[DISCUSSION DRAFT]

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

M. 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 Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

4 This Act may be cited as the [“_________ Act”].
SEC. 2. MANDATORY REPORTING WITH RESPECT TO CERTAIN HEALTH-RELATED OWNERSHIP INFORMATION.

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

“SEC. 1150D. MANDATORY REPORTING WITH RESPECT TO CERTAIN HEALTH-RELATED OWNERSHIP INFORMATION.

“(a) MANDATORY REPORTING WITH RESPECT CERTAIN HEALTH-RELATED OWNERSHIP INFORMATION.—

“(1) INITIAL REPORT.—Not later than January 1, 2024 (or in the case of a specified entity formed after January 1, 2024, within 60 days of becoming a specified entity), each specified entity (as defined in subsection (f)(5)) shall submit to the Secretary, in a form and manner specified by the Secretary, the following information:

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

“(B) In the case that a specified entity is, or includes, a hospital, the additional information described in subsection (b).

“(C) As applicable, the name, address, and business structure of the parent company of
such specified entity (including the business
type and the tax status of such parent com-
pany).

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

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

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

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

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

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

information with respect to the previous 1-year period:

“(1) The business structure of the specified entity, including the business type and the tax status of such entity.

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

“(3) The average amount of debt incurred—

“(A) by the hospital; and

“(B) by the entire specified entity.

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

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

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

“(c) PUBLIC REPORTING.—Not later than January 1, 2025, and annually thereafter, the Secretary shall post on a publicly available website of the Department of
Health and Human Services a report with respect to the previous 1-year period, including—

“(1) the number of specified entities reporting for such year, disaggregated by the business structure of each specified entity;

“(2) the number of owners of each specified entity;

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

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

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

“(6) as applicable, the name, address, and business structure of the parent company of such specified entity (including the business type and the tax status of such parent company).

“(d) AUDITS.—The Secretary shall conduct an annual audit consisting of a random sample of specified entities to verify compliance with the requirements of this section and the accuracy of information submitted pursuant to this section.

“(e) PENALTY FOR FAILURE TO REPORT.—If a specified entity fails to provide a report under subsection (a),
or submits a report containing false information, such entity shall be subject to a civil monetary penalty of not more than $5,000,000 for each such report not provided or containing false information. Such penalty shall be imposed and collected in the same manner as civil money penalties under subsection (a) of section 1128A are imposed and collected under that section.

“(f) DEFINITIONS.—In this section:

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

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

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

“(4) PRIVATE EQUITY COMPANY.—The term ‘private equity company’ means a publicly-traded or non-publicly traded company that collects capital investments from individuals or entities and purchases an ownership share of a provider.

“(5) SPECIFIED ENTITY.—The term ‘specified entity’ means—
“(A) a hospital;

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

“(C) a physician practice owned by a hospital, a health plan, a private equity company, or a venture capital firm;

“(D) an ambulatory surgical center meeting the standards specified under section 1832(a)(2)(F)(i); or

“(E) an independent freestanding emergency department.

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