

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1074 Session of 2023

INTRODUCED BY CURRY, KAZEEM, YOUNG, D. WILLIAMS, T. DAVIS,
 KRUEGER, MADDEN, GUENST, BOROWSKI, SANCHEZ, PARKER, KHAN,
 HILL-EVANS, SMITH-WADE-EL, O'MARA, SHUSTERMAN AND DONAHUE,
 MAY 2, 2023

REFERRED TO COMMITTEE ON HEALTH, MAY 2, 2023

AN ACT

1 Amending Title 35 (Health and Safety) of the Pennsylvania
 2 Consolidated Statutes, in health care cost containment,
 3 providing for full financial disclosure by hospitals and
 4 freestanding ambulatory service facilities.

5 The General Assembly of the Commonwealth of Pennsylvania
 6 hereby enacts as follows:

7 Section 1. Title 35 of the Pennsylvania Consolidated
 8 Statutes is amended by adding a section to read:

9 § 3305.1. Full financial disclosure by hospitals and
 10 freestanding ambulatory service facilities.

11 (a) Duty to submit financial statements.--

12 (1) A hospital or freestanding ambulatory service
 13 facility licensed by the Commonwealth, other than a State-
 14 operated hospital, shall annually submit to the Secretary of
 15 Health public audited financial statements containing
 16 information concerning all hospital-related or freestanding
 17 ambulatory service facility-related corporations, holding
 18 corporations and subsidiary corporations, whether for-profit

1 or not-for-profit.

2 (2) A corporation, holding corporation or subsidiary
3 corporation, whether for-profit or not-for-profit, that is
4 not audited by an independent public auditor due to limited
5 activity or small size, shall submit a financial statement
6 certified by the chief executive officer of the corporation.

7 (b) Duty to submit annual summary.--A hospital or
8 freestanding ambulatory service facility licensed by the
9 Commonwealth, other than a State-operated hospital, shall, on or
10 before January 1, 2025, and annually thereafter, submit a
11 summary of financial information containing the following:

12 (1) If the hospital or freestanding ambulatory service
13 facility is a not-for-profit hospital, the information
14 required by Form 990 of the Internal Revenue Service,
15 including:

16 (i) Statement of financial position.

17 (ii) Verified total costs incurred by the hospital
18 or freestanding ambulatory service facility in providing
19 health services.

20 (iii) Total payroll, including fringe benefits, and
21 any other remuneration of the top five highest
22 compensated employees and contractors, identified by
23 position description and specialty.

24 (iv) Verified net costs of medical education.

25 (v) Administrative expenses as defined by the
26 department.

27 (2) If the hospital is for-profit or a freestanding
28 ambulatory service facility, information listed in paragraph
29 (1) on a form developed by the Department of Health.

30 (c) Public record.--Information required under this section

1 shall be made available to the council, and the council shall
2 make the information available for public inspection.

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