

**Testimony Submitted to the
Senate Public Health and Welfare
Committee
Senator Edwin B. Erickson, Chairman**

PUBLIC HEARING

**REAUTHORIZATION OF THE
PENNSYLVANIA HEALTH CARE COST CONTAINMENT COUNCIL**

**Tuesday, June 17, 2008
10:00 a.m.
Hearing Room 1
North Office Building
Harrisburg, PA**

**Good morning, Chairman Erickson and members of the Senate
Public Health and Welfare Committee. My name is Susan Larkin and I
am Sr. Vice President of Employee Benefits at Brokerage Professionals, a
division of Arthur J. Gallagher & Co.**

**Appearing with me today is Mr. Tom Lamb, Fund Administrator for the
Law Enforcement Health Benefits Plan and Executive Director of the Delaware
Valley Health Care Coalition.**

**I am the Insurance/Employee Benefits consultant for over 35
Municipalities, 23 School Districts (including Philadelphia School District),
and numerous private business in Southeastern Pennsylvania. In addition, I
am the Benefits Consultant for the Delaware Valley Health Care Coalition.**

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The Delaware Valley Health Care Coalition (“DVHCC”) is a group of Union Health and Welfare Funds who have joined together to improve each Fund’s individual purchasing power. At the present time, there are ninety six (96) entities located in the Commonwealth of Pennsylvania that belong to the Coalition.

From my vantage point, I can report unequivocally that all of the entities that I represent in both the Public and Private sectors are struggling with their budgets and overall financial stability due to rapidly escalating health care costs.

As I negotiate the financial arrangements/pricing for health insurance programs in Pennsylvania, I rely on many resources and tools in order to achieve the most favorable results possible.

Among the most valuable and effective resources that I utilize in my daily efforts are the health care data and reports that are obtained and prepared by the Pennsylvania Health Care Cost Containment Council, a/k/a PHC4.

Most recently, the DVHCC has been working with PHC4 in evaluating the best medical facilities in the Commonwealth of Pennsylvania based on the following risk-adjusted medical outcomes: mortality, length of stay, infections, hospital re-admittance (for any reason), hospital re-admittance for infections, misadventures and costs.

The Pennsylvania Health Care Cost Containment Council (PHC4) has published literally hundreds of public reports about health care in Pennsylvania. In addition, the Council has produced many customized reports and data sets through its Special Requests Unit.

In order to illustrate the value of the PHC4 and their work product, I will address two specific reports:

The first report is the Hospital Performance Report. This report includes information about risk-adjusted mortality, readmissions, lengths of hospitalization (stay), and hospital charges for patients admitted to 177 Pennsylvania hospitals for a twelve month period. The HPR report evaluates hospital performance across common medical procedures and treatments. This report provides comparative

information about the most efficient and effective health care providers to individual consumers and group purchasers of health services.

As Pennsylvanians, we deserve the right to make educated decisions and as health care purchasers we need to be informed in order to negotiate the most cost effective and comprehensive programs available. The HPR report accomplishes both of those goals. Personally, I can represent to this Committee that the information that is included in the PHC4 database and formal reports has been invaluable to me in identifying the facts and circumstances that drive Health Care Costs. In addition, this information forms the basis for my strategies and proposals for premium reduction and stabilization.

The second report is the Hospital Acquired Infections in Pennsylvania Report. This report includes information on infections that were contracted by patients in Pennsylvania hospitals and the overall financial impact of hospital acquired infections. As both consumers and premium payors, we do not want to reimburse health care providers for poor performance. Once again, the PHC4 provides me

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with the information to negotiate the best financial arrangements possible for my valued clients in Pennsylvania.

In closing, I would like to point out that PHC4 has become a nationally-recognized leader in healthcare data collection and reporting. It is unmistakably clear that an efficient and effective system for data disclosure is essential to the success of consumer-driven healthcare.

At this critical juncture, I urge you to recognize the many benefits to the Municipalities, School Districts, businesses, and other constituencies who use PHC4 data, and to adopt timely legislation to reauthorize PHC4 as an independent agency.

Thank you for your time and attention. I would be happy to answer any questions that you may have at this time.

Susan E. Larkin, Sr. Vice President
Brokerage Professionals
Arthur J. Gallagher & Co.

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