMITTEE SUPPORT.--THE COUNCIL SHALL OFFER STAFF AND  
8           ADMINISTRATIVE SUPPORT FROM THE COUNCIL OR ITS WORK GROUPS  
9           NECESSARY FOR THE COMMITTEE TO CARRY OUT ITS DUTIES UNDER THIS  
10          SECTION.

11          SECTION 7. SECTION 18 OF THE ACT IS REENACTED TO READ:

12          SECTION 18. SEVERABILITY.

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

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

20          SECTION 19. SUNSET.

21          THIS ACT SHALL EXPIRE JUNE 30, [2008] 2014, UNLESS REENACTED  
22          PRIOR TO THAT DATE. BY SEPTEMBER 1, [2007] 2013, A WRITTEN  
23          REPORT BY THE LEGISLATIVE BUDGET AND FINANCE COMMITTEE  
24          EVALUATING THE MANAGEMENT, VISIBILITY, AWARENESS AND PERFORMANCE  
25          OF THE COUNCIL SHALL BE PROVIDED TO THE PUBLIC HEALTH AND  
26          WELFARE COMMITTEE OF THE SENATE AND THE HEALTH AND HUMAN  
27          SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES. THE REPORT  
28          SHALL INCLUDE A REVIEW OF THE COUNCIL'S PROCEDURES AND POLICIES,  
29          THE AVAILABILITY AND QUALITY OF DATA FOR COMPLETING REPORTS [TO  
30          HOSPITALS AND OUTSIDE VENDOR PURCHASERS, THE ABILITY OF THE

1 COUNCIL TO BECOME SELF-SUFFICIENT BY SELLING DATA TO OUTSIDE  
2 PURCHASERS], WHETHER THERE IS A MORE COST-EFFICIENT WAY OF  
3 ACCOMPLISHING THE OBJECTIVES OF THE COUNCIL AND THE NEED FOR  
4 REAUTHORIZATION OF THE COUNCIL.

5 SECTION 9. SECTION 20 OF THE ACT IS REENACTED TO READ:

6 SECTION 20. EFFECTIVE DATE.

7 THIS ACT SHALL TAKE EFFECT IMMEDIATELY.

8 SECTION 10. IN ACCORDANCE WITH SECTION 11 OF THIS ACT, THE  
9 FOLLOWING APPLY TO THE PERIOD FROM JUNE 29, 2008, TO THE  
10 EFFECTIVE DATE OF THIS SECTION:

11 (1) THERE IS NO LAPSE IN MEMBERSHIP ON THE HEALTH CARE  
12 COST CONTAINMENT COUNCIL.

13 (2) ELEVEN MEMBERS CONSTITUTE A QUORUM.

14 (3) ANY ACTION TAKEN BY THE COUNCIL IS VALIDATED.


15 (4) THERE SHALL BE NO LAPSE IN THE EMPLOYMENT  
16 RELATIONSHIP FOR EMPLOYEES OF THE COUNCIL. THIS PARAGRAPH  
17 INCLUDES SALARY, SENIORITY, BENEFITS AND RETIREMENT  
18 ELIGIBILITY OF THE EMPLOYEES.

19 SECTION 11. THIS ACT SHALL APPLY AS FOLLOWS:

20 (1) EXCEPT AS SET FORTH IN PARAGRAPH (2), THIS ACT SHALL  
21 APPLY RETROACTIVELY TO JUNE 29, 2008.

22 (2) THE REENACTMENT OF SECTION 6 OF THE ACT SHALL APPLY  
23 RETROACTIVELY UNDER PARAGRAPH (1), BUT THE AMENDMENT OF  
24 SECTION 6 OF THE ACT SHALL APPLY FROM THE EFFECTIVE DATE OF  
25 THE AMENDMENT UNDER SECTION 12(1) OF THIS ACT.

26 Section ~~5~~12. This act shall take effect as follows: 

27 (1) The amendment of section 6 of the act shall take  
28 effect ~~January~~ JULY 1, 2010. 

29 (2) The remainder of this act shall take effect  
30 immediately.