THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1322 Session of 2022

INTRODUCED BY MUTH, FONTANA, KANE, KEARNEY, COMITTA, COSTA AND SAVAL, SEPTEMBER 7, 2022

REFERRED TO HEALTH AND HUMAN SERVICES, SEPTEMBER 7, 2022

AN ACT

- Amending the act of July 19, 1979 (P.L.130, No.48), entitled "An act relating to health care; prescribing the powers and 2 duties of the Department of Health; establishing and 3 providing the powers and duties of the State Health Coordinating Council, health systems agencies and Health Care Policy Board in the Department of Health, and State Health 6 Facility Hearing Board in the Department of Justice; 7 providing for certification of need of health care providers 8 and prescribing penalties," in licensing of health care 9 facilities, providing for hospital pricing transparency; 10 providing for acquisition of health care facilities; and 11 imposing duties on the Department of Health and the Attorney 12 General. 13 14 The General Assembly of the Commonwealth of Pennsylvania 15 hereby enacts as follows: 16 Section 1. The act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act, is amended by adding a 17 section to read: 18 19 Section 823. Hospital pricing transparency. 20 (a) Requirement generally. -- No later than December 31, 2022, 21 a hospital or hospital system shall establish, update and publish on its publicly accessible Internet website a list of 22
- 23 <u>its standard charges for each item or service that it provides</u>

- 1 as required under section 2718 of the Public Health Service Act
- 2 <u>(58 Stat. 682, 42 U.S.C. § 300qq-18).</u>
- 3 (b) Required data elements. -- A hospital or hospital system
- 4 <u>shall include all of the following corresponding data elements</u>
- 5 <u>in its list of standard charges, as applicable:</u>
- 6 (1) A description of each item or service provided by
- 7 <u>the hospital or hospital system.</u>
- 8 (2) The gross charge that applies to each individual
- 9 <u>item or service when provided in, as applicable, the hospital</u>
- 10 <u>inpatient setting and outpatient department setting.</u>
- 11 (3) The payer-specific negotiated charge that applies to
- 12 <u>each item or service when provided in, as applicable, the</u>
- 13 <u>hospital inpatient setting and outpatient department setting.</u>
- 14 <u>Each payer-specific negotiated charge must be clearly</u>
- 15 <u>associated with the name of the third-party payer and plan.</u>
- 16 (4) The de-identified minimum negotiated charge that
- 17 applies to each item or service when provided in, as
- 18 applicable, the hospital inpatient setting and outpatient
- 19 department setting.
- 20 (5) The de-identified maximum negotiated charge that
- 21 applies to each item or service when provided in, as
- 22 applicable, the hospital inpatient setting and outpatient
- 23 department setting.
- 24 (6) The discounted cash price that applies to each item
- or service when provided in, as applicable, the hospital
- 26 inpatient setting and outpatient department setting.
- 27 (7) Any code used by the hospital or hospital system for
- 28 purposes of accounting or billing for the item or service,
- 29 including, but not limited to, the Current Procedural
- Terminology (CPT) code, the Healthcare Common Procedure

- 1 <u>Coding System (HCPCS) code, the Diagnosis Related Group</u>
- 2 (DRG), the National Drug Code (NDC) or other common payer
- 3 identifier.
- 4 (c) Continued obligation. -- A hospital or hospital system
- 5 shall continue to publish its charges and services if:
- 6 (1) section 2718 of the Public Health Service Act is
- 7 repealed; or
- 8 (2) Federal enforcement of section 2718 of the Public
- 9 <u>Health Service Act is stopped.</u>
- 10 (d) Definitions. -- As used in this section, the following
- 11 words and phrases shall have the meanings given to them in this
- 12 subsection unless the context clearly indicates otherwise:
- 13 "De-identified maximum negotiated charge." The highest
- 14 charge that a hospital or hospital system has negotiated with
- 15 all third-party payers for an item or service.
- 16 "De-identified minimum negotiated charge." The lowest charge
- 17 that a hospital or hospital system has negotiated with all
- 18 third-party payers for an item or service.
- 19 "Discounted cash price." The charge that applies to an
- 20 individual who pays cash or a cash equivalent for a hospital
- 21 item or service.
- 22 "Gross charge." The charge for an individual item or service
- 23 that is reflected on a hospital's chargemaster, absent any
- 24 discounts.
- 25 <u>"Item or service." As follows:</u>
- 26 (1) Each item or service, including an individual item
- or service or service package, that could be provided by a
- hospital to a patient in connection with an inpatient
- 29 admission or an outpatient department visit for which the
- 30 hospital has established a standard charge.

| 1 | (2) The term includes, without limitation, the |
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| 2 | <pre>following:</pre> |
| 3 | (i) Any supply or procedure. |
| 4 | (ii) Room and board. |
| 5 | (iii) The use of the facility or any item that is |
| 6 | generally described as a facility fee. |
| 7 | (iv) The service of an employed physician or |
| 8 | nonphysician practitioner that is generally reflected as |
| 9 | a professional charge. |
| 10 | (v) Any other item or service for which a hospital |
| 11 | has established a standard charge. |
| 12 | "Payer-specific negotiated charge." The charge that a |
| 13 | hospital or hospital system has negotiated with a third-party |
| 14 | payer for an item or service. |
| 15 | "Standard charge." As follows: |
| 16 | (1) The regular rate established by a hospital or |
| 17 | hospital system for an item or service provided to a specific |
| 18 | group of paying patients. |
| 19 | (2) The term includes the following: |
| 20 | (i) The gross charge. |
| 21 | (ii) The payer-specific negotiated charge. |
| 22 | (iii) The de-identified minimum negotiated charge. |
| 23 | (iv) The de-identified maximum negotiated charge. |
| 24 | (v) The discounted cash price. |
| 25 | "Third-party payer." An entity that is, by statute, contract |
| 26 | or agreement, legally responsible for payment of a claim for a |
| 27 | health care item or service. |
| 28 | Section 2. The act is amended by adding a chapter to read: |
| 29 | CHAPTER 8-B |
| 30 | ACQUISITION OF HEALTH CARE FACILITIES |

- 1 Section 801-B. Definitions.
- 2 The following words and phrases when used in this chapter
- 3 shall have the meanings given to them in this section unless the
- 4 <u>context clearly indicates otherwise:</u>
- 5 <u>"Acquisition." An acquisition by a person of an interest in</u>
- 6 <u>a hospital or hospital system by purchase, sale, option, merger,</u>
- 7 <u>lease, gift, joint venture, spin-off, split-off,</u>
- 8 <u>recapitalization</u>, exchange, conveyance, transfer or otherwise
- 9 that results in any of the following:
- 10 (1) A change of ownership or control of 20% or more of
- 11 <u>the assets, operations or voting securities of the hospital</u>
- or hospital system.
- 13 (2) The acquiring person holding or controlling 50% or
- 14 more of the assets, operations or voting securities of the
- 15 <u>hospital or hospital system.</u>
- 16 (3) The direct or indirect transfer of control,
- 17 responsibility or governance of 20% or more of the assets,
- 18 operations or voting securities of the hospital or hospital
- 19 system. For purposes of this paragraph, a transfer includes
- 20 any of the following:
- 21 (i) The substitution of a new corporate member that
- 22 transfers the control of, responsibility for or
- 23 governance of the hospital or hospital system.
- (ii) The substitution of one or more members of the
- governing body or any arrangement, written or oral, that
- 26 would transfer voting control of the members of the
- 27 <u>governing body.</u>
- 28 (iii) Either of the following:
- 29 (A) The entry into a voting agreement covering,
- or the deposit into a voting trust regarding, that

- 1 <u>control, responsibility or governance.</u>
- 2 (B) The grant of a proxy regarding that control,
- 3 responsibility or governance.
- 4 <u>"Department." The Department of Health of the Commonwealth.</u>
- 5 <u>"Health care services." Medical, surgical, chiropractic,</u>
- 6 <u>hospital</u>, <u>optometric</u>, <u>podiatric</u>, <u>pharmaceutical</u>, <u>ambulance</u>,
- 7 mental health, substance use disorder, therapeutic,
- 8 preventative, diagnostic, curative, rehabilitative, palliative,
- 9 <u>custodial and any other services relating to the prevention,</u>
- 10 cure or treatment of illness, injury or disease.
- 11 "Hospital system." Any of the following:
- 12 (1) A parent corporation of one or more hospitals and
- any entity affiliated with the parent corporation through
- 14 <u>ownership or control.</u>
- 15 (2) A hospital and any entity affiliated with the
- 16 hospital through ownership.
- 17 "Merger." A consolidation of two or more organizations,
- 18 including two or more organizations joining through a common
- 19 parent organization or two or more organizations forming a new
- 20 organization.
- 21 Section 802-B. Acquisition of health care facilities.
- 22 (a) Requirement. -- A person may not engage in the acquisition
- 23 <u>of a hospital or hospital system without first having applied</u>
- 24 for and received the approval of the department under this
- 25 chapter.
- 26 (b) Contents of application. -- An application under
- 27 <u>subsection (a) must be submitted to the department and must</u>
- 28 include the following information:
- 29 (1) The name of the hospital or hospital system being
- 30 <u>acquired and the name of the acquiring person or other</u>

| 1 | parties to the acquisition. |
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| 2 | (2) The acquisition price. |
| 3 | (3) A full description of the acquisition agreement. |
| 4 | (4) A copy of the acquisition agreement. |
| 5 | (5) A statement from the hospital or hospital system's |
| 6 | board of directors that explains the effect that the |
| 7 | acquisition will likely have on delivery and cost of health- |
| 8 | related services to the community served by each facility |
| 9 | involved in the acquisition, along with the basis for this |
| 10 | opinion. The statement shall also describe all dissenting |
| 11 | viewpoints of which the board of directors is aware. |
| 12 | (6) If applicable, a copy of the two most recent |
| 13 | community needs assessments or any similar evaluations or |
| 14 | assessments prepared by or for the hospital or hospital |
| 15 | system that is the subject of the acquisition, and the |
| 16 | identity of all persons who assisted or contributed to the |
| 17 | evaluations or assessments. |
| 18 | (7) A description of all charity care provided in the |
| 19 | last three years and the projected charity care for three |
| 20 | years following the acquisition by each health facility that |
| 21 | is the subject of the acquisition agreement. The description |
| 22 | <pre>must include:</pre> |
| 23 | (i) Annual total charity care spending. |
| 24 | (ii) Inpatient, outpatient and emergency room |
| 25 | charity care spending. |
| 26 | (iii) A description of how the amount of charity |
| 27 | care spending was calculated. |
| 28 | (iv) Annual charity care inpatient discharges, |
| 29 | outpatient visits and emergency visits. |
| 30 | (v) A description of the types of charity care |

| 1 | services provided annually. |
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| 2 | (vi) A description of the policies, procedures and |
| 3 | eligibility requirements for the provision of charity |
| 4 | care. |
| 5 | (8) A description of the health care services currently |
| 6 | provided at each facility that is the subject of the |
| 7 | acquisition. |
| 8 | (9) A description of all services provided by each |
| 9 | health care facility that is the subject of the acquisition |
| 10 | in the past five years to medical assistance patients, |
| 11 | qualified health plan patients and indigent patients. The |
| 12 | description must include, at a minimum, the following: |
| 13 | (i) The type and volume of services provided. |
| 14 | (ii) The payors for the services provided. |
| 15 | (iii) The demographic characteristics of and zip |
| 16 | code data for the patients served by the hospital or |
| 17 | hospital system. |
| 18 | (iv) The costs and revenues for the services |
| 19 | <pre>provided.</pre> |
| 20 | (10) The following current policies for any hospital |
| 21 | that is the subject of the acquisition: |
| 22 | (i) Admission policies. |
| 23 | (ii) Nondiscrimination policies. |
| 24 | (iii) End-of-life policies. |
| 25 | (iv) Reproductive health policies. |
| 26 | (v) Other policies or information as appropriate. |
| 27 | (11) The following post-acquisition policies for any |
| 28 | hospital that is the subject of the acquisition: |
| 29 | (i) Admission policies. |
| 30 | (ii) Nondiscrimination policies. |

| Τ | (111) End-of-life policies. |
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| 2 | (iv) Reproductive health policies. |
| 3 | (v) Other policies or information as appropriate. |
| 4 | (12) If the acquisition will have any impact on |
| 5 | reproductive health care services provided by any health care |
| 6 | facility that is the subject of the acquisition, or any |
| 7 | impact on the availability or accessibility of reproductive |
| 8 | health care services, a description of all reproductive |
| 9 | health care services provided in the last five years by each |
| LO | health care facility that is the subject of the acquisition. |
| 11 | The description must include the types and levels of |
| L2 | reproductive services, including: |
| L3 | (i) Information about contraception provision. |
| 4 | (ii) The number of pregnancy terminations, tubal |
| L5 | ligations and in-vitro fertilization procedures provided. |
| L 6 | (iii) A description of how the information under |
| _7 | this paragraph was compiled. |
| 8 | (13) If the acquisition will have any impact on end-of- |
| _9 | life health care services provided by any health care |
| 20 | facility that is the subject of the acquisition, or any |
| 21 | impact on the availability or accessibility of end-of-life |
| 22 | health care services, a description of all end-of-life health |
| 23 | care services provided in the last five years by each health |
| 24 | care facility that is the subject of the acquisition. The |
| 25 | description must include the types and levels of end-of-life |
| 26 | services provided and a description of how this information |
| 27 | was compiled. |
| 28 | (14) If the acquisition will have any impact on gender |
| 29 | affirming health care services, provided by any health care |
| 30 | facility that is the subject of the acquisition, or any |

| Τ | impact on the availability or accessibility of gender |
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| 2 | affirming health care services, a description of all gender |
| 3 | affirming health care services provided in the last five |
| 4 | years by each health care facility that is the subject of the |
| 5 | acquisition. The description must include the types and |
| 6 | levels of gender affirming health care provided, including |
| 7 | information about the number of gender affirming surgical |
| 8 | procedures provided and a description of how this information |
| 9 | was compiled. |
| 10 | (15) A description of any community benefit program |
| 11 | provided by the hospital or hospital system during the past |
| 12 | five years with an annual cost of at least \$10,000 and the |
| 13 | annual cost of each program for the past five years. |
| 14 | (16) As follows: |
| 15 | (i) For each hospital or hospital system that is the |
| 16 | subject of the acquisition, a description of the |
| 17 | <pre>following:</pre> |
| 18 | (A) The current policies and procedures on |
| 19 | staffing for patient care areas. |
| 20 | (B) Employee input on health quality and |
| 21 | staffing issues. |
| 22 | (C) Employee wages, salaries, benefits, working |
| 23 | conditions and employment protections. |
| 24 | (ii) The description under subparagraph (i) must |
| 25 | <pre>include a list of all:</pre> |
| 26 | (A) Existing staffing plans. |
| 27 | (B) Policy and procedure manuals. |
| 28 | (C) Employee handbooks. |
| 29 | (D) Collective bargaining agreements. |
| 30 | (E) Similar employment-related documents. |

| Τ | (1/) For each nospital or nospital system that is the |
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| 2 | subject of the acquisition, all existing documents specifying |
| 3 | any guarantees made by an entity that would be taking over |
| 4 | operation or control of the hospital or hospital system |
| 5 | relating to employee job security and retraining, or the |
| 6 | continuation of current staffing levels and policies, |
| 7 | employee wages, salaries, benefits, working conditions and |
| 8 | employment protections. |
| 9 | (18) For each hospital or hospital system that is the |
| 10 | subject of the acquisition, a statement as to whether, |
| 11 | following the acquisition, nonstance will be maintained |
| 12 | through all communications and usage of funds regarding |
| 13 | nonunion employees forming a union. |
| 14 | (19) For each hospital or hospital system that is the |
| 15 | subject of the acquisition, a statement as to whether any |
| 16 | successor of the employer or union will be bound to any |
| 17 | existing union certification and any existing collective |
| 18 | bargaining agreement. |
| 19 | (20) For each hospital or hospital system that is the |
| 20 | subject of the acquisition, a description of current debt |
| 21 | collection practices and a description of any anticipated |
| 22 | changes to debt collection practices following the |
| 23 | acquisition. |
| 24 | (21) A description of any anticipated postacquisition |
| 25 | changes in services at any health care facility that is the |
| 26 | subject of the acquisition. If anticipated changes include a |
| 27 | reduction, relocation or elimination of a service, the |
| 28 | following information must be included: |
| 29 | (i) The need that the population presently has for |
| 30 | the service. |

| Τ | (11) How the need will be adequately met by the |
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| 2 | proposed change. |
| 3 | (iii) Alternative arrangements designed to meet the |
| 4 | identified need. |
| 5 | (22) A detailed statement and all documents relating to |
| 6 | the parties' plans for assuring the continuance of existing |
| 7 | hospital privileges following the acquisition. |
| 8 | (23) A detailed statement and all documents relating to |
| 9 | the parties' plans for ensuring the maintenance of |
| 10 | appropriate health science research and health care provider |
| 11 | education following the acquisition. |
| 12 | (24) A detailed statement and all documents relating to |
| 13 | the parties' plans for ensuring safeguards to avoid conflict |
| 14 | of interest in postacquisition patient referral. |
| 15 | (25) A detailed statement and all documents relating to |
| 16 | the parties' commitment and plans to provide health care to |
| 17 | the disadvantaged, the uninsured and the underinsured and how |
| 18 | benefits to promote improved health in the affected community |
| 19 | will be provided following the acquisition. |
| 20 | (26) A description of each measure proposed by the |
| 21 | applicant to mitigate or eliminate any potential adverse |
| 22 | effect on the availability or accessibility of health care |
| 23 | services to the affected community that may result from the |
| 24 | acquisition. |
| 25 | (27) A list of the primary languages spoken at the |
| 26 | hospital or hospital system and the threshold languages for |
| 27 | medical assistance health beneficiaries, as determined by the |
| 28 | department for the county in which any health care facility |
| 29 | that is the subject of the acquisition is located. |
| 30 | (28) For each hospital or hospital system that is the |

- 1 <u>subject of the acquisition or otherwise involved in the</u>
- 2 acquisition, a financial and economic analysis and report
- 3 from an independent expert or consultant that includes a
- 4 <u>description of current costs and competition in the relevant</u>
- 5 <u>geographic and product market and any anticipated changes in</u>
- 6 the costs and competition as a result of the acquisition.
- 7 (29) Any other information deemed necessary by the
- 8 <u>department.</u>
- 9 (c) Public records. -- An application and all related
- 10 <u>documents shall be deemed public records and accessible for</u>
- 11 <u>inspection and duplication in accordance with the act of</u>
- 12 February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.
- 13 <u>(d) Fee.--The department shall charge an applicant fee</u>
- 14 <u>sufficient to cover the costs of implementing this chapter.</u>
- 15 <u>(e) Multiple acquisitions.--If a hospital or hospital system</u>
- 16 <u>has engaged in multiple acquisitions, in a manner designed to</u>
- 17 avoid review by the department and Attorney General under this
- 18 chapter, all related agreements or transactions shall be
- 19 considered and analyzed as a single acquisition for purposes of
- 20 this chapter.
- 21 Section 803-B. Completed applications.
- 22 (a) Completeness. -- The department shall determine if an
- 23 application in accordance with section 802-B is complete for the
- 24 purposes of review. If the department determines that an
- 25 application is incomplete, it shall notify the applicant within
- 26 30 business days after the date the application was received
- 27 <u>stating the reasons for its determination of incompleteness.</u>
- 28 (b) Receipt. -- A completed application shall be deemed
- 29 received on the date when all the information required by
- 30 section 802-B has been submitted to the department.

| Τ | (C) NOTICE |
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| 2 | (1) Within five business days after receipt of a |
| 3 | completed application, the department shall: |
| 4 | (i) Publish notice of the application: |
| 5 | (A) On the publicly accessible Internet website |
| 6 | of the department. |
| 7 | (B) In a newspaper of general circulation in the |
| 8 | county or counties where the hospital or hospital |
| 9 | system has health care facilities that are the |
| 10 | subject of the acquisition. |
| 11 | (ii) Notify, by first-class United States mail, |
| 12 | email or facsimile transmission, any person who has |
| 13 | requested notice of the filing of the application. |
| 14 | (2) The notice must: |
| 15 | (i) State that the application has been received. |
| 16 | (ii) State the names of the parties to the |
| 17 | agreement. |
| 18 | (iii) Describe the contents of the application. |
| 19 | (iv) State the date and process by which a person |
| 20 | may submit written comments about the application to the |
| 21 | <pre>department.</pre> |
| 22 | Section 804-B. Public hearings. |
| 23 | (a) Hearing requirements During the course of review under |
| 24 | this chapter, the department shall conduct one or more public |
| 25 | hearings, at least one of which shall be in a county where the |
| 26 | hospital or hospital system to be acquired is located. The |
| 27 | <pre>following apply:</pre> |
| 28 | (1) At the hearings, anyone may file written comments |
| 29 | and exhibits or appear and make a statement. |
| 30 | (2) The department may subpoena additional information |
| | |

| Τ. | or withesses, require and administer daths, require sworn |
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| 2 | statements, take depositions and use related discovery |
| 3 | procedures for purposes of the hearing and at any time prior |
| 4 | to making a decision on the application. |
| 5 | (b) Timing A public hearing under this section must be |
| 6 | held no later than 45 days after receipt of a completed |
| 7 | application, unless the department determines that a new health |
| 8 | care impact statement is required in accordance with section |
| 9 | 805-B, in which case a public hearing must be held no later than |
| 10 | 30 days after the health care impact statement is completed. |
| 11 | (c) Notice |
| 12 | (1) At least 30 days prior to the public hearing, the |
| 13 | department shall provide notice of the time and place of the |
| 14 | hearing on its publicly accessible Internet website and to |
| 15 | any person who has requested notice in writing, unless a new |
| 16 | health care impact statement is required in accordance with |
| 17 | section 805-B, in which case the department shall provide at |
| 18 | least 15 days notice of the public hearing. |
| 19 | (2) At least 30 days prior to the public hearing, the |
| 20 | following apply, unless a new health care impact statement is |
| 21 | required in accordance with section 805-B, in which case the |
| 22 | parties shall provide at least 15 days notice: |
| 23 | (i) The parties to the acquisition agreement shall |
| 24 | provide notice of the time and place of the hearing: |
| 25 | (A) Through publication in a newspaper of |
| 26 | general circulation in the affected communities. |
| 27 | (B) At the public entrance and on the bulletin |
| 28 | boards designated for legal or public notices of any |
| 29 | health care facility that is affected by the |
| 30 | acquisition. |

| Τ | (C) Prominently on the Website available to the |
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| 2 | public of any health care facility that is affected |
| 3 | by the acquisition. |
| 4 | (D) Prominently on the website available to the |
| 5 | employees of any health care facility that is |
| 6 | affected by the acquisition. |
| 7 | (ii) (Reserved). |
| 8 | (3) Each notice under this subsection shall be provided |
| 9 | in English and in the languages spoken in the county or |
| 10 | counties in which the health care facilities are located or |
| 11 | provide care. |
| 12 | (d) Summary report Within 15 business days of the last |
| 13 | public hearing, the department shall compile a summary report of |
| 14 | each public hearing proceeding and post the summary report on |
| 15 | its publicly accessible Internet website. The department shall |
| 16 | also provide a copy of the summary report to the Attorney |
| 17 | General. |
| 18 | (e) Changes If after the initial public hearing there is |
| 19 | any change in the terms of the acquisition that materially |
| 20 | alters any of the information that the parties to the |
| 21 | acquisition provided under section 802-B(b), the department |
| 22 | shall conduct an additional public hearing to ensure adequate |
| 23 | public comment regarding the proposed change. |
| 24 | Section 805-B. Health care impact statements. |
| 25 | (a) Authorization The department shall engage an |
| 26 | independent contractor to prepare an independent health care |
| 27 | impact statement for any acquisition that satisfies any of the |
| 28 | <pre>following conditions:</pre> |
| 29 | (1) The acquisition directly affects a hospital that is |
| 30 | licensed under Chapter 8 and has more than 50 acute care |
| | |

- 1 beds.
- 2 (2) There is a reasonable basis to conclude that the
- 3 acquisition may significantly reduce the availability or
- 4 <u>accessibility or cost of any existing health care service.</u>
- 5 (b) Construction. -- Nothing in this section shall preclude
- 6 the department from obtaining an independent health care impact
- 7 <u>statement or any other report that is not required under this</u>
- 8 section.
- 9 (c) Contents. -- An independent health care impact statement
- 10 must contain the following information:
- 11 (1) An assessment of the effect of the acquisition on
- 12 <u>emergency services, reproductive health care services, end-</u>
- of-life health care services, gender affirming health care
- 14 <u>services and any other health care services that the hospital</u>
- or hospital system is providing.
- 16 (2) An assessment of the effect of the acquisition on
- 17 <u>the level and type of charity care that the hospital or</u>
- 18 hospital system has historically provided.
- 19 (3) An assessment of the effect of the acquisition on
- the provision of health care services to medical assistance
- 21 patients, patients with disabilities, women, racial and
- 22 ethnic minorities, lesbian, gay, bisexual, transgender and
- 23 <u>queer patients and other underserved or marginalized</u>
- 24 populations.
- 25 (4) An assessment of the effect of the acquisition on
- any community benefit program that the hospital or hospital
- 27 <u>system has historically funded or operated.</u>
- 28 (5) An assessment of the effect of the acquisition on
- 29 staffing for patient care areas as it may affect availability
- of care, on the likely retention of employees as it may

- 1 <u>affect continuity of care and on the rights of employees to</u>
- 2 provide input on health quality and staffing issues.
- 3 (6) An assessment of the effect of the acquisition on
- 4 <u>the cost of patient care.</u>
- 5 (7) An assessment of the effectiveness of any mitigation
- 6 <u>measure proposed by the applicant to reduce any potential</u>
- 7 <u>adverse effect on health care services identified in the</u>
- 8 <u>health care impact statement.</u>
- 9 (8) A discussion of alternatives to the acquisition,
- including closure of the hospital or hospital system.
- 11 (9) Recommendations for additional feasible mitigation
- 12 <u>measures that would reduce or eliminate any significant</u>
- 13 <u>adverse effect on health care services identified in the</u>
- 14 <u>health care impact statement.</u>
- 15 (d) Consideration. -- The information contained in a health
- 16 <u>care impact statement shall be used in considering whether the</u>
- 17 acquisition may negatively impact the availability or
- 18 accessibility of health care services as specified in section
- 19 807-B.
- 20 (e) Copies. -- A copy of a health care impact statement shall
- 21 be made available to any individual or entity that has requested
- 22 a copy.
- 23 Section 806-B. Duties of department.
- 24 (a) Determination. -- The department shall review the
- 25 completed application and, within 45 days of the last public
- 26 hearing held under section 804-B, shall determine whether the
- 27 <u>acquisition meets the requirements for approval in section 807-</u>
- 28 B. At that point, the department shall:
- 29 <u>(1) approve the acquisition, with or without any</u>
- 30 specific modifications or conditions; or

- 1 (2) disapprove the acquisition.
- 2 (b) Conditions.--
- 3 (1) Subject to paragraphs (2) and (3), the department
- 4 <u>may impose conditions on an acquisition to ensure the</u>
- 5 <u>requirements of section 807-B are met and that sufficient</u>
- 6 <u>safeguards are in place to ensure that communities have</u>
- 7 <u>continued or improved access to affordable quality care.</u>
- 8 (2) The department may not make its decision subject to
- 9 <u>any condition not directly and rationally related to</u>
- 10 requirements in section 807-B.
- 11 (3) Any condition or modification must bear a direct and
- 12 <u>rational relationship to the application under review.</u>
- (c) Disapproval.--If the department disapproves the
- 14 acquisition, the disapproval shall constitute a final decision.
- 15 (d) Challenges. -- A person engaged in an acquisition and
- 16 affected by a final decision of the department or a person
- 17 residing in a community affected by a final decision of the
- 18 department has the right to an adjudicative proceeding to
- 19 challenge the decision of the department. The adjudicative
- 20 proceeding shall be governed by 2 Pa.C.S. (relating to
- 21 administrative law and procedure).
- 22 (e) Extensions. -- The department may extend, by not more than
- 23 30 days, any deadline established under this chapter one time
- 24 during consideration of any application, for good cause.
- 25 <u>(f) Contracts and reimbursement.--The department may</u>
- 26 contract with and provide reasonable reimbursement to qualified
- 27 persons to assist in determining whether the requirements of
- 28 section 807-B have been met.
- 29 (g) Rules and regulations. -- The department may adopt rules
- 30 and regulations necessary to implement this chapter.

| 1 | Section 807-B. Approval of acquisition. |
|----|--|
| 2 | The department: |
| 3 | (1) Shall only approve an application for an acquisition |
| 4 | if the acquisition will not detrimentally affect the |
| 5 | continued existence of accessible and affordable health care |
| 6 | that is responsive to the needs of the communities in which |
| 7 | the hospital or hospital system health facilities are |
| 8 | <pre>located.</pre> |
| 9 | (2) May not approve an application unless, at a minimum, |
| 10 | the department determines that: |
| 11 | (i) After the acquisition, the affected community |
| 12 | will have the same or greater access to quality, |
| 13 | affordable care, including reproductive, end-of-life and |
| 14 | gender affirming health care services, and that, if the |
| 15 | health care facilities that are the subject of the |
| 16 | acquisition will not provide these services, there are |
| 17 | alternative sources of quality affordable care in the |
| 18 | community that will ensure the community has the same or |
| 19 | greater access to these services. |
| 20 | (ii) The acquisition will not result in the |
| 21 | revocation of hospital privileges. |
| 22 | (iii) Sufficient safeguards are included to maintain |
| 23 | appropriate capacity for health science research and |
| 24 | health care provider education. |
| 25 | (iv) The acquiring person and parties to the |
| 26 | acquisition are committed to providing health care to the |
| 27 | disadvantaged, the uninsured and the underinsured and to |
| 28 | providing benefits to promote improved health in the |
| 29 | affected community. |
| 30 | (v) Sufficient safeguards are included to avoid |

- 1 conflict of interest in patient referral.
- 2 <u>Section 808-B. Duty of Secretary of the Commonwealth.</u>
- 3 The Secretary of the Commonwealth may not accept any forms or
- 4 <u>documents in connection with any acquisition of a hospital or</u>
- 5 hospital system until the acquisition has been approved by the
- 6 <u>department under this chapter.</u>
- 7 <u>Section 809-B. Reports.</u>
- 8 (a) Compliance. -- The department shall monitor ongoing
- 9 compliance with the terms and conditions of the acquisition for
- 10 at least 10 years from when the acquisition agreement is
- 11 finalized. The following apply:
- 12 (1) The department shall require periodic reports from
- the parties to the acquisition or any successor persons to
- ensure compliance with commitments made. The department shall
- determine the frequency of the periodic reports, but the
- periodic reports shall be made at least annually.
- 17 (2) The department may subpoena information and
- 18 documents and may conduct on-site compliance audits at the
- 19 acquiring person's expense.
- 20 (b) Experts and consultants. -- To effectively monitor ongoing
- 21 compliance with the terms and conditions of the acquisition, the
- 22 department may, in its discretion, contract with experts and
- 23 consultants. Contract costs may not exceed an amount that is
- 24 reasonable and necessary to conduct the review and evaluation.
- 25 (c) Reimbursement.--The department shall be entitled to
- 26 reimbursement from the acquiring person for all actual and
- 27 direct costs incurred in monitoring ongoing compliance with the
- 28 terms and conditions of the acquisition, including contract and
- 29 <u>administrative costs</u>. The following apply:
- 30 (1) The department may bill the acquiring person or any

| 1 | successor for the costs incurred. |
|----|--|
| 2 | (2) The acquiring person or successor billed by the |
| 3 | department under paragraph (1) shall promptly pay for the |
| 4 | costs incurred. |
| 5 | (3) If the acquiring person or successor fails to pay |
| 6 | the costs incurred within 30 days, the department may assess |
| 7 | a civil fine. |
| 8 | (d) Hearing If the department has reason to believe or |
| 9 | receives information indicating that the acquiring person or |
| 10 | successor is not fulfilling commitments to the affected |
| 11 | community under section 807-B, including the acquiring person or |
| 12 | successor not complying with any conditions imposed by the |
| 13 | department under section 806-B, the department shall hold a |
| 14 | hearing upon 10 days' notice to the affected parties. The |
| 15 | <pre>following apply:</pre> |
| 16 | (1) The cost of the hearing and any onsite reviews |
| 17 | related to determining the validity of the information shall |
| 18 | be borne by the acquiring person or successor. |
| 19 | (2) If after the hearing the department determines that |
| 20 | the acquiring person or successor is not fulfilling its |
| 21 | commitments to the affected community under section 807-B, |
| 22 | the department may: |
| 23 | (i) Revoke or suspend the license issued to the |
| 24 | acquiring person or successor or impose civil fines until |
| 25 | the acquiring person or successor submits or begins to |
| 26 | follow a corrective plan of action. |
| 27 | (ii) Refer the matter to the Attorney General for |
| 28 | appropriate action. The Attorney General may seek a court |
| 29 | order compelling the acquiring person to fulfill its |
| 30 | commitments under section 807-B. |

- 1 Section 810-B. Duties of Attorney General.
- 2 (a) Duties. -- The Attorney General may:
- 3 (1) Ensure compliance with commitments that inure to the
- 4 <u>public interest.</u>
- 5 (2) Take legal action to enforce this chapter and any
- 6 conditions that the department imposes on the approval of the
- 7 <u>acquisition</u>.
- 8 (3) Obtain damages, injunctive relief, attorney fees and
- 9 <u>other relief as the court deems necessary to ensure</u>
- 10 compliance with this chapter.
- 11 (4) Seek an injunction to prevent any acquisition not
- 12 <u>approved by the department under this chapter.</u>
- 13 (b) Construction. -- No provision of this chapter shall
- 14 derogate from any authority granted to the Attorney General
- 15 under law.
- 16 Section 811-B. Study.
- 17 The department shall conduct a study on the impact that
- 18 provider organization acquisitions have on access to affordable
- 19 quality health care services throughout the communities of this
- 20 Commonwealth. The following apply:
- 21 (1) The study shall address health care services
- generally and specifically address access to reproductive,
- 23 end-of-life and gender affirming health care services.
- (2) For purposes of the study, the department shall
- 25 consult with health care providers, health care advocates and
- community members to determine both the scope of the study
- and what constitutes a provider organization, but a provider
- organization shall not include a hospital or hospital system
- as defined under this chapter.
- 30 Section 812-B. Review.

- 1 If a hospital or hospital system is subject to a review by
- 2 the department, the review shall be concurrent with the review
- 3 <u>under this chapter, to the extent practicable.</u>
- 4 Section 3. This act shall take effect January 1, 2023.