



**Senate Public Health & Welfare Committee
Public Hearing on Pennsylvania Health Care Cost Containment Council**

**Testimony of Gene Barr, VP Government & Public Affairs
Pennsylvania Chamber of Business & Industry**

Good morning Chairman Erickson, Chairman Hughes and members of the Committee. My name is Gene Barr. I am Vice President of Government and Public Affairs for the PA Chamber of Business and Industry. The Pennsylvania Chamber is the largest broad-based business association in Pennsylvania representing approximately 24,000 members and customers. Thank you for giving the Chamber the opportunity today to testify.

The need for credible, independent health care information has never been greater. In fact, as we take on new challenges in providing and paying for our health care system, its importance will only increase. To make informed health care decisions, Pennsylvania employers and families must have accurate and useful data upon which to base their choices.

Pennsylvania's business and organized labor communities are fortunate to be able to turn to the Pennsylvania Health Care Cost Containment Council (PHC4) for data and analysis that makes thoughtful decision-making possible. Since 1986, PHC4 is a trusted partner

with whom we have worked to address the ongoing challenge of restraining health care costs while improving the quality of care for our members. It is also an agency that is on the cutting-edge of public reporting and, therefore, serves a broader national audience.

In 2005, PHC4 strengthened its position as a national leader by reporting on the cost and quality impact of hospital-acquired infections on our health care system – no other state had done this before. It has helped focus attention on the need for paying for performance in the health care marketplace. It also continued its efforts to collect actual payment data from insurers, which, in the future, will enable health care purchasers to make more meaningful comparisons between what they pay for care and the related treatment results.

The Chamber has long been a proponent of a private health care delivery system as a means to provide all Pennsylvanians with appropriate access to cost-effective, quality health care. Consumer-driven health plans aim to slow the growth in medical costs by giving consumers financial incentives and reliable information to support efficient health care decision-making. Employers, insurers and policymakers have shown increasing interest in health benefit plans that are designed to make insured people more cost conscious through the creation and use of options such as health savings accounts.

Health savings accounts give consumers more choice, individual ownership, and greater control over their own health care. This will allow consumers to make complex decisions about their health care if given the right information and education. Therefore, the

integrity of all the data that is submitted to the PHC4 must be preserved by ensuring that the end product is demonstrative and current. The Chamber will support the means of data collection that is least onerous to the parties submitting the data; however any process that is enacted into law must be financially and practically feasible to the PHC4.

As purchasers of health care, we are committed to working with PHC4 and the quest to restrain costs and improve the quality of health care. By working together, exchanging ideas and sharing data, we can meet our goal of providing employers and employees with access to effective and affordable health care. As founding members, we strongly recommend that the General Assembly address PHC4's imminent sunset date and act to reinstate its charter.

Thank you for giving the Chamber the opportunity to testify.