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(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R.

To amend title XI of the Social Security Act to increase transparency of certain health-related ownership information.

IN THE HOUSE OF REPRESENTATIVES

Ms. SCHAKOWSKY (for herself and Mr. BILIRAKIS) introduced the following bill; which was referred to the Committee on

A BILL

To amend title XI of the Social Security Act to increase transparency of certain health-related ownership information.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. MANDATORY REPORTING WITH RESPECT TO**
4 **CERTAIN HEALTH-RELATED OWNERSHIP IN-**
5 **FORMATION.**

6 Part A of title XI of the Social Security Act (42
7 U.S.C. 1301 et seq.) is amended by adding at the end
8 the following new section:

1 **“SEC. 1150D. MANDATORY REPORTING WITH RESPECT TO**
2 **CERTAIN HEALTH-RELATED OWNERSHIP IN-**
3 **FORMATION.**

4 “(a) MANDATORY REPORTING WITH RESPECT CER-
5 TAIN HEALTH-RELATED OWNERSHIP INFORMATION.—

6 “(1) INITIAL REPORT.—Not later than January
7 1, 2025 (or in the case of a specified entity formed
8 after January 1, 2025, within 60 days of becoming
9 a specified entity), each specified entity (as defined
10 in subsection (f)(5)) shall submit to the Secretary,
11 in a form and manner specified by the Secretary, a
12 report containing the following information:

13 “(A) Data on mergers, acquisitions, and
14 changes in ownership with respect to such spec-
15 ified entity for the previous 1-year period.

16 “(B) In the case that a specified entity is,
17 or includes, a hospital, the additional informa-
18 tion described in subsection (b).

19 “(C) As applicable, the name, address, and
20 business structure of the parent company of
21 such specified entity (including the tax status of
22 such parent company), as of the date of the
23 submission of this report.

24 “(D) Any other information with respect to
25 ownership of a specified entity, as determined
26 by the Secretary.

1 “(2) SUBSEQUENT REPORTS.—Not later than 1
2 year after submitting the report under paragraph
3 (1), and annually thereafter, each specified entity
4 shall submit to the Secretary an updated report, in-
5 cluding—

6 “(A)(i) data on mergers, acquisitions, and
7 changes in ownership with respect to such enti-
8 ties for the previous 1-year period; and

9 “(ii) any other information with re-
10 spect to ownership of a specified entity, as
11 determined by the Secretary; and

12 “(B) in the case that a specified entity is,
13 or includes, a hospital, the additional informa-
14 tion described in subsection (b).

15 “(b) ADDITIONAL INFORMATION SUBMITTED BY
16 CERTAIN SPECIFIED ENTITIES.—For purposes of para-
17 graphs (1)(B) and (2)(B) of subsection (a), with respect
18 to a specified entity that is, or includes, a hospital, the
19 information described in this subsection is the following
20 information with respect to the previous 1-year period:

21 “(1) The business structure of the specified en-
22 tity, including the business type and the tax status
23 of such entity.

24 “(2) The average debt-to-earnings ratio of the
25 specified entity.

1 “(3) The average amount of debt incurred—

2 “(A) by the hospital; and

3 “(B) by the entire specified entity.

4 “(4) Information with respect to real estate
5 leases and purchases for property used, or intended
6 to be used, to furnish or otherwise support the provi-
7 sion of health care services.

8 “(5) In the case of a non-profit hospital, a sub-
9 sidiary of a non-profit hospital, or a 501(c)(3) entity
10 that shares common ownership with a non-profit
11 hospital, capital gains investments (disaggregated by
12 the type of investment) and any taxes paid on such
13 gains from such investments.

14 “(6) As applicable, information with respect to
15 the parent company of such specified entity.

16 “(c) PUBLIC REPORTING.—Not later than January
17 1, 2027, and annually thereafter, the Secretary shall post
18 on a publicly available website of the Department of
19 Health and Human Services a report with respect to the
20 previous 1-year period, including—

21 “(1) the number of specified entities reporting
22 for such year, disaggregated by the business struc-
23 ture of each specified entity;

24 “(2) the number of owners of each specified en-
25 tity;

1 “(3) any change in ownership for each specified
2 entity;

3 “(4) any change in the tax status of a specified
4 entity;

5 “(5) an analysis of trends in horizontal and
6 vertical consolidation, disaggregated by business
7 structure and provider type; and

8 “(6) as applicable, the name, address, and busi-
9 ness structure of the parent company of such speci-
10 fied entity (including the business type and the tax
11 status of such parent company).

12 “(d) AUDITS.—The Secretary shall conduct an an-
13 nual audit consisting of a random sample of specified enti-
14 ties to verify compliance with the requirements of this sec-
15 tion and the accuracy of information submitted pursuant
16 to this section.

17 “(e) PENALTY FOR FAILURE TO REPORT.—If a spec-
18 ified entity fails to provide a complete report under sub-
19 section (a), or submits a report containing false informa-
20 tion, such entity shall be subject to a civil monetary pen-
21 alty of not more than \$5,000,000 for each such report
22 not provided or containing false information. Such penalty
23 shall be imposed and collected in the same manner as civil
24 money penalties under subsection (a) of section 1128A are
25 imposed and collected under that section.

1 “(f) INAPPLICABILITY OF PAPERWORK REDUCTION
2 ACT.—Chapter 35 of title 44, United States Code, shall
3 not apply to collections of information made under this
4 section.

5 “(g) DEFINITIONS.—In this section:

6 “(1) HEALTH PLAN.—The term ‘health plan’
7 has the meaning given such term in section
8 1128C(c).

9 “(2) HOSPITAL.—The term ‘hospital’ has the
10 meaning given such term in section 1861(e).

11 “(3) INDEPENDENT FREESTANDING EMER-
12 GENCY DEPARTMENT.—The term ‘independent free-
13 standing emergency department’ has the meaning
14 given such term in section 2799A–1(a)(3)(D) of the
15 Public Health Service Act.

16 “(4) PRIVATE EQUITY COMPANY.—The term
17 ‘private equity company’ means a publicly-traded or
18 non-publicly traded company that collects capital in-
19 vestments from individuals or entities and purchases
20 an ownership share of a provider of services (as de-
21 fined in section 1861(u)).

22 “(5) SPECIFIED ENTITY.—The term ‘specified
23 entity’ means—

24 “(A) a hospital;

1 “(B) a physician-owned physician practice
2 with more than 25 physicians for a year;

3 “(C) a physician practice owned by a hos-
4 pital, a health plan, a private equity company,
5 or a venture capital firm;

6 “(D) an ambulatory surgical center meet-
7 ing the standards specified under section
8 1832(a)(2)(F)(i); or

9 “(E) an independent freestanding emer-
10 gency department.

11 “(6) VENTURE CAPITAL FUND.—The term ‘ven-
12 ture capital fund’ has the meaning given such term
13 in section 275.203(l)–1of title 17, Code of Federal
14 Regulations.”.