

**TESTIMONY**

**OF**

**WILLIAM M. GEORGE, PRESIDENT**

**OF THE**

**PENNSYLVANIA AFL-CIO**

**ON**

**REAUTHORIZATION OF THE**

**PENNSYLVANIA HEALTH CARE COST CONTAINMENT COUNCIL**

**SENATE PUBLIC HEALTH AND WELFARE COMMITTEE**

**HONORABLE EDWIN B. ERICKSON, CHAIRMAN**

**HONORABLE VINCENT J. HUGHES, CHAIRMAN**

**JUNE 10, 2008**

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**Written Testimony For the Senate Public Health and Welfare Committee  
Submitted by the  
Pennsylvania AFL-CIO  
June 10, 2008**

- Good morning. Thank you Mister Chairman and members of the Committee for the opportunity to be here today representing my union brothers and sisters to talk about the crucial reauthorization of the Pennsylvania Health Care Cost Containment Council. As a large health care purchaser and founding member of PHC4, the AFL-CIO strongly supports the reauthorization of this valuable agency.
  
- While the reasons for our support are many, I will try to keep my remarks brief, however, this might be especially tough since there are so many reasons to reauthorize and not just reauthorize, but strengthen PHC4.
  
- For more than two decades, PHC4 has played a major role in the state's health care system, and a strengthened and enhanced PHC4 can be a key ingredient in its future. Through its public reporting, this agency has increased scrutiny and accountability.
  
- Union affiliates are using these data to build a network of centers of excellence - this can only be done because of PHC4's Hospital Report. We're not there yet on costs but we are closer than any other state and health care costs are at threat to our economic survival.

- Currently, PHC4's data collection and reporting activities are widely considered to be the "Gold Standard" throughout the United States. Why would anyone want to weaken the value of gold?
- PHC4 is the national leader for transparent health care and when it comes to transparency, labor and management have the same objective: the more the better! And if PHC4 is killed or weakened, or given some short extension so they can wither away on the vine, you are saying that the price of transparency is less transparency!
- Without PHC4 pushing for disclosure of infections, Pennsylvania would still be like most states in the nation – wrangling over definitions and delaying action. PHC4 pushed the envelope and gave this state national – even international – attention for being the first to publicly report hospital-acquired infections. PHC4 put real numbers on a problem people knew existed but no one knew the scope. Once we did, and I give this legislature and this Committee and this Governor tremendous credit for moving to enact the most comprehensive law in the country to prevent infections.
- PHC4 has made a big difference in people's lives in this Commonwealth. The mortality for heart bypass surgery has dropped more than 50% since PHC4 started those reports, and the overall mortality rates are way down as well. That's lives saved, Mr. Chairman!. Not by PHC4 alone, but by hospitals and doctors and we have great ones here in our Commonwealth, but the data makes these quality improvements possible. It provides a target; it's actionable.

- Few of us would buy a car today without looking at *Consumer Reports* or a similar guide. Pennsylvanians need the same type of guides for health care, and that's what PHC4 delivers. They are a credible, trusted source of data on health care quality.
- Everyone else around the country wants to know: How can we get a law like Pennsylvania so we can report this type of meaningful information? If PHC4 goes down, or if we allow this continued weakening and declawing of this agency, it will be a black eye for this state.
- Everybody's talking about transparency, transparency, transparency – but every time this agency shines a light on some things that maybe some people don't want to talk about, it's kill the messenger time. We should be thanking the messenger, not killing them.
- I also think it is important to point out the significance of the unique composition of the Council. Health care is a serious issue, and every sector is affected by the state's health care crisis. That's why all of the players need to be at the table for the debate.
- PHC4 brings key stakeholders together – labor, business, physicians, hospitals, insurers, nurses and government – to work toward solutions. Pennsylvania will not achieve meaningful health care reform without these diverse constituencies working together. PHC4 Board meetings already provide a public meeting place where these factions with different interests work together to improve outcomes. Killing PHC4 would kill this type of collaboration.

- Additionally, putting PHC4 out of business just doesn't make economic sense. Look at all the things PHC4 reports on...infections, hospital performance, hospital finances...These things are not just health care issues. They are economic development issues. And here we already have this internationally renowned Council that addresses these issues.
- To me, it's Economics 101. Health care in this state is a 75 **billion** dollar a year industry. Can't we find 5 million dollars for an agency devoted to public accountability in health care?
- To endanger PHC4 is to endanger the health of my members and all the citizens of the Commonwealth—this is serious business –to retreat on transparency is a retreat on the legislature's obligation to "protect the health and welfare of its citizens" . That is the principal responsibility of government in our society in the US constitution as well as the state—in fact it is the guiding authority for all legislative power.
- To conclude today, I just want to say that PHC4 has earned reauthorization by meeting its statutory mission. Unfortunately, PHC4's previous sunset reviews have been used to weaken, not strengthen, the Council. Again, this doesn't make sense since PHC4 leads the nation. There is no reason for us to move to the lowest common denominator – conforming to federal standards when those standards are so far behind where Pennsylvania is today. Pennsylvanians deserve the best – we should not settle for less.

- Immediate action to this week by the General Assembly to do a ten-year reauthorization.
- Or to eliminate the Sunset provision altogether.
- I appreciate the opportunity to testify before the Committee and I would be glad to answer questions.
- Thank you.
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