



## MEMORANDUM

June 5, 2007

**SUBJECT: Reauthorization of the Pennsylvania Health Care Cost Containment Council**

**TO: Members of the General Assembly**

**FROM: Floyd Warner, President, Pennsylvania Chamber of Business and Industry  
William M. George, President, Pennsylvania AFL-CIO**

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As you know, 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.

We are committed to working with PHC4 and other key stakeholders in the quest to restrain costs and improve the quality of health care. By working together, exchanging ideas and sharing data, we can meet our common goal of providing employers, labor and families with access to effective and affordable health care.

As purchasers of health care, we recognize that Act 14 of 2003, the law that created PHC4, will expire on June 30, 2008. As founding members, we will continue our efforts to recommend that the General Assembly address the issue of PHC4's imminent sunset date and act to reinstate its charter.