

119TH CONGRESS
2^D SESSION

H. R. 7537

To prevent exploitative private equity practices, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2026

Ms. GOODLANDER introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on the Judiciary, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To prevent exploitative private equity practices, and for other purposes.

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. SHORT TITLE.**

4 This Act may be cited as the “Corporate Crimes
5 Against Health Care Act”.

1 **SEC. 2. UNJUST ENRICHMENT CLAWBACK AUTHORITY AND**
2 **CRIMINAL PENALTY.**

3 (a) UNJUST ENRICHMENT CLAWBACK.—Chapter 31
4 of title 18, United States Code, is amended by adding at
5 the end the following:

6 **“§ 671. Unjust enrichment clawback and criminal**
7 **penalty**

8 “(a) PROHIBITED CONDUCT.—Any covered party
9 whose actions contributed to a triggering event that re-
10 sults in the death or injury of a patient or patients under
11 the care of the target firm, shall be punished in accordance
12 with sections 672 and 673.

13 **“§ 672. Criminal penalty**

14 “Whoever violates section 671 shall be imprisoned for
15 not less than 1 year or greater than 6 years.

16 **“§ 673. Civil penalty**

17 “(a) AMOUNT OF PENALTY.—Whoever violates sec-
18 tion 671 shall be subject to a civil penalty in an amount
19 of not more than 5 times the amount of any clawback au-
20 thorized under section 674.

21 “(b) DEPOSIT.—Any amount of civil penalty collected
22 under this section shall be deposited as miscellaneous re-
23 ceipts in the Treasury of the United States.

24 **“§ 674. Clawback**

25 “(a) IN GENERAL.—

1 “(1) PROHIBITION.—It shall be unlawful for
2 any covered party to acquire from a target firm cov-
3 ered compensation by unjust enrichment, and any
4 such covered party shall be subject to the penalties
5 described in sections 672 and 673 in addition to the
6 required clawbacks under this section.

7 “(2) PENALTY.—

8 “(A) REQUIRED CLAWBACKS.—If a target
9 firm experiences a triggering event, the Attor-
10 ney General or a State attorney general may
11 claw back all or part of the covered compensa-
12 tion received by the covered party that is ob-
13 tained from the target firm during the pre-
14 ceding or succeeding 10 years.

15 “(B) ACTIONS TO RECOVER REQUIRED
16 CLAWBACKS.—

17 “(i) POWERS OF THE ATTORNEY GEN-
18 ERAL.—

19 “(I) IN GENERAL.—Except as
20 provided in clause (ii), the Attorney
21 General may enforce this section.

22 “(II) AUTHORITY PRESERVED.—
23 Nothing in this section shall be con-
24 strued to limit the authority of the

1 Attorney General under any provision
2 of law.

3 “(III) PENALTY.—In an action
4 brought by the Attorney General to
5 enforce this section and the regula-
6 tions promulgated under this section,
7 a covered party shall be liable for all
8 or part of the covered compensation
9 received by the covered party that is
10 obtained from the target firm during
11 the preceding or succeeding 10 years.

12 “(ii) ENFORCEMENT BY STATE AT-
13 TORNEYS GENERAL.—

14 “(I) CIVIL ACTION.—If an attor-
15 ney general of a State has reason to
16 believe that a triggering event has
17 harmed the residents of that State,
18 the attorney general of the State may,
19 as *parens patriae*, bring a civil action
20 on behalf of the residents of the State
21 in an appropriate district court of the
22 United States to recover all or part of
23 the covered compensation received by
24 the covered party that is obtained

1 from the target firm during the pre-
2 ceding or succeeding 10 years.

3 “(II) RIGHTS OF THE ATTORNEY
4 GENERAL.—

5 “(aa) NOTICE TO ATTORNEY
6 GENERAL.—

7 “(AA) IN GENERAL.—

8 Except as provided in
9 subitem (CC), the attorney
10 general of a State shall no-
11 tify the Attorney General in
12 writing that the attorney
13 general of the State intends
14 to bring a civil action under
15 subclause (I) not later than
16 10 days before initiating the
17 civil action.

18 “(BB) CONTENTS.—

19 The notification required
20 under subitem (AA) with re-
21 spect to a civil action shall
22 include a copy of the com-
23 plaint to be filed to initiate
24 the civil action.

1 “(CC) EXCEPTION.—If
2 it is not feasible for the at-
3 torney general of a State to
4 provide the notification re-
5 quired by subitem (AA) be-
6 fore initiating an action
7 under subclause (I), the at-
8 torney general of the State
9 shall notify the Attorney
10 General immediately upon
11 instituting the civil action.

12 “(bb) INTERVENTION BY
13 THE ATTORNEY GENERAL.—The
14 Attorney General may—

15 “(AA) intervene in any
16 action brought by the attor-
17 ney general of a State under
18 subclause (I); and

19 “(BB) upon intervening
20 under subitem (aa), be
21 heard on all matters arising
22 in the civil action and file
23 petitions for appeal of a de-
24 cision in the action.

1 “(iii) LIMITATION ON STATE ACTION
2 WHILE FEDERAL ACTION IS PENDING.—If
3 the Attorney General institutes an action
4 under clause (i) with respect to a trig-
5 gering event, a State may not, during the
6 pendency of that action, institute an action
7 under clause (ii) against any defendant
8 named in the complaint in the action insti-
9 tuted by the Attorney General based on
10 the same set of facts giving rise to the
11 triggering event with respect to which the
12 Attorney General instituted the action.

13 “(iv) AFFIRMATIVE DEFENSE.—It
14 shall be an affirmative defense in an action
15 under this section if the applicable covered
16 party shows by clear and convincing evi-
17 dence that the covered party could not pre-
18 vent the triggering event.

19 “(C) DEPOSIT.—

20 “(i) IN GENERAL.—Subject to clause
21 (ii), any covered compensation clawed back
22 in an action under this section shall be de-
23 posited in a fund created by the Attorney
24 General and distributed by the Attorney
25 General, in the interests of justice—

1 “(I) to cover shortfalls in the sal-
2 aries, employee benefit plans, or other
3 benefits owed to current or past em-
4 ployees of the target firm negatively
5 affected by the behavior that is the
6 basis of the action; and

7 “(II) to be put to use in the in-
8 terest of serving the health care needs
9 of the harmed community.

10 “(ii) BANKRUPTCY AS A TRIGGERING
11 EVENT.—Notwithstanding any other provi-
12 sion of law, if the entry of an order for re-
13 lief under title 11 or the commencement of
14 any other insolvency proceeding is the trig-
15 gering event that a target firm experiences,
16 the Attorney General shall prioritize cov-
17 ering funding shortfalls in any pension
18 funds benefitting harmed current or past
19 employees of the target firm.

20 “(b) DEFINITIONS.—In this section:

21 “(1) AFFILIATE.—The term ‘affiliate’ means—

22 “(A) a person that directly or indirectly
23 owns, controls, or holds with power to vote, 5
24 percent or more of the outstanding voting secu-

1 rities of another entity, other than a person
2 that holds such securities—

3 “(i) in a fiduciary or agency capacity
4 without sole discretionary power to vote
5 such securities; or

6 “(ii) solely to secure a debt, if such
7 entity has not in fact exercised such power
8 to vote;

9 “(B) a corporation 10 percent or more of
10 whose outstanding voting securities are directly
11 or indirectly owned, controlled, or held with
12 power to vote, by another entity (referred to in
13 this subparagraph as a ‘covered entity’), or by
14 an entity that directly or indirectly owns, con-
15 trols, or holds with power to vote, 10 percent or
16 more of the outstanding voting securities of the
17 covered entity, other than an entity that holds
18 such securities—

19 “(i) in a fiduciary or agency capacity
20 without sole discretionary power to vote
21 such securities; or

22 “(ii) solely to secure a debt, if such
23 entity has not in fact exercised such power
24 to vote;

1 “(C) a person whose business is operated
2 under a lease or operating agreement by an-
3 other entity, or person substantially all of whose
4 property is operated under an operating agree-
5 ment with that other entity; or

6 “(D) an entity that operates the business
7 or substantially all of the property of another
8 entity under a lease or operating agreement.

9 “(2) CHANGE IN CONTROL.—The term ‘change
10 in control’ means a change in a legal right with re-
11 spect to—

12 “(A) the power to vote more than 50 per
13 centum of any class of voting securities of a
14 corporation that engages in interstate com-
15 merce; or

16 “(B) any lesser per centum of any class of
17 voting securities of a corporation that engages
18 in interstate commerce that is sufficient to
19 make the acquirer of such an interest a person
20 that has the ability to direct the actions of that
21 corporation.

22 “(3) CONTROL PERSON.—The term ‘control
23 person’—

24 “(A) means—

25 “(i) a person—

1 “(I) that directly or indirectly
2 owns, controls, or holds with power to
3 vote, including through coordination
4 with other persons, 10 percent or
5 more of the outstanding voting inter-
6 ests of a corporation; or

7 “(II) that operates the business
8 or substantially all of the property of
9 a corporation under a lease or an op-
10 erating or management agreement;

11 “(ii) a corporation, other than a tar-
12 get firm, that has 10 percent or more of
13 its outstanding voting interests directly or
14 indirectly owned, controlled, or held with
15 power to vote by a person that directly or
16 indirectly owns, controls, or holds with
17 power to vote, including through coordina-
18 tion with other persons, 10 percent or
19 more of the outstanding voting interests of
20 another corporation; or

21 “(iii) a person that otherwise has the
22 ability to direct the actions of a corpora-
23 tion; and

24 “(B) does not include a person that—

1 “(i)(I) is a limited partner with re-
2 spect to a controlling private fund that is
3 a partnership;

4 “(II) does not participate in the direc-
5 tion of the management or policy of a cor-
6 poration; and

7 “(III) is not an insider with respect to
8 the controlling private fund described in
9 subclause (I);

10 “(ii) is a pension fund or employee
11 welfare benefit plan, if neither the fund
12 nor plan (as applicable), nor any bene-
13 ficiary or affiliate of the benefit or plan, is
14 an insider with respect to a controlling pri-
15 vate fund; or

16 “(iii) holds the voting interests of a
17 corporation solely—

18 “(I) in a fiduciary or agency ca-
19 pacity without sole discretionary
20 power to vote the securities; or

21 “(II) to secure a debt, if the per-
22 son has not—

23 “(aa) exercised the power to
24 vote; or

1 “(bb) exercised any other
2 governance rights with respect to
3 the corporation.

4 “(4) CONTROLLING PRIVATE FUND.—The term
5 ‘controlling private fund’ means a private fund that,
6 directly or through an affiliate, becomes a control
7 person with respect to a target firm through the
8 change in control transaction with respect to the tar-
9 get firm.

10 “(5) CORPORATION.—The term ‘corporation’
11 means—

12 “(A) a joint-stock company;

13 “(B) a company or partnership association
14 organized under a law that makes only the cap-
15 ital subscribed or callable up to a specified
16 amount responsible for the debts of the associa-
17 tion, including a limited partnership and a lim-
18 ited liability company;

19 “(C) a trust; and

20 “(D) an association having a power or
21 privilege that a private corporation, but not an
22 individual or a partnership, possesses.

23 “(6) COVERED COMPENSATION.—The term
24 ‘covered compensation’ means—

25 “(A) salary;

1 “(B) any bonus;

2 “(C) any compensation that is granted,
3 earned, or vested based wholly or in part upon
4 the attainment of any financial reporting meas-
5 ure or other performance metric;

6 “(D) equity-based compensation;

7 “(E) time- or service-based awards;

8 “(F) awards based on nonfinancial
9 metrics;

10 “(G) any monitoring fees, management
11 fees, advisory fees, accelerated monitoring fees,
12 transaction fees, or fees for services not ren-
13 dered;

14 “(H) any profits realized from the buying
15 or selling of securities or assets, including any
16 real property;

17 “(I) any severance pay;

18 “(J) any golden parachute benefit; or

19 “(K) any other transaction similar to a
20 transaction described in subparagraph (H) or
21 (I).

22 “(7) COVERED PARTY.—The term ‘covered
23 party’ means—

1 “(A) any current or former director, offi-
2 cer, or control person of, or agent for, a private
3 equity firm or target firm;

4 “(B) any current or former shareholder or
5 joint venture partner that participates in the
6 conduct of the affairs of a target firm; or

7 “(C) any private fund.

8 “(8) EMPLOYEE WELFARE BENEFIT PLAN.—
9 The term ‘employee welfare benefit plan’ has the
10 meaning given the term in section 3 of the Employee
11 Retirement Income Security Act of 1974 (29 U.S.C.
12 1002).

13 “(9) INSIDER.—The term ‘insider’ means any—

14 “(A) director of a corporation;

15 “(B) officer of a corporation;

16 “(C) managing agent of a corporation;

17 “(D) control person with respect to a cor-
18 poration;

19 “(E) affiliate of a corporation;

20 “(F) general partner of a corporation that
21 is a partnership;

22 “(G) consultant or contractor retained by
23 a corporation;

1 “(H) affiliate, relative, or agent of a per-
2 son described in any of subparagraphs (A)
3 through (F); or

4 “(I) affiliate, relative, or agent of a person
5 described in subparagraph (H).

6 “(10) INTEREST COVERAGE.—The term ‘inter-
7 est coverage’ means the revenue of the target firm
8 less the expenses of the target firm, excluding tax
9 and interest, during the most recent fiscal year of
10 the target firm.

11 “(11) PENSION FUND.—The term ‘pension
12 fund’ has the meaning given the term ‘pension plan’
13 in section 3 of the Employee Retirement Security
14 Act of 1974 (29 U.S.C. 1002).

15 “(12) PRIVATE FUND.—The term ‘private fund’
16 means a corporation that—

17 “(A) would be considered an investment
18 company under section 3 of the Investment
19 Company Act of 1940 (15 U.S.C. 80a-3) but
20 for the application of paragraph (1) or (7) of
21 subsection (c) of that section;

22 “(B) is not a venture capital fund, as de-
23 fined in section 275.203(l)-1 of title 17, Code
24 of Federal Regulations, as in effect on the date
25 of enactment of this Act; and

1 “(C) is not an institution selected under
2 section 107 of the Community Development
3 Banking and Financial Institutions Act of 1994
4 (12 U.S.C. 4706).

5 “(13) REASONABLE SALARY.—The term ‘rea-
6 sonable salary’ means the amount that would ordi-
7 narily be paid for like services by like enterprises
8 under like circumstances.

9 “(14) RELATIVE.—The term ‘relative’ means
10 an individual related by affinity or consanguinity
11 within the third degree as determined by the com-
12 mon law, or individual in a step or adoptive relation-
13 ship within such third degree.

14 “(15) SECURITY.—The term ‘security’ has the
15 meaning given the term in section 2(a) of the Secu-
16 rities Act of 1933 (15 U.S.C. 77b(a)).

17 “(16) TARGET FIRM.—The term ‘target firm’
18 means a health care corporation that is acquired in
19 a change in control transaction.

20 “(17) TRIGGERING EVENT.—The term ‘trig-
21 gering event’ means—

22 “(A) any time at which a target firm is be-
23 hind on salary payments greater than 25 per-
24 cent of the total workforce of the target firm
25 for a period of more than 90 days;

1 “(B) closure of the target firm;

2 “(C) if the target firm is behind on rent
3 payments for a period of more than 90 days;

4 “(D) if the target firm defaults on a loan
5 for a period of more than 90 days; or

6 “(E) the entry of an order for relief under
7 title 11 on behalf of the target firm or the com-
8 mencement of any other insolvency proceeding.

9 “(18) UNJUST ENRICHMENT.—The term ‘un-
10 just enrichment’ means the acquisition of covered
11 compensation by a covered party from the target
12 firm during the 10-year period preceding or suc-
13 ceeding a triggering event if any of the following ag-
14 gravating circumstances are established:

15 “(A) The covered compensation was ob-
16 tained through a dividend recapitalization, a
17 sale-leaseback of real estate or equipment, or a
18 related person transaction, as set forth in sec-
19 tion 229.404 of title 17, Code of Federal Regu-
20 lations.

21 “(B) The covered party has been impli-
22 cated in any white-collar crime, as defined in
23 section 901 of title I of the Omnibus Crime
24 Control and Safe Streets Act of 1968 (34
25 U.S.C. 10251), committed in the course of the

1 current or former employment of the covered
2 party.

3 “(C) The covered party has charged the
4 target firm accelerated monitoring fees or fees
5 for services not rendered.

6 “(D) At the time of the issuance of the
7 covered compensation, or as the result of the
8 issuance of the covered compensation, the tar-
9 get firm had an interest coverage in excess of
10 100 percent.”.

11 (b) TECHNICAL AND CONFORMING AMENDMENT.—
12 The table of sections for chapter 31 of title 18, United
13 States Code, is amended by adding at the end the fol-
14 lowing:

“671. Unjust enrichment clawback and criminal penalty.

“672. Criminal penalty.

“673. Civil penalty.

“674. Clawback.”.

15 **SEC. 3. PROHIBITING PAYMENTS FROM FEDERAL HEALTH**
16 **CARE PROGRAMS TO ENTITIES THAT SELL**
17 **ASSETS TO OR USE ASSETS AS COLLATERAL**
18 **FOR A LOAN WITH A REAL ESTATE INVEST-**
19 **MENT TRUST.**

20 Section 1128(a) of the Social Security Act (42 U.S.C.
21 1320a–7(a)) is amended by adding at the end the fol-
22 lowing new paragraph:

1 “(5) SELLING ASSETS TO OR USING ASSETS AS
2 COLLATERAL FOR A LOAN WITH A REAL ESTATE IN-
3 VESTMENT TRUST.—

4 “(A) IN GENERAL.—Any individual or en-
5 tity that, on or after the date of enactment of
6 this paragraph, sells any assets to, or newly
7 pledges any assets as collateral for a loan with,
8 a real estate investment trust (as defined in
9 section 856(a) of the Internal Revenue Code of
10 1986).

11 “(B) CLARIFICATION.—Subparagraph (A)
12 shall not apply in the case where an individual
13 or entity agreed to pledge an asset as collateral
14 for a loan with a real estate investment trust
15 prior to the date of enactment of this para-
16 graph, including with respect to any future
17 agreement between the individual or entity and
18 the real estate investment trust regarding that
19 same asset.”.

20 **SEC. 4. REPEAL OF SPECIAL RULE FOR TAXABLE REIT SUB-**
21 **SIDIARIES WITH INTERESTS IN CERTAIN**
22 **HEALTH CARE PROPERTY.**

23 (a) IN GENERAL.—Section 856(d)(8)(B) of the Inter-
24 nal Revenue Code of 1986 is amended—

1 (1) by striking “or a qualified health care prop-
2 erty (as defined in subsection (e)(6)(D)(i))”, and

3 (2) by striking “qualified health care property
4 or”.

5 (b) CONFORMING AMENDMENTS.—Section 856(d)(9)
6 of such Code is amended—

7 (1) in subparagraph (A)—

8 (A) by striking “or a qualified health care
9 property (as defined in subsection
10 (e)(6)(D)(i))”,

11 (B) by striking “or qualified health care
12 property”, and

13 (C) by striking “or qualified health care
14 properties”, and

15 (2) in subparagraph (B)—

16 (A) by striking “or qualified health care
17 property (as so defined)”, and

18 (B) by striking “or qualified health care
19 property” each place it appears in clauses (i),
20 (ii), and (iii)(II).

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 the date of the enactment of this Act.

1 **SEC. 5. ELIMINATION OF QUALIFIED REIT DIVIDENDS**
2 **FROM QUALIFIED BUSINESS INCOME.**

3 (a) IN GENERAL.—Paragraph (1) of section 199A(b)
4 of the Internal Revenue Code of 1986 is amended to read
5 as follows:

6 “(1) IN GENERAL.—The term ‘combined quali-
7 fied business income amount’ means, with respect to
8 any taxable year, an amount equal to the sum of the
9 amounts determined under paragraph (2) for each
10 qualified trade or business carried on by the tax-
11 payer.”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) Section 199A(c)(1) of such Code is amend-
14 ed by striking the last sentence.

15 (2) Section 199A(e) of such Code is amended
16 by striking paragraph (3) and by redesignating
17 paragraph (4) as paragraph (3).

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 the date of the enactment of this Act.

21 **SEC. 6. MANDATORY REPORTING WITH RESPECT TO CER-**
22 **TAIN HEALTH-RELATED OWNERSHIP INFOR-**
23 **MATION.**

24 Part A of title XI of the Social Security Act (42
25 U.S.C. 1301 et seq.) is amended by adding at the end
26 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) REPORTING.—Not later than January 1,
7 2027 (or in the case of a specified entity formed
8 after January 1, 2027, within 60 days of becoming
9 a specified entity), and each year thereafter, each
10 specified entity (as defined in subsection (e)(8))
11 shall submit to the Secretary, in a form and manner
12 specified by the Secretary, a report containing the
13 following information, subject to paragraph (3)(B):

14 “(A) Data on mergers, acquisitions,
15 changes in ownership, changes in control, trans-
16 actions to form new affiliations, changes in
17 partnerships, joint ventures, and/or manage-
18 ment services agreements, to which such speci-
19 fied entity is a party for the previous 1-year pe-
20 riod, including—

21 “(i) the primary reason the reporting
22 entity completed the acquisition; and

23 “(ii) a description of how the acquirer
24 obtained control of the acquiree, and the
25 percentage of ownership acquired (i.e., vot-
26 ing equity interests).

1 “(B) As applicable, the name, address, tax
2 or health plan identification numbers (includ-
3 ing, without limitation, the tax identification
4 number, National Association of Insurance
5 Commissioners identification number, State in-
6 surance identification number, Medicare pro-
7 vider number, and the standard unique health
8 identifier (as described in section 1173(b))) of
9 all health care providers within the specified en-
10 tity that furnish items or services.

11 “(C) Business structure of any controlling
12 entity, including the business type and the tax
13 identification number of such entity, other af-
14 filiates under common control, subsidiaries, and
15 management services entities of such specified
16 entity, as of the date of the submission of this
17 report.

18 “(D) Information regarding—

19 “(i) the debt-to-earnings ratio of the
20 specified entity;

21 “(ii) the amount of debt incurred—

22 “(I) by each hospital or separate
23 entity within the health system; and

24 “(II) by the entire specified enti-
25 ty;

1 “(iii) real estate leases and purchases
2 for property used, or intended to be used,
3 to furnish or otherwise support the provi-
4 sion of health care services, including ex-
5 penditures on rents and maintenance,
6 property taxes paid, and the name of the
7 company leased from;

8 “(iv) details of other companies’ rev-
9 enue sharing arrangement;

10 “(v) fees charged or dividends paid to
11 investors;

12 “(vi) in the case of a non-profit hos-
13 pital, a subsidiary of a non-profit hospital,
14 or a 501(c)(3) entity that shares common
15 ownership with a non-profit hospital, cap-
16 ital gains investments (disaggregated by
17 the type of investment) and any taxes paid
18 on such gains from such investments; and

19 “(vii) information with respect to any
20 controlling entity of such specified entity.

21 “(E) The value of quality payments re-
22 ceived for performance under any value-based
23 or other performance-based program such as
24 the shared savings program under section 1899.

1 “(F) Any other information with respect to
2 ownership or control of a specified entity, as de-
3 termined by the Secretary.

4 “(G) Any changes to the health care pro-
5 viders within the specified entity that furnish
6 items or services during the previous 1-year pe-
7 riod, identified by the National Provider identi-
8 fier described in section 1173(b).

9 “(H) The domicile and business registra-
10 tion information for any controlling entity or
11 subsidiary of such controlling entity that is
12 domiciled outside of the United States.

13 “(2) AVOIDING DUPLICATE REPORTING.—If a
14 specified entity is owned or controlled by an entity
15 described in subparagraph (G) of subsection (f)(8),
16 only the entity described in such subparagraph (G)
17 shall be required to submit reports under this sub-
18 section with respect to such entity and any specified
19 entity owned or controlled by the entity.

20 “(3) AVAILABILITY OF INFORMATION AND PUB-
21 LIC REPORTING.—

22 “(A) IN GENERAL.—Not later than Janu-
23 ary 1, 2028, and annually thereafter, subject to
24 subparagraph (B), the Secretary shall post on
25 a publicly available website of the Department

1 of Health and Human Services the information
2 reported under this subsection with respect to
3 the previous 1-year period for which the infor-
4 mation was collected.

5 “(B) REQUIREMENT.—In making informa-
6 tion reported under this subsection publicly
7 available under subparagraph (A), the Sec-
8 retary shall do so in a manner that does not
9 disclose the social security number of any indi-
10 vidual provider of services or supplier.

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

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

1 “(d) 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 “(e) DEFINITIONS.—In this section:

6 “(1) CONTROL.—The term ‘control’ means the
7 direct or indirect power through ownership, contrac-
8 tual agreement, or otherwise—

9 “(A) to vote more than 5 percent of any
10 class of voting securities of a specified entity; or

11 “(B) to direct the actions of the specified
12 entity.

13 “(2) CONTROLLING ENTITY.—

14 “(A) IN GENERAL.—The term ‘controlling
15 entity’ means, with respect to any specified en-
16 tity, a parent company or other entity that
17 owns or controls the specified entity through
18 ownership, contractual agreement, or otherwise.

19 “(B) INCLUSION OF REITS.—Such term in-
20 cludes, with respect to a specified entity, a real
21 estate investment trust (as defined in section
22 856 of the Internal Revenue Code of 1986) that
23 owns property where the specified entity fur-
24 nishes health care items or services.

1 “(3) HEALTH PLAN.—The term ‘health plan’
2 has the meaning given such term in section
3 1128C(c).

4 “(4) HEALTH SYSTEM.—The term ‘health sys-
5 tem’ means a group of health care organizations
6 (such as physician practices, hospitals, skilled nurs-
7 ing facilities) that are jointly owned or managed.

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

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

15 “(7) PRIVATE FUND.—The term ‘private fund’
16 means a corporation that—

17 “(A) would be considered an investment
18 company under section 3 of the Investment
19 Company Act of 1940 (15 U.S.C. 80a–3) but
20 for the application of paragraph (1) or (7) of
21 subsection (c) of such section 3;

22 “(B) is not a venture capital fund, as de-
23 fined in section 275.203(l)–1 of title 17, Code
24 of Federal Regulations, as in effect on the date
25 of enactment of this section; and

1 “(C) is not an institution selected under
2 section 107 of the Community Development
3 Banking and Financial Institutions Act of 1994
4 (12 2 U.S.C. 4706).

5 “(8) SPECIFIED ENTITY.—The term ‘specified
6 entity’ means—

7 “(A) a hospital or health system;

8 “(B) a physician-owned physician practice
9 (other than a practice described in subpara-
10 graph (C)) that is enrolled in the Medicare pro-
11 gram under title XVIII under section 1866(j);

12 “(C) a physician practice owned, con-
13 trolled, under common control, or under man-
14 agement agreement by a hospital, health sys-
15 tem, a health plan, a private fund, a venture
16 capital fund, a public or private corporation, or
17 any subsidiaries or entities under common con-
18 trol thereof;

19 “(D) an ambulatory surgical center meet-
20 ing the standards specified under section
21 1832(a)(2)(F)(i);

22 “(E) an independent freestanding emer-
23 gency department;

24 “(F) a behavioral health treatment facility,
25 a hospice program (as defined in section

1 1861(dd)(2)), a home health agency, a provider
2 of services or renal dialysis facility that fur-
3 nishes renal dialysis services, or an assisted liv-
4 ing facility;

5 “(G) any other entity specified by the Sec-
6 retary that furnishes health care items and
7 services; and

8 “(H) any entity that owns or controls 1 or
9 more specified entities.

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

14 **SEC. 7. REPORT ON MORAL INJURY IN HEALTH CARE.**

15 (a) IN GENERAL.—Not later than 3 years after the
16 date of enactment of this Act, the Inspector General of
17 the Department of Health and Human Services shall—

18 (1) conduct a study that evaluates profit-driven
19 practices, including cost-cutting practices and rev-
20 enue-enhancing practices, in health care delivery;
21 and

22 (2) submit to Congress a report describing the
23 results of such study.

24 (b) INCLUSIONS.—The study conducted under sub-
25 section (a)(1) shall include—

1 (1) an evaluation of profit-driven and revenue-
2 maximization practices in health care delivery, in-
3 cluding—

4 (A) overbilling or up-coding;

5 (B) inflated patient severity or patient risk
6 scores;

7 (C) executive and provider compensation
8 designed to increase revenue or profits, such as
9 bonuses based on productivity, relative value
10 units, or service volume;

11 (D) reductions in staff and substitution of
12 patient care staff with technology;

13 (E) changes in the mix of services provided
14 in order to maximize revenue;

15 (F) efforts by private health insurers that
16 are designed to restrict, delay, deny, or discour-
17 age health care access services, such as prior
18 authorization or utilization review mechanisms;

19 and

20 (G) efforts by private health insurers, pri-
21 vate equity firms, and other corporate entities
22 to evade state Corporate Practice of Medicine
23 laws;

24 (2) an evaluation of the impact of such prac-
25 tices on—

1 (A) the quality, safety, and outcomes of
2 patient care;

3 (B) the well-being of personnel providing
4 health care services;

5 (C) the Medicare program under title
6 XVIII of the Social Security Act (42 U.S.C.
7 1395 et seq.);

8 (D) the Medicaid program under title XIX
9 of such Act (42 U.S.C. 1396 et seq.);

10 (E) health care furnished under the laws
11 administered by the Secretary of Veterans Af-
12 fairs;

13 (F) the health insurance program carried
14 out under chapter 89 of title 5, United States
15 Code;

16 (G) qualified health plans offered through
17 American Health Benefit Exchanges established
18 under section 1311 or 1321 of the Patient Pro-
19 tection and Affordable Care Act (42 U.S.C.
20 18031, 18041); and

21 (H) group health plans and group and in-
22 dividual health insurance coverage, including
23 managed care plans;

1 (3) an estimate of the financial returns accru-
2 ing to parties that benefit from such practices, in-
3 cluding investors and other entities; and

4 (4) an evaluation of the adequacy of Federal
5 policies designed to prevent and penalize health care
6 fraud and abuse, given health care consolidation and
7 integration, including the transparency of health
8 care entities' financial practices, the enforcement re-
9 sources of Federal agencies, and the adequacy of fi-
10 nancial and other penalties as deterrents.

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