
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 841 Session of
2019

INTRODUCED BY MARTIN, GORDNER, YAW, MENSCH, KILLION, COSTA,
MASTRIANO, BARTOLOTTA AND K. WARD, SEPTEMBER 3, 2019

AS REPORTED FROM COMMITTEE ON HEALTH, HOUSE OF REPRESENTATIVES,
AS AMENDED, NOVEMBER 19, 2019

AN ACT

1 Amending Title 35 (Health and Safety) of the Pennsylvania
2 Consolidated Statutes, providing for the Health Care Cost
3 Containment Council, for its powers and duties, for health
4 care cost containment through the collection and
5 dissemination of data, for public accountability of health
6 care costs and for health care for the indigent.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Title 35 of the Pennsylvania Consolidated
10 Statutes is amended by adding a part to read:

11 PART II

12 REGULATED ENTITIES

13 Chapter

14 33. Health Care Cost Containment

15 CHAPTER 33

16 HEALTH CARE COST CONTAINMENT

17 Sec.

18 3301. Short title of chapter.

19 3302. Definitions.

- 1 3303. Health Care Cost Containment Council.
2 3304. Powers and duties of council.
3 3305. Data submission and collection.
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13 3315. Reporting.
14 3316. Severability.
15 3317. Expiration.
16 § 3301. Short title of chapter.

17 This chapter shall be known and may be cited as the Health
18 Care Cost Containment Act.

19 § 3302. Definitions.

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

23 "Ambulatory service facility." A facility licensed in this
24 Commonwealth which is not part of a hospital and which provides
25 medical, diagnostic or surgical treatment to patients not
26 requiring hospitalization, including ambulatory surgical
27 facilities, ambulatory imaging or diagnostic centers, birthing
28 centers, freestanding emergency rooms and any other facilities
29 providing ambulatory care which charge a separate facility
30 charge. The term does not include the offices of private

1 physicians or dentists, whether for individual or group
2 practices.

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

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

7 "Covered services." Any health care services or procedures
8 connected with episodes of illness or injury that require either
9 inpatient hospital care or major ambulatory service, including
10 any initial and follow-up outpatient services associated with
11 the episode of illness or injury before, during or after
12 inpatient hospital care or major ambulatory service. The term
13 does not include routine outpatient services connected with
14 episodes of illness that do not require hospitalization or major
15 ambulatory service.

16 "Data." Data collected by the council under section 3305
17 (relating to data submission and collection). The term includes
18 raw data.

19 "Data source." The term includes a provider.

20 "Health care facility." A general or special hospital,
21 including:

22 (1) Psychiatric hospitals.

23 (2) Kidney disease treatment centers, including
24 freestanding hemodialysis units.

25 (3) Ambulatory service facilities.

26 (4) Hospices, including hospices operated by an agency
27 of State or local government.

28 "Health care insurer." As follows:

29 (1) A person, corporation or other entity that offers
30 administrative, indemnity or payment services for health care

1 in exchange for a premium or service charge under a program
2 of health care benefits, including, but not limited to:

3 (i) An insurance company, association or exchange
4 issuing health insurance policies in this Commonwealth
5 governed by the act of May 17, 1921 (P.L.682, No.284),
6 known as The Insurance Company Law of 1921.

7 (ii) A hospital plan corporation as defined in 40
8 Pa.C.S. Ch. 61 (relating to hospital plan corporations).

9 (iii) A professional health service corporation as
10 defined in 40 Pa.C.S. Ch. 63 (relating to professional
11 health services plan corporations).

12 (iv) A health maintenance organization governed by
13 the act of December 29, 1972 (P.L.1701, No.364), known as
14 the Health Maintenance Organization Act.

15 (v) A third-party administrator governed by Article
16 X of the act of May 17, 1921 (P.L.789, No.285), known as
17 The Insurance Department Act of 1921.

18 (2) The term does not include:

19 (i) Employers, labor unions or health and welfare
20 funds jointly or separately administered by employers or
21 labor unions that purchase or self-fund a program of
22 health care benefits for their employees or members and
23 their dependents.

24 (ii) The following types of insurance or any
25 combination thereof:

26 (A) Accident only.

27 (B) Fixed indemnity.

28 (C) Hospital indemnity.

29 (D) Limited benefit.

30 (E) Credit.

- 1 (F) Dental.
- 2 (G) Vision.
- 3 (H) Specified disease.
- 4 (I) Medicare supplement.
- 5 (J) Civilian Health and Medical Program of the
6 Uniformed Services (CHAMPUS) supplement.
- 7 (K) Long-term care or disability income.
- 8 (L) Workers' compensation.
- 9 (M) Automobile medical payment insurance.

10 "Health maintenance organization." An organized system which
11 combines the delivery and financing of health care and which
12 provides basic health services to voluntarily enrolled
13 subscribers for a fixed prepaid fee, as defined in the Health
14 Maintenance Organization Act.

15 "Hospital." An institution licensed in this Commonwealth
16 which is:

17 (1) A general, mental, chronic disease or other type of
18 hospital.

19 (2) A kidney disease treatment center, including kidney
20 disease treatment centers operated by an agency of State or
21 local government.

22 "Major ambulatory service." Surgical or medical procedures,
23 including diagnostic and therapeutic radiological procedures,
24 commonly performed in hospitals or ambulatory service
25 facilities, which are not of a type commonly performed, or which
26 cannot be safely performed, in physicians' offices and which
27 require special facilities such as operating rooms or suites or
28 special equipment such as fluoroscopic equipment or computed
29 tomographic scanners, or a postprocedure recovery room or short-
30 term convalescent room.

1 "Medical procedure incidence variations." The variation in
2 the incidence in the population of specific medical, surgical
3 and radiological procedures in any given year, expressed as a
4 deviation from the norm, as these terms are defined in the
5 classical statistical definition of "variation," "incidence,"
6 "deviation" and "norm."

7 "Payment." The payments that providers actually accept for
8 their services, exclusive of charity care, rather than the
9 charges they bill.

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

13 "Physician." An individual licensed under the laws of this
14 Commonwealth to practice medicine and surgery within the scope
15 of the act of October 5, 1978 (P.L.1109, No.261), known as the
16 Osteopathic Medical Practice Act, or the act of December 20,
17 1985 (P.L.457, No.112), known as the Medical Practice Act of
18 1985.

19 "Preferred provider organization." Any arrangement between a
20 health care insurer and providers of health care services which
21 specifies rates of payment to such providers which differ from
22 their usual and customary charges to the general public and
23 which encourages enrollees to receive health services from such
24 providers.

25 "Provider." A hospital, a health care facility, an
26 ambulatory service facility or a physician.

27 "Provider quality." The extent to which a provider renders
28 care that, within the capabilities of modern medicine, obtains
29 for patients medically acceptable health outcomes and prognoses,
30 adjusted for patient severity, and treats patients

1 compassionately and responsively.

2 "Provider service effectiveness." The effectiveness of
3 services rendered by a provider, determined by measurement of
4 the medical outcome of patients grouped by severity receiving
5 those services.

6 "Purchaser." Corporations, labor organizations or other
7 entities that purchase benefits which provide covered services
8 for their employees or members, either through a health care
9 insurer or by means of a self-funded program of benefits, and a
10 certified bargaining representative that represents a group or
11 groups of employees for whom employers purchase a program of
12 benefits which provide covered services, but excluding any
13 entity defined in this section as a "health care insurer."

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

16 § 3303. Health Care Cost Containment Council.

17 (a) Establishment.--The Health Care Cost Containment Council
18 is established as an independent council.

19 (b) Composition.--The council shall consist of voting
20 members, composed of and appointed in accordance with the
21 following:

22 (1) The Secretary of Health.

23 (2) The Secretary of Human Services.

24 (3) The Insurance Commissioner.

25 (4) Six representatives of the business community, at
26 least one of whom represents small business, who are
27 purchasers of health care, none of which is primarily
28 involved in the provision of health care or health insurance,
29 three of which shall be appointed by the President pro
30 tempore of the Senate and three of which shall be appointed

1 by the Speaker of the House of Representatives from a list of
2 12 qualified persons recommended by the Pennsylvania Chamber
3 of Business and Industry. Three nominees shall be
4 representatives of small business.

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

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

16 (7) Two representatives of hospitals, appointed by the
17 Governor from a list of five qualified hospital
18 representatives recommended by the Hospital and Health System
19 Association of Pennsylvania one of whom shall be a
20 representative of rural hospitals. Each representative under
21 this paragraph may appoint two additional delegates to act
22 for the representative only at meetings of committees, as
23 provided for in subsection (f).

24 (8) Two representatives of physicians, appointed by the
25 Governor from a list of five qualified physician
26 representatives recommended jointly by the Pennsylvania
27 Medical Society and the Pennsylvania Osteopathic Medical
28 Society. The representative under this paragraph may appoint
29 two additional delegates to act for the representative only
30 at meetings of committees, as provided for in subsection (f).

1 (8.1) An individual appointed by the Governor who has
2 expertise in the application of continuous quality
3 improvement methods in hospitals.

4 (8.2) One representative of nurses, appointed by the
5 Governor from a list of three qualified representatives
6 recommended by the Pennsylvania State Nurses Association.

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

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

15 (11) ~~(Reserved)~~. TWO INDIVIDUALS APPOINTED BY THE <--
16 GOVERNOR WHO HAVE EXPERTISE IN HEALTH ECONOMICS AND OUTCOMES
17 RESEARCH.

18 (12) Representatives from the General Assembly as
19 follows:

20 (i) One Senator appointed by the President pro
21 tempore of the Senate.

22 (ii) One Senator appointed by the Minority Leader of
23 the Senate.

24 (iii) One member of the House of Representatives
25 appointed by the Speaker of the House of Representatives.

26 (iv) One member of the House of Representatives
27 appointed by the Minority Leader of the House of
28 Representatives.

29 (13) In the case of each appointment to be made from a
30 list supplied by a specified organization, it is incumbent

1 upon that organization to consult with and provide a list
2 which reflects the input of other equivalent organizations
3 representing similar interests. Each appointing authority
4 will have the discretion to request additions to the list
5 originally submitted. Additional names will be provided not
6 later than 15 days after such request. Appointments shall be
7 made by the appointing authority no later than 90 days after
8 receipt of the original list. If, for any reason, any
9 specified organization supplying a list should cease to
10 exist, then the respective appointing authority shall specify
11 an equivalent organization to fulfill the responsibilities
12 set forth in this chapter.

13 (c) Chairperson and vice chairperson.--The members shall
14 annually elect, by a majority vote of the members, a chairperson
15 and a vice chairperson of the council from the business and
16 labor members of the council.

17 (d) Quorum.--The council shall establish in the council's
18 bylaws the number of members necessary to constitute a quorum.

19 (e) Meetings.--All meetings of the council shall be
20 advertised and conducted under 65 Pa.C.S. Ch. 7 (relating to
21 open meetings), unless otherwise provided in this section. The
22 following apply:

23 (1) The council shall meet at least once every two
24 months and may provide for special meetings as it deems
25 necessary. Meeting dates shall be set by a majority vote of
26 the members of the council or by the call of the chairperson
27 upon seven days' notice to council members. Attendance at the
28 meeting may be accomplished by electronic means so long as
29 each council member attending via electronic means can
30 communicate in real time with the other members of the

1 council and the public.

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

9 (3) The council shall publish a schedule of its meetings
10 in the Pennsylvania Bulletin, on its publicly accessible
11 Internet website and as provided under 65 Pa.C.S. Ch. 7. The
12 notice shall be published at least once in each calendar
13 quarter and shall list the schedule of meetings of the
14 council to be held in the subsequent calendar quarter. The
15 notice shall specify the date, time and place of the meeting
16 and shall state that the council's meetings are open to the
17 general public, except that no notice shall be required for
18 executive sessions of the council.

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

24 (f) Bylaws.--The council shall adopt bylaws, not
25 inconsistent with this chapter, and may appoint such committees
26 or elect such officers subordinate to those provided for in
27 subsection (c) as it deems advisable.

28 (g) Technical advisory group.--

29 (1) The council shall appoint a technical advisory group
30 which shall, on an ad hoc basis, respond to issues presented

1 to it by the council or committees of the council and shall
2 make recommendations to the council. The technical advisory
3 group shall include:

4 (i) Physicians.

5 (ii) Researchers.

6 (iii) Biostatisticians.

7 (iv) One representative of the Hospital and
8 Healthsystem Association of Pennsylvania.

9 (v) One representative of the Pennsylvania Medical
10 Society.

11 (2) The Hospital and Healthsystem Association of
12 Pennsylvania and the Pennsylvania Medical Society
13 representatives shall not be subject to executive committee
14 approval. In appointing other physicians, researchers and
15 biostatisticians to the technical advisory group, the council
16 shall consult with and take nominations from the
17 representatives of:

18 (i) the Hospital Association of Pennsylvania;

19 (ii) the Pennsylvania Medical Society;

20 (iii) the Pennsylvania Osteopathic Medical Society;

21 or

22 (iv) other like organizations.

23 (3) At its discretion and in accordance with this
24 section, nominations shall be approved by the executive
25 committee of the council. If the subject matter of any
26 project exceeds the expertise of the technical advisory
27 group, physicians in appropriate specialties who possess
28 current knowledge of the issue under study may be consulted.
29 The technical advisory group shall also review the
30 availability and reliability of severity of illness

1 measurements as they relate to small hospitals and
2 psychiatric, rehabilitation and children's hospitals and
3 shall make recommendations to the council based upon this
4 review. Meetings of the technical advisory group shall be
5 open to the general public.

6 (h) Payment data advisory group.--

7 (1) In order to assure the technical appropriateness and
8 accuracy of payment data, the council shall establish a
9 payment data advisory group to produce recommendations
10 surrounding the collection of payment data, the analysis and
11 manipulation of payment data and the public reporting of
12 payment data. The payment data advisory group shall include
13 technical experts and individuals knowledgeable in payment
14 systems and claims data. The advisory group shall consist of
15 the following members appointed by the council:

16 (i) One member representing each plan under 40
17 Pa.C.S. Chs. 61 (relating to hospital plan corporations)
18 and 63 (relating to professional health services plan
19 corporations).

20 (ii) Two members representing commercial insurance
21 carriers.

22 (iii) Three members representing health care
23 facilities.

24 (iv) Three members representing physicians.

25 (2) The payment data advisory group shall meet at least
26 four times a year and may provide for special meetings as may
27 be necessary.

28 (3) The payment data advisory group shall review and
29 concur with the technical appropriateness of the use and
30 presentation of data and report its findings to the council

1 prior to any vote to publicly release reports. If the council
2 elects to release a report without addressing the technical
3 concerns of the advisory group, it shall prominently disclose
4 this in the public report and include the comments of the
5 advisory group in the public report.

6 (4) The payment data advisory group shall exercise all
7 powers necessary and appropriate to carry out its duties,
8 including advising the council on the following:

9 (i) Collection of payment data by the council.

10 (ii) Manipulation, adjustments and methods used with
11 payment data.

12 (iii) Public reporting of payment data by the
13 council.

14 (i) Compensation and expenses.--The members of the council
15 and any member of an advisory group appointed by the council
16 shall not receive a salary or per diem allowance for serving as
17 members or advisors of the council, but shall be reimbursed for
18 actual and necessary expenses incurred in the performance of
19 their duties. The expenses may include reimbursement of travel
20 and living expenses while engaged in council business.

21 (j) Terms of council members.--

22 (1) The terms of the Secretary of Health, the Secretary
23 of Human Services, the Insurance Commissioner and the
24 legislative representatives shall be concurrent with their
25 holding of public office. The council members under
26 subsection (b) (4), (5), (6), (7), (8), (8.1), (8.2), (9),
27 (10), (11) and (12) shall each serve for a term of four years
28 and shall continue to serve thereafter until their successors
29 are appointed.

30 (2) Vacancies on the council shall be filled in the

1 manner designated under subsection (b), within 60 days of the
2 vacancy, except that, when vacancies occur among the
3 representatives of business or organized labor, two
4 nominations shall be submitted by the organization specified
5 in subsection (b) for each vacancy on the council. If the
6 officer required in subsection (b) to make appointments to
7 the council fails to act within 60 days of the vacancy, the
8 council chairperson may appoint one of the persons
9 recommended for the vacancy until the appointing authority
10 makes the appointment.

11 (3) Except for the Secretary of Health, the Secretary of
12 Human Services, the Insurance Commissioner and the
13 legislative representatives, a member may be removed for just
14 cause by the appointing authority after recommendation by a
15 vote of at least 14 members of the council.

16 (4) No appointed member under subsection (b)(4), (5),
17 (6), (7), (8), (8.1), (8.2), (9), (10), (11) and (12) shall
18 be eligible to serve more than three full consecutive terms
19 of four years beginning on the effective date of this
20 paragraph.

21 (k) Subsequent appointments.--Submission of lists of
22 recommended persons and appointments of council members for
23 succeeding terms shall be made in the same manner as prescribed
24 in subsection (b), except that:

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

28 (2) The officer required under subsection (b) to make
29 appointments to the council shall make the appointments at
30 least 30 days prior to expiration of the council members'

1 terms. If the appointments are not made within the specified
2 time, the council chairperson may make interim appointments
3 from the lists of recommended individuals. An interim
4 appointment shall be valid only until the appropriate officer
5 under subsection (b) makes the required appointment. Whether
6 the appointment is by the required officer or by the
7 chairperson of the council, the appointment shall become
8 effective immediately upon expiration of the incumbent
9 member's term.

10 § 3304. Powers and duties of council.

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

14 (1) To employ an executive director, investigators and
15 other staff necessary to comply with the provisions of this
16 chapter and regulations promulgated thereunder, to employ or
17 retain legal counsel and to engage professional consultants,
18 as it deems necessary to the performance of its duties. Any
19 consultants, other than sole source consultants, engaged by
20 the council shall be selected in accordance with the
21 provisions for contracting with vendors set forth in section
22 3314 (relating to contracts with vendors).

23 (2) To fix the compensation of all employees and to
24 prescribe their duties. Notwithstanding the independence of
25 the council under section 3303(a) (relating to Health Care
26 Cost Containment Council), employees under this paragraph
27 shall be deemed employees of the Commonwealth for the
28 purposes of participation in the Pennsylvania Employee
29 Benefit Trust Fund.

30 (3) To make and execute contracts and other instruments,

1 including those for purchase of services and purchase or
2 leasing of equipment and supplies, necessary or convenient to
3 the exercise of the powers of the council. Any such contract
4 shall be in accordance with the provision for contracting
5 with vendors set forth in section 3314.

6 (4) To conduct examinations and investigations, to
7 conduct audits, under the provisions of subsection (c), and
8 to hear testimony and take proof, under oath or affirmation,
9 at public or private hearings, on any matter necessary to its
10 duties.

11 (5) To provide hospitals with individualized data on
12 patient safety indicators under section 3305(c)(8) (relating
13 to data submission and collection). The data shall be risk
14 adjusted and made available to hospitals electronically and
15 free of charge on a quarterly basis within 45 days of receipt
16 of the corrected quarterly data from the hospitals. The data
17 is intended to provide the patient safety committee of each
18 hospital with information necessary to assist in conducting
19 patient safety analysis.

20 (6) To do all things necessary to carry out its duties
21 under the provisions of this chapter.

22 (b) Rules and regulations.--

23 (1) The council may promulgate rules and regulations as
24 necessary and appropriate to implement this act.

25 (2) Regulations promulgated by the council shall be
26 promulgated in accordance with the act of June 25, 1982
27 (P.L.633, No.181), known as the Regulatory Review Act.

28 (3) Rules and regulations in effect prior to the
29 effective date of this section shall remain in effect.

30 (c) Audit powers.--The council shall have the right to

1 independently audit all information required to be submitted by
2 data sources as needed to corroborate the accuracy of the
3 submitted data, pursuant to the following:

4 (1) Audits of information submitted by providers or
5 health care insurers shall be performed on a sample and
6 issue-specific basis, as needed by the council, and shall be
7 coordinated, to the extent practicable, with audits performed
8 by the Commonwealth. All health care insurers and providers
9 are hereby required to make those books, records of accounts
10 and any other data needed by the auditors available to the
11 council at a convenient location within 30 days of written
12 notification by the council.

13 (2) Audits of information submitted by purchasers shall
14 be performed on a sample basis, unless there exists
15 reasonable cause to audit specific purchasers, but in no case
16 shall the council have the power to audit financial
17 statements of purchasers.

18 (3) All audits performed by the council shall be
19 performed at the expense of the council.

20 (4) The results of audits of providers or health care
21 insurers shall be provided to the audited providers and
22 health care insurers on a timely basis, not to exceed 30 days
23 beyond presentation of audit findings to the council.

24 (d) General duties and functions.--The council is hereby
25 authorized to and shall perform the following duties and
26 functions:

27 (1) Develop a computerized system for the collection,
28 analysis and dissemination of data. The council may contract
29 with a vendor who will provide data processing services. The
30 council shall assure that the system will be capable of

1 processing all data required to be collected under this
2 chapter. Any vendor selected by the council shall be selected
3 in accordance with the provisions of section 3314, and the
4 vendor shall relinquish any and all proprietary rights or
5 claims to the database created as a result of implementation
6 of the data processing system.

7 (2) Establish a Pennsylvania Uniform Claims and Billing
8 Form for all data sources and all providers, which shall be
9 utilized and maintained by all data sources and all providers
10 for all services covered under this chapter.

11 (3) (Reserved).

12 (4) Collect and disseminate data, as specified in
13 sections 3305 and 3306 (relating to data dissemination and
14 publication), and other information from data sources to
15 which the council is entitled, prepared according to formats,
16 time frames and confidentiality provisions as specified in
17 sections 3305 and 3308 (relating to Right-to-Know Law and
18 access to council data), and by the council.

19 (5) Adopt and implement a methodology to collect and
20 disseminate data reflecting provider quality, provider
21 service effectiveness, utilization and the cost of health
22 care services under sections 3305 and 3306.

23 (6) Subject to the restrictions on access to raw data
24 set forth in section 3308, issue special reports and make
25 available raw data to a purchaser requesting it. Sale by a
26 recipient or exchange or publication by a recipient, other
27 than a purchaser, of council raw data to other parties
28 without the express written consent of, and under terms
29 approved by, the council shall be unauthorized use of data
30 under section 3308(d).

1 (7) On an annual basis, publish in the Pennsylvania
2 Bulletin a list of all the raw data reports it has prepared
3 under section 3308(g) and a description of the data obtained
4 through each computer-to-computer access it has provided
5 under section 3308(g) and of the names of the parties to whom
6 the council provided the reports or the computer-to-computer
7 access during the previous month.

8 (8) Promote competition in the health care and health
9 insurance markets.

10 (9) Assure that the use of council data does not raise
11 access barriers to care.

12 (10) Provide information on the allowed and paid costs
13 of medical services in terminology that may be reasonably
14 understood by the average individual consumer of health care
15 services. The council shall present the cost information in
16 conjunction with information on quality of care delivery, if
17 quality information is reasonably available to the council,
18 so that the average individual consumer of health care
19 services may use the information to inform purchasing
20 decisions.

21 (11) In consultation with the Insurance Department and
22 the Department of Health, make annual reports to the General
23 Assembly on the rate of increase in the cost of health care
24 in this Commonwealth, including, but not limited to, the
25 following:

26 (i) The rate of increase in health insurance
27 premiums in this Commonwealth.

28 (ii) Regional trends in cost of health care and
29 health insurance premiums.

30 (iii) The effectiveness of the council in carrying

1 out the legislative intent of this chapter.

2 (iv) The quality and effectiveness of health care
3 and access to health care for all citizens of this
4 Commonwealth.

5 (12) In the discretion of the council, make
6 recommendations on the need for further health care cost
7 containment legislation.

8 (13) Conduct studies and publish reports analyzing the
9 effects that outpatient, alternative health care delivery
10 systems have on health care costs. The systems shall include,
11 but are not limited to, health maintenance organizations;
12 preferred provider organizations; primary health care
13 facilities; home health care; attendant care; ambulatory
14 service facilities; freestanding emergency centers; birthing
15 centers; and hospice care. The reports shall be submitted to
16 the General Assembly and shall be made available to the
17 public.

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

22 § 3305. Data submission and collection.

23 (a) Submission of data.--

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

1 schedules. The schedules shall avoid, to the extent possible,
2 submission of identical data from more than one data source.
3 The uniform submission formats, coding systems and other
4 technical specifications may be established by the council
5 pursuant to its authority under section 3304(b) (relating to
6 powers and duties of council). If payor data is requested by
7 the council, it shall, to the extent possible, be obtained
8 from primary payor sources. The council shall not require any
9 data source to contract with any specific vendor for
10 submission of any specific data elements to the council.

11 (2) In carrying out its responsibilities, the council
12 shall not require health care facilities to report data
13 elements which are not included in the manual developed by
14 the National Uniform Billing Committee. The council shall
15 publish in the Pennsylvania Bulletin a list of no more than
16 35 diseases, procedures and medical conditions for which data
17 under subsections (c) (22) and (d) shall be required. The list
18 shall not represent more than 50% of total hospital
19 discharges, based upon the previous year's hospital discharge
20 data. Subsequent to the publication of the list, any data
21 submission requirements under subsections (c) (22) and (d)
22 previously in effect shall be null and void for diseases,
23 procedures and medical conditions not found on the list. All
24 other data elements under subsection (c) shall continue to be
25 required from data sources. The council shall review the list
26 and may add no more than a net of three diseases, procedures
27 or medical conditions per year over a five-year period. The
28 adjusted list of diseases, procedures and medical conditions
29 shall at no time be more than 50% of total hospital
30 discharges.

1 (b) Pennsylvania Uniform Claims and Billing Form.--The
2 council shall maintain a Pennsylvania Uniform Claims and Billing
3 Form format. The council shall furnish the claims and billing
4 form format to all data sources, and the claims and billing form
5 shall be utilized and maintained by all data sources for all
6 services covered by this chapter. The Pennsylvania Uniform
7 Claims and Billing Form shall consist of the Uniform Hospital
8 Billing Form, as developed by the National Uniform Billing
9 Committee, with additional fields as necessary to provide all of
10 the data set forth in subsections (c) and (d).

11 (c) Data elements.--For each covered service performed in
12 this Commonwealth, the council shall be required to collect the
13 following data elements:

- 14 (1) uniform patient identifier, continuous across
15 multiple episodes and providers;
- 16 (2) patient date of birth;
- 17 (3) patient sex;
- 18 (4) patient race, consistent with the method of
19 collection of race/ethnicity data by the United States Bureau
20 of the Census and the United States Standard Certificates of
21 Live Birth and Death;
- 22 (5) patient zip code number;
- 23 (6) date of admission;
- 24 (7) date of discharge;
- 25 (8) principal and secondary diagnoses by standard code,
26 including external cause of injury, complication, infection
27 and childbirth;
- 28 (9) principal procedure by council-specified standard
29 code and date;
- 30 (10) up to three secondary procedures by council-

1 specified standard codes and dates;

2 (11) uniform health care facility identifier, continuous
3 across episodes, patients and providers;

4 (12) uniform identifier of admitting physician, by
5 unique physician identification number established by the
6 council, continuous across episodes, patients and providers;

7 (13) uniform identifier of consulting physicians, by
8 unique physician identification number established by the
9 council, continuous across episodes, patients and providers;

10 (14) total charges of health care facility, segregated
11 into major categories, including, but not limited to, room
12 and board, radiology, laboratory, operating room, drugs,
13 medical supplies and other goods and services according to
14 guidelines specified by the council;

15 (15) actual payments to health care facility,
16 segregated, if available, according to the categories
17 specified in paragraph (14);

18 (16) charges of each physician or professional rendering
19 service relating to an incident of hospitalization or
20 treatment in an ambulatory service facility;

21 (17) actual payments to each physician or professional
22 rendering service under paragraph (16);

23 (18) uniform identifier of primary payor;

24 (19) zip code number of facility where health care
25 service is rendered;

26 (20) uniform identifier for payor group contract number;

27 (21) patient discharge status; and

28 (22) provider service effectiveness and provider quality
29 under section 3304(d).

30 (d) Provider quality and provider service effectiveness data

1 elements.--In carrying out its duty to collect data on provider
2 quality and provider service effectiveness under subsection (c)
3 (22) and section 3304(d)(5), the council shall define a
4 methodology to measure provider service effectiveness, which may
5 include additional data elements to be specified by the council
6 sufficient to carry out its responsibilities under section
7 3304(d)(5). The council shall not require health care insurers
8 to report on data elements that are not reported to nationally
9 recognized accrediting organizations, to the Department of
10 Health, the Department of Human Services or the Insurance
11 Department, in quarterly or annual reports. The council shall
12 not require reporting by health care insurers in different
13 formats than are required for reporting to nationally recognized
14 accrediting organizations or on quarterly or annual reports
15 submitted to the Department of Health, the Department of Human
16 Services or the Insurance Department. The council may adopt the
17 quality findings as reported to nationally recognized
18 accrediting organizations. Additional quality data elements must
19 be defined and released for public comment prior to use.

20 (e) Reserve field utilization and addition or deletion of
21 data elements.--The council shall include in the Pennsylvania
22 Uniform Claims and Billing Form a reserve field. The council may
23 utilize the reserve field by adding other data elements beyond
24 those required to carry out its responsibilities under
25 subsections (c) and (d) and section 3304(d)(4) and (5), or the
26 council may delete data elements from the Pennsylvania Uniform
27 Claims and Billing Form only by a majority vote of the council
28 and only pursuant to the following procedure:

29 (1) The council shall obtain a cost-benefit analysis of
30 the proposed addition or deletion which shall include the

1 cost to data sources of any proposed additions.

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

6 (3) The council may hold additional hearings or request
7 such other reports as it deems necessary and shall consider
8 the comments received during the 60-day comment period and
9 any additional information gained through the hearings or
10 other reports in making a final determination on the proposed
11 addition or deletion.

12 (f) Other data required to be submitted.--Each provider is
13 hereby required to submit, and the council is hereby authorized
14 to collect, in accordance with submission dates and schedules
15 established by the council, the following additional data in its
16 possession, provided the data is not available to the council
17 from public records:

18 (1) Audited annual financial reports of all hospitals
19 and ambulatory service facilities providing covered services
20 as defined in section 3302.

21 (2) The Medicare cost report for Medical Assistance or
22 successor forms, including the settled Medicare cost report.

23 (3) Additional data, including, but not limited to, data
24 which can be used in reports about:

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

27 (ii) physicians who provide covered services and
28 accept medical assistance patients;

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

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

4 (v) rates of infection for specified diagnoses and
5 treatments, grouped by severity, for individual
6 providers;

7 (vi) morbidity rates for specified diagnoses and
8 treatments, grouped by severity, for individual
9 providers;

10 (vii) readmission rates for specified diagnoses and
11 treatments, grouped by severity, for individual
12 providers;

13 (viii) rate of incidence of postdischarge
14 professional care for selected diagnoses and procedures,
15 grouped by severity, for individual providers; and

16 (ix) data from other public sources.

17 (4) Any other data the council requires to carry out its
18 responsibilities under section 3304(d).

19 (g) Review and correction of data.--The council shall
20 provide a reasonable period for data sources to review and
21 correct the data submitted under this section which the council
22 intends to prepare and issue in reports to the General Assembly,
23 to the general public or in special studies and reports under
24 section 3309 (relating to special studies and reports). When
25 corrections are provided, the council shall correct the
26 appropriate data in its data files and subsequent reports.

27 (h) Allowance for clarification or dissents.--The council
28 shall maintain a file of written statements submitted by data
29 sources who wish to provide an explanation of data that they
30 feel might be misleading or misinterpreted. The council shall

1 provide access to the file to any person and shall, where
2 practical, in its reports and data files indicate the
3 availability of such statements. When the council agrees with
4 such statements, it shall correct the appropriate data and
5 comments in its data files and subsequent reports.

6 (i) Allowance for correction.--The council shall verify the
7 patient safety indicator data submitted by hospitals under
8 subsection (c)(8) within 60 days of receipt. The council may
9 allow hospitals to make changes to the data submitted during the
10 verification period. After the verification period, but within
11 45 days of receipt of the adjusted hospital data, the council
12 shall risk adjust the information and provide reports to the
13 patient safety committee of the relevant hospital.

14 (j) Availability of data.--Nothing in this chapter shall
15 prohibit a purchaser from obtaining from its health care
16 insurer, nor relieve the health care insurer from the obligation
17 of providing the purchaser, on terms consistent with past
18 practices, data previously provided or additional data not
19 currently provided to the purchaser by the health care insurer
20 pursuant to any existing or future arrangement, agreement or
21 understanding.

22 § 3306. Data dissemination and publication.

23 (a) Public reports.--Subject to the restrictions on access
24 to council data set forth in section 3308 (relating to Right-to-
25 Know Law and access to council data) and utilizing the data
26 collected under section 3305 (relating to data submission and
27 collection), as well as other data, records and matters of
28 record available to it, the council shall prepare and issue
29 reports to the General Assembly and to the general public
30 according to the following provisions:

1 (1) The council shall, for every provider of both
2 inpatient and outpatient services within this Commonwealth
3 and within appropriate regions and subregions, prepare and
4 issue reports on provider quality and service effectiveness
5 on diseases or procedures that, when ranked by volume, cost,
6 payment and high variation in outcome, represent the best
7 opportunity to improve overall provider quality, improve
8 patient safety and provide opportunities for cost reduction.
9 These reports shall provide comparative information on the
10 following:

11 (i) Differences in mortality rates; differences in
12 length of stay; differences in complication rates;
13 differences in readmission rates; differences in
14 infection rates; and other comparative outcome measures
15 the council may develop that will allow purchasers,
16 providers and consumers to make purchasing and quality
17 improvement decisions based upon quality patient care and
18 to restrain costs.

19 (ii) The incidence rate of selected medical or
20 surgical procedures, the quality and service
21 effectiveness and the payments received for those
22 providers, identified by the name and type or specialty,
23 for which these elements vary significantly from the
24 norms for all providers.

25 (2) In preparing its reports under paragraph (1), the
26 council shall ensure that factors which have the effect of
27 either reducing provider revenue or increasing provider costs
28 and other factors beyond a provider's control which reduce
29 provider competitiveness in the marketplace are explained in
30 the reports. The council shall also ensure that any

1 clarifications and dissents submitted by individual providers
2 under section 3305(h) are noted in any reports that include
3 release of data on that individual provider.

4 (b) Raw data reports and computer access to council data.--

5 The council shall provide special reports derived from raw data
6 and a means for computer-to-computer access to its raw data to a
7 purchaser under section 3308(g). The council shall provide the
8 reports and computer-to-computer access, at its discretion, to
9 other parties under section 3308(i). The council shall provide
10 these special reports and computer-to-computer access in as
11 timely a fashion as the council's responsibilities to publish
12 the public reports required in this section will allow. Any
13 provision of special reports or computer-to-computer access by
14 the council shall be made only subject to the restrictions on
15 access to raw data set forth in section 3308(c) and only after
16 payment for costs of preparation or duplication under section
17 3308(g) or (i).

18 § 3307. Mandated health benefits.

19 In relation to current law or proposed legislation, the
20 council shall, upon the request of the appropriate committee
21 chairman in the Senate and in the House of Representatives or
22 upon the request of the Secretary of Health or the Secretary of
23 Human Services, provide information on the proposed mandated
24 health benefit pursuant to the following:

25 (1) The General Assembly hereby declares that proposals
26 for mandated health benefits or mandated health insurance
27 coverage should be accompanied by adequate, independently
28 certified documentation defining the social and financial
29 impact and medical efficacy of the proposal. To that end, the
30 council, upon receipt of such requests, is hereby authorized

1 to conduct a preliminary review of the material submitted by
2 both proponents and opponents concerning the proposed
3 mandated benefit. If, after this preliminary review, the
4 council is satisfied that both proponents and opponents have
5 submitted sufficient documentation necessary for a review
6 under paragraphs (3) and (4), the council is directed to
7 contract with individuals, pursuant to the selection
8 procedures for vendors set forth in section 3314 (relating to
9 contracts with vendors), who will constitute a Mandated
10 Benefits Review Panel to review mandated benefits proposals
11 and provide independently certified documentation, as
12 provided for in this section.

13 (2) The panel shall consist of the following senior
14 researchers, each of whom shall be a recognized expert:

15 (i) one in health research;

16 (ii) one in biostatistics;

17 (iii) one in economic research;

18 (iv) one, a physician, in the appropriate specialty
19 with current knowledge of the subject being proposed as a
20 mandated benefit; and

21 (v) one with experience in insurance or actuarial
22 research.

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

25 (i) To review documentation submitted by a person
26 proposing or opposing mandated benefits within 90 days of
27 submission of the documentation to the panel.

28 (ii) To report to the council, pursuant to the
29 council's review under subparagraph (i), the following:

30 (A) Whether or not the documentation is complete

1 as defined in paragraph (4).

2 (B) Whether or not the research cited in the
3 documentation meets professional standards.

4 (C) Whether or not all relevant research
5 respecting the proposed mandated benefit has been
6 cited in the documentation.

7 (D) Whether or not the conclusions and
8 interpretations in the documentation are consistent
9 with the data submitted.

10 (4) A person proposing or opposing legislation mandating
11 benefits coverage should, to provide the Mandated Benefits
12 Review Panel with sufficient information to carry out the
13 Mandated Benefits Review Panel's duties and responsibilities
14 under paragraph (3), submit documentation to the council,
15 pursuant to the procedure established under paragraph (5),
16 which demonstrates the following:

17 (i) The extent to which the proposed benefit and the
18 services the proposed benefit would provide are needed
19 by, available to and utilized by the population of this
20 Commonwealth.

21 (ii) The extent to which insurance coverage for the
22 proposed benefit already exists or, if no coverage
23 exists, the extent to which the lack of coverage results
24 in inadequate health care or financial hardship for the
25 population of this Commonwealth.

26 (iii) The demand for the proposed benefit from the
27 public and the source and extent of opposition to
28 mandating the benefit.

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

1 (v) If the proposed benefit mandates coverage of a
2 particular therapy, the results of at least one
3 professionally accepted, controlled trial comparing the
4 medical consequences of the proposed therapy, alternative
5 therapies and no therapy.

6 (vi) If the proposed benefit mandates coverage of an
7 additional class of practitioners, the results of at
8 least one professionally accepted, controlled trial
9 comparing the medical results achieved by the additional
10 class of practitioners and those practitioners already
11 covered by benefits.

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

13 (viii) Evidence of the financial impact of the
14 proposed legislation, including at least the following:

15 (A) The extent to which the proposed benefit
16 would increase or decrease cost for treatment or
17 service.

18 (B) The extent to which similar mandated
19 benefits in other states have affected charges, costs
20 and payments for services.

21 (C) The extent to which the proposed benefit
22 would increase the appropriate use of the treatment
23 or service.

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

26 (E) The impact of the proposed benefits on
27 benefits costs of purchasers.

28 (F) The impact of the proposed benefits on the
29 total cost of health care within this Commonwealth.

30 (5) The procedure for review of documentation shall be

1 as follows:

2 (i) A person wishing to submit information on
3 proposed legislation mandating insurance benefits for
4 review by the panel must submit the documentation
5 specified under paragraph (4) to the council.

6 (ii) The council shall, within 30 days of receipt of
7 the documentation:

8 (A) Publish in the Pennsylvania Bulletin notice
9 of receipt of the documentation, a description of the
10 proposed legislation, provision for a period of 60
11 days for public comment and the time and place at
12 which a person may examine the documentation.

13 (B) Submit copies of the documentation to the
14 Secretary of Health, the Secretary of Human Services
15 and the Insurance Commissioner, who shall review and
16 submit comments to the council on the proposed
17 legislation within 30 days.

18 (C) Submit copies of the documentation to the
19 panel, which shall review the documentation and issue
20 their findings, subject to paragraph (3), within 90
21 days.

22 (iii) Upon receipt of the comments of the Secretary
23 of Health, the Secretary of Human Services and the
24 Insurance Commissioner and of the findings of the panel,
25 under subparagraph (ii), but no later than 120 days
26 following the publication required in subparagraph (ii),
27 the council shall submit the comments and findings,
28 together with the council's recommendations respecting
29 the proposed legislation, to the Governor, the President
30 pro tempore of the Senate, the Speaker of the House of

1 Representatives, the Secretary of Health, the Secretary
2 of Human Services, the Insurance Commissioner and the
3 person who submitted the information under subparagraph
4 (i).

5 § 3308. Right-to-Know Law and access to council data.

6 (a) Public access.--The information and data received by the
7 council shall be utilized by the council for the benefit of the
8 public and public officials. Subject to the specific limitations
9 set forth in this section and section 3101.1 of the act of
10 February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law,
11 the council shall make determinations on requests for
12 information in favor of access. Payor discounts and allowances
13 are confidential proprietary information and, as such, are not
14 records subject to the requirements for public access under the
15 Right-to-Know Law.

16 (b) Outreach programs.--The council shall develop and
17 implement outreach programs designed to make the council's
18 information understandable and usable to purchasers, providers,
19 other Commonwealth agencies and the general public. The programs
20 shall include efforts to educate through pamphlets, booklets,
21 seminars and other appropriate measures and to facilitate making
22 more informed health care choices.

23 (c) Limitations on access.--Unless specifically provided for
24 under this chapter, neither the council nor any contracting
25 system vendor shall release and no data source, person, member
26 of the public or other user of any data of the council shall
27 gain access to:

28 (1) Any raw data of the council that does not
29 simultaneously disclose payment, as well as provider quality
30 and provider service effectiveness pursuant to sections

1 3304(d)(5) (relating to powers and duties of council) and
2 3305(d) (relating to data submission and collection).

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

5 (3) Any raw data of the council which could reasonably
6 be expected to reveal the identity of any purchaser, other
7 than a purchaser requesting data on its own group or an
8 entity entitled to said purchaser's data pursuant to
9 subsection (g).

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

17 (5) Any raw data disclosing discounts or allowances
18 between identified payors and providers unless the data is
19 released in a Statewide, aggregate format that does not
20 identify any individual payor or class of payors, directly or
21 indirectly through the use of a market share, and unless the
22 council assures that the release of such information is not
23 prejudicial or inequitable to any individual payor or
24 provider or group thereof. Payor data shall be released to
25 individual providers for purposes of verification and
26 validation prior to inclusion in a public report. An
27 individual provider shall verify and validate the payor data
28 within 30 days of its release to that specific individual
29 provider.

30 (d) Unauthorized use of data.--A person who knowingly

1 releases council data violating raw data safeguards under this
2 section to an unauthorized person commits a misdemeanor of the
3 first degree and shall, upon conviction, be sentenced to pay a
4 fine of \$10,000 or to imprisonment for not more than five years,
5 or both. An unauthorized person who knowingly receives or
6 possesses the data commits a misdemeanor of the first degree.

7 (e) Unauthorized access to data.--If person inadvertently or
8 by council error gains access to data that violates the
9 safeguards under this section, the data must immediately be
10 returned, without duplication, to the council with proper
11 notification.

12 (f) Public access to records.--Each public report prepared
13 by the council shall be a public record and shall be available
14 to the public for a reasonable fee. Copies shall be provided,
15 upon request of the chair, to the Health and Human Services
16 Committee of the Senate and the Health Committee and Human
17 Services Committee of the House of Representatives.

18 (g) Access to council raw data by purchasers.--Pursuant to
19 sections 3304(d)(6) and 3306(b) (relating to data dissemination
20 and publication) and subject to the limitations on access under
21 subsection (c), the council shall provide access to the
22 council's raw data to purchasers, excluding purchasers that
23 provide covered services other than through the purchase of
24 fully funded insurance from a health care insurer but that are
25 not elective health care payor data sources, in accordance with
26 the following procedure:

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

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

1 purchaser to raw data of the council shall be developed,
2 adopted and implemented by the council. The council shall
3 provide the access to the council's raw data to a purchaser
4 upon request.

5 (3) If an employer obtains from the council, under
6 paragraph (1) or (2), data pertaining to the employer's
7 employees and the employees' dependents for whom the employer
8 purchases or otherwise provides covered services and who are
9 represented by a certified collective bargaining
10 representative, the collective bargaining representative
11 shall be entitled to the data, after payment of fees under
12 paragraph (4). If a certified collective bargaining
13 representative obtains from the council, under paragraph (1)
14 or (2), data pertaining to the employer's members and the
15 member's dependents who are employed by and for whom covered
16 services are purchased or otherwise provided by an employer,
17 the employer shall be entitled to the data, after payment of
18 fees under paragraph (4).

19 (4) In providing for access to its raw data, the council
20 shall charge the purchasers which originally obtained the
21 access a fee sufficient to cover the council's costs to
22 prepare and provide special reports requested under paragraph
23 (1) or to provide computer-to-computer access to its raw data
24 requested under paragraph (2). If a second or subsequent
25 party requests the information under paragraph (3), the
26 council shall charge the party a reasonable fee.

27 (h) Access to council raw data by State agencies.--The
28 council shall develop and execute memoranda of understanding
29 with any State agency upon request of that agency, including the
30 Insurance Department, the Department of Health and the

1 Department of Human Services, to allow the agency access to the
2 data.

3 (i) Access to council raw data by other parties.--Subject to
4 the limitations on access to council raw data under subsection
5 (c), the council may provide special reports derived from the
6 council's raw data or computer-to-computer access to parties
7 other than purchasers provided access under subsection (g). The
8 council may publish regulations that set forth the criteria and
9 the procedure the council shall use in making determinations on
10 the access, pursuant to the powers vested in the council under
11 section 3304. In providing the access, the council shall charge
12 the party requesting the access a reasonable fee.

13 § 3309. Special studies and reports.

14 (a) Special studies.--A Commonwealth agency, the Senate or
15 the House of Representatives may direct the council to publish
16 or contract for publication of special studies, including, but
17 not limited to, a special study on diseases and the cost of
18 health care related to particular diseases in this Commonwealth.
19 A special study published under this subsection shall become a
20 public document.

21 (b) Special reports.--

22 (1) A Commonwealth agency, the Senate or the House of
23 Representative may study and issue a report on the special
24 medical needs, demographic characteristics, access or lack
25 thereof to health care services and need for financing of
26 health care services of:

27 (i) Senior citizens, particularly low-income senior
28 citizens, senior citizens who are members of minority
29 groups and senior citizens residing in low-income urban
30 or rural areas.

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

2 (iii) Minority communities.

3 (iv) Women.

4 (v) Children.

5 (vi) Unemployed workers.

6 (vii) Veterans.

7 (2) The reports under paragraph (1) shall include
8 information on the current availability of services to the
9 targeted parts of the population under paragraph (1), whether
10 access to the services has increased or decreased over the
11 past 10 years and specific recommendations for the
12 improvement of the primary care and health delivery systems
13 of targeted parts of the population under paragraph (1),
14 including disease prevention and comprehensive health care
15 services. The agency may study and report on the effects of
16 using prepaid, capitated or health maintenance organization
17 health delivery systems as ways to promote the delivery of
18 primary health care services to the underserved segments of
19 the population enumerated above.

20 (3) The agency may study and report on the short-term
21 and long-term fiscal and programmatic impact on the health
22 care consumer of changes in ownership of hospitals from
23 nonprofit to profit, whether through purchase, merger or the
24 like. The agency may study and report on factors which have
25 the effect of either reducing provider revenue or increasing
26 provider cost and other factors beyond a provider's control
27 which reduce provider competitiveness in the marketplace.

28 § 3310. Enforcement and penalty.

29 (a) Compliance enforcement.--The council shall have standing
30 to bring an action in law or in equity through private counsel

1 in any court of common pleas to enforce compliance with any
2 provision of this chapter, except section 3309 (relating to
3 special studies and reports), or any requirement or appropriate
4 request of the council made under this chapter. The Attorney
5 General is authorized and shall bring an enforcement action in
6 aid of the council in a court of common pleas at the request of
7 the council and in the name of the Commonwealth.

8 (b) Penalty.--

9 (1) Any person who fails to supply data under section
10 3305 (relating to data submission and collection) may be
11 assessed a civil penalty not to exceed \$1,000 for each day
12 the data is not submitted.

13 (2) Any person who knowingly submits inaccurate data
14 under section 3305 commits a misdemeanor of the third degree
15 and shall, upon conviction, be sentenced to pay a fine of
16 \$1,000 or to imprisonment for not more than one year, or
17 both.

18 § 3311. 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, efficiency and
22 cost containment. If no data submission requirements in a
23 mandated demonstration exceed the current reserve field on the
24 Pennsylvania Uniform Claims and Billing Form, the council may:

25 (1) Authorize contractors engaged in health services
26 research selected by the council, under section 3314
27 (relating to contracts with vendors), to have access to the
28 council's raw data files, if the entity assumes a contractual
29 obligation imposed by the council to assure patient identity
30 confidentiality.

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

4 (3) Require data source participation in research and
5 demonstration projects if this is the only testing method the
6 council determines is promising.

7 § 3312. Grievances and grievance procedures.

8 (a) Procedures and requirements.--Pursuant to its powers to
9 publish regulations under section 3304 (relating to powers and
10 duties of council) and with the requirements of this section,
11 the council may establish procedures and requirements for the
12 filing, hearing and adjudication of grievances against the
13 council of a data source. The procedures and requirements shall
14 be published in the Pennsylvania Bulletin pursuant to law.

15 (b) Claims and hearings.--Grievance claims of a data source
16 shall be submitted to the council or to a third party designated
17 by the council. The council or the designated third party shall
18 convene a hearing, if requested, and adjudicate the grievance.

19 § 3313. Antitrust provisions.

20 A person or entity required or permitted to submit data or
21 information under this chapter or receiving data or information
22 from the council in accordance with this chapter are declared to
23 be acting pursuant to State requirements embodied in this
24 chapter and shall be exempt from antitrust claims or actions
25 grounded upon submission or receipt of the data or information.

26 § 3314. Contracts with vendors.

27 A contract with a vendor other than a sole source vendor for
28 purchase of services or for purchase or lease of supplies and
29 equipment related to the council's powers and duties shall be
30 let only after a public bidding process and only in accordance

1 with the following provisions:

2 (1) The council shall prepare specifications fully
3 describing the services to be rendered or equipment or
4 supplies to be provided by a vendor and shall make the
5 specifications available for inspection by a person at the
6 council's offices during normal working hours and at other
7 places and other times as the council deems advisable.

8 (2) The council shall publish notice of invitations to
9 bid in the Pennsylvania Bulletin and on the council's
10 publicly accessible Internet website. The notice shall
11 include at least the following:

12 (i) The deadline for submission of bids by
13 prospective vendors, which shall be no sooner than 30
14 days following the latest publication of the notice as
15 prescribed under this paragraph.

16 (ii) The locations, dates and times during which
17 prospective vendors may examine the specifications
18 required under paragraph (1).

19 (iii) The date, time and place of the meeting or
20 meetings of the council at which bids will be opened and
21 accepted.

22 (iv) A statement to the effect that any person is
23 eligible to bid.

24 (3) Bids shall be accepted as follows:

25 (i) A council member who is affiliated in any way
26 with a bidder may not vote on the awarding of a contract
27 for which the bidder has submitted a bid. A council
28 member who has an affiliation with a bidder shall state
29 the nature of the affiliation prior to a vote of the
30 council.

1 (ii) Bids shall be opened and reviewed by the
2 appropriate council committee, which shall make
3 recommendations to the council on approval. Bids shall be
4 accepted and the acceptance shall be announced only at a
5 public meeting of the council as defined in section
6 3303(e) (relating to Health Care Cost Containment
7 Council). A bid may not be accepted at an executive
8 session of the council.

9 (iii) The council may require that a certified
10 check, in an amount determined by the council, accompany
11 every bid. If required, a bid may not be accepted unless
12 accompanied by a certified check.

13 (4) In order to prevent a party from deliberately
14 underbidding contracts in order to gain or prevent access to
15 council data, the council may award a contract at the
16 council's discretion, regardless of the amount of the bid, as
17 follows:

18 (i) A bid accepted must reasonably reflect the
19 actual cost of services provided.

20 (ii) A vendor selected by the council under this
21 paragraph must be found by the council to be of the
22 character and integrity as to assure, to the maximum
23 extent possible, adherence to this chapter in the
24 provision of contracted services.

25 (iii) The council may require the selected vendor to
26 furnish, within 20 days after the contract has been
27 awarded, a bond with suitable and reasonable requirements
28 guaranteeing the services to be performed with sufficient
29 surety in an amount determined by the council. If the
30 bond is not furnished within the time specified, the

1 previous award shall be void.

2 (5) The council shall make efforts to assure that the
3 council's vendors have established affirmative action plans
4 to assure equal opportunity policies for hiring and promoting
5 employees.

6 § 3315. Reporting.

7 The council shall provide an annual report of its financial
8 expenditures to the Appropriations Committee and Health and
9 Human Services Committee of the Senate and the Appropriations
10 Committee, the Health Committee and the Human Services Committee
11 of the House of Representatives.

12 § 3316. Severability.

13 The provisions of this chapter are severable. If a provision
14 of this chapter or the provision's application to a person or
15 circumstance is held invalid, the invalidity shall not affect
16 other provisions or applications of this chapter which can be
17 given effect without the invalid provision or application.

18 § 3317. Expiration.

19 This chapter shall expire five years after the effective date
20 of this section.

21 Section 2. The following apply:

22 (1) Actions taken by the Health Care Cost Containment
23 Council from the period from June 30, 2014, to the effective
24 date of this section are validated.

25 (2) New positions on the Health Care Cost Containment
26 Council created under 35 Pa.C.S. Ch. 33 shall be filled in
27 the manner designated under 35 Pa.C.S. § 3303(b) no later
28 than 60 days after the effective date of this section.

29 Organizations required under 35 Pa.C.S. § 3303(b) to submit
30 lists of recommended persons to fill new positions on the

1 council shall do so no later than 30 days after the effective
2 date of this section.

3 (3) There shall be no lapse in the employment
4 relationship for employees of the Health Care Cost
5 Containment Council, including salary, seniority, benefits
6 and retirement eligibility of the employees.

7 Section 3. This act shall take effect immediately.