

119TH CONGRESS
2D SESSION

S. 5112

To amend the Public Health Service Act to require the Secretary of Health and Human Services to enforce certain requirements with respect to for-profit corporations that own health care systems, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 23, 2026

Mr. MARKEY (for himself, Mr. SANDERS, Ms. WARREN, Mr. BLUMENTHAL, Mr. MERKLEY, Ms. BALDWIN, Mr. BOOKER, and Ms. SMITH) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Public Health Service Act to require the Secretary of Health and Human Services to enforce certain requirements with respect to for-profit corporations that own health care systems, 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 “Health Over Wealth
5 Act”.

1 **SEC. 2. AMENDMENT TO THE PUBLIC HEALTH SERVICE**
2 **ACT.**

3 The Public Health Service Act (42 U.S.C. 201 et
4 seq.) is amended by adding at the end the following:

5 **“TITLE XXXIV—REQUIREMENTS**
6 **RELATING TO PRIVATE OWN-**
7 **ERSHIP IN HEALTH CARE**

8 **“SEC. 3401. DEFINITIONS.**

9 “In this title:

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

11 “(A) a person that directly or indirectly
12 owns, controls, or holds with power to vote, 20
13 percent or more of the outstanding voting secu-
14 rities of another entity, other than a person
15 that holds such securities—

16 “(i) in a fiduciary or agency capacity
17 without sole discretionary power to vote
18 such securities; or

19 “(ii) solely to secure a debt, if such
20 entity has not in fact exercised such power
21 to vote;

22 “(B) a corporation 20 percent or more of
23 whose outstanding voting securities are directly
24 or indirectly owned, controlled, or held with
25 power to vote, by another entity (referred to in
26 this subparagraph as a ‘covered entity’), or by

an entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the covered entity, other than an entity that holds such securities—

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

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

“(C) a person whose business is operated under a lease or operating agreement by another entity, or person substantially all of whose property is operated under an operating agreement with that other entity; or

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

“(2) CORPORATION.—The term ‘corporation’ means—

“(A) a joint-stock company;

“(B) a company or partnership association organized under a law that makes only the capital subscribed or callable up to a specified

1 amount responsible for the debts of the associa-
2 tion, including a limited partnership and a lim-
3 ited liability company;

4 “(C) a trust; or

5 “(D) an association having a power or
6 privilege that a private corporation, but not an
7 individual or a partnership, possesses.

8 “(3) COVERED FIRM.—The term ‘covered firm’
9 means a for-profit corporation that owns or is an af-
10 filiate of a health care entity.

11 “(4) HEALTH CARE ENTITY.—The term ‘health
12 care entity’ means an entity that consists of 1 or
13 more of the following health care providers:

14 “(A) A hospital.

15 “(B) A physician practice.

16 “(C) A skilled nursing facility.

17 “(D) A hospice facility.

18 “(E) A mental or behavioral health care
19 provider.

20 “(F) An opioid treatment program.

21 “(G) A provider of services (as defined in
22 section 1861(u) of the Social Security Act or a
23 supplier (as defined in section 1861(d) of such
24 Act)) enrolled in the Medicare program.

1 “(H) A supplier of durable medical equip-
 2 ment (as defined in section 1861(n) of the So-
 3 cial Security Act).

4 “(I) Any other entity the Secretary deter-
 5 mines appropriate.

6 “(5) PRIVATE EQUITY FUND.—The term ‘pri-
 7 vate equity fund’ means—

8 “(A)(i) a person that would be considered
 9 an investment company under section 3 of the
 10 Investment Company Act of 1940 but for the
 11 application of paragraph (1) or (7) of sub-
 12 section (c) of such section 3;

13 “(ii) a venture capital fund, as defined in
 14 section 275.203(l)–1 of title 17, Code of Fed-
 15 eral Regulations (or successor regulations); or

16 “(iii) a sovereign wealth fund; and

17 “(B) directly, or through an affiliate, acts
 18 as a control person.

19 **“SEC. 3402. HEALTH CARE OWNERSHIP TRANSPARENCY.**

20 “(a) REQUIRED REPORTING.—

21 “(1) IN GENERAL.—The Secretary shall require
 22 each covered firm to submit to the Secretary, at
 23 such times as the Secretary determines appropriate,
 24 through the infrastructure established under para-
 25 graph (2), a report containing—

1 “(A) for a covered firm with respect to
2 which there is a private equity fund that is a
3 control person of the covered firm, the informa-
4 tion described in subsection (b); and

5 “(B) for a covered firm not described in
6 subparagraph (A), the information described in
7 subsection (c).

8 “(2) REPORTING INFRASTRUCTURE.—The Sec-
9 retary, in consultation with the Secretary of the
10 Treasury and the Federal Trade Commission, shall
11 establish infrastructure to collect the data submitted
12 under paragraph (1).

13 “(3) PUBLIC AVAILABILITY.—The Secretary
14 shall make the data submitted under paragraph (1)
15 publicly available.

16 “(4) AUDITING.—The Secretary shall periodi-
17 cally conduct audits to verify the data submitted
18 under paragraph (1).

19 “(5) ANNUAL REPORTS.—The Secretary shall
20 submit to Congress annual reports describing trends
21 identified through analysis of the data submitted
22 under paragraph (1) relating to—

23 “(A) the financial status of covered firms;
24 and

1 “(B) how the type of ownership of health
 2 care entities impacts access to health care,
 3 health care quality, and patient safety.

4 “(b) REPORTS SUBMITTED BY COVERED FIRMS
 5 OWNED BY OR AFFILIATED WITH PRIVATE EQUITY.—
 6 For purposes of subsection (a), and with respect to a cov-
 7 ered firm described in subsection (a)(1)(A) and each pri-
 8 vate equity fund that is a control person of the covered
 9 firm, the information described in this subsection is the
 10 following information with respect to each year of the pre-
 11 vious 10-year period:

12 “(1) The percentage of the equity of the private
 13 equity fund contributed by—

14 “(A) the general partners of the fund; and

15 “(B) the limited partners of the fund.

16 “(2) The level of debt of the covered firm at the
 17 end of the applicable year.

18 “(3) Information on the debt held by the pri-
 19 vate equity fund, including—

20 “(A) the dollar amount of total debt;

21 “(B) the percentage of debt for which the
 22 creditor is a financial institution in the United
 23 States;

1 “(C) the percentage of debt for which the
 2 creditor is a financial institution outside of the
 3 United States;

4 “(D) the percentage of debt for which the
 5 creditor is an entity that is located in the
 6 United States and is not a financial institution;
 7 and

8 “(E) the percentage of debt for which the
 9 creditor is an entity that is located outside of
 10 the United States and is not a financial institu-
 11 tion.

12 “(4) The total amount of debt held by the cov-
 13 ered firm that is categorized as—

14 “(A) liabilities;

15 “(B) long-term liabilities; and

16 “(C) payment in kind or zero coupon debt.

17 “(5) The average debt-to-equity ratio of—

18 “(A) each covered firm with respect to the
 19 private equity fund; and

20 “(B) the private equity fund.

21 “(6) The average debt-to-EBITDA (Earnings
 22 Before Interest, Taxes, Depreciation, and Amortiza-
 23 tion) of each covered firm with respect to the private
 24 equity fund.

1 “(7) The total number of covered firms with re-
2 spect to the private equity fund that experienced a
3 default during the applicable year, and the name of
4 any such covered firm.

5 “(8) The total gross asset value of each covered
6 firm with respect to the private equity fund.

7 “(9) The gross performance of the private eq-
8 uity fund during the applicable year.

9 “(10) The total dollar amount of aggregate fees
10 and expenses collected by the private equity fund,
11 the manager of the fund, or related parties from
12 covered firms with respect to the private equity
13 fund, which shall—

14 “(A) be categorized by the type of fee; and

15 “(B) include a description of the purpose
16 of the fees.

17 “(11) Any transaction, monitoring, manage-
18 ment, performance, or other fees collected by the
19 private equity fund from the covered firm.

20 “(12) In dollars, the total amount of regulatory
21 assets under management by the private equity
22 fund.

23 “(13) In dollars, the total amount of net assets
24 under management by the private equity fund.

1 “(14) With respect to the applicable year, the
2 difference obtained by subtracting the financial
3 gains of the private equity fund by the fees that the
4 general partners of the fund charged to the limited
5 partners of the fund (commonly referred to as the
6 ‘performance net of fees’).

7 “(15) Any management services agreements be-
8 tween the covered firm and the private equity fund,
9 including a disclosure of fees paid through manage-
10 ment services agreements.

11 “(16) Any other services procured by the cov-
12 ered firm from the private equity fund or any other
13 company owned by the private equity fund.

14 “(17) Dividends paid by the covered firm to the
15 private equity fund.

16 “(18) The names of—

17 “(A) the limited partners of the private eq-
18 uity fund;

19 “(B) the board members of the private eq-
20 uity fund; and

21 “(C) the leadership of the covered firm.

22 “(19) All political spending by the covered firm,
23 including contributions, lobbying spending, and con-
24 tributions to groups that do not share their donor
25 list.

1 “(20) All political spending by the private equity fund, an affiliate of the fund, or an investment professional at the fund, with respect to—

2 “(A) health care related issues; or

3 “(B) members of congressional committees with oversight of health care.

4 “(21) Information on the extent to which the covered firm entered into any sale lease back transactions with the private equity fund.

5 “(22) Every asset purchased by the covered firm during the applicable year.

6 “(23) Information that is similar to the information required to be contained in a notification filed pursuant to the rules under subsection 7A(d)(1) of the Clayton Act.

7 “(24) Data related to real estate, mortgage, and lease payments.

8 “(25) Interest expenses and payments made by the private equity fund and each covered firm with respect to the private equity fund to comply with tax receivable agreements.

9 “(26) Average interest rate paid on secured and unsecured lines of credit by the private equity fund and each covered firm with respect to the private equity fund.

1 “(27) For the private equity fund and each cov-
 2 ered firm with respect to the private equity fund, a
 3 list of—

4 “(A) all transactions with the 10 largest
 5 vendors or service providers; and

6 “(B) any new vendors or service providers.

7 “(28) For the private equity fund and each cov-
 8 ered firm with respect to the private equity fund, the
 9 number of payments to staffing firms.

10 “(29) For the covered firm, the staffing of each
 11 health care provider owned by such covered firm,
 12 disaggregated by position and ratio of staff to pa-
 13 tients.

14 “(30) For the covered firm, the staff retention
 15 rates, number of job postings, and vacancy rates,
 16 disaggregated by position, with respect to each
 17 health care provider owned by such covered firm.

18 “(31) For a covered firm that owns 1 or more
 19 hospitals, the number of beds in use and the capac-
 20 ity of each such hospital.

21 “(32) For the covered firm, the number of
 22 health care facilities or providers owned by such cov-
 23 ered firm that have closed during such year.

1 “(33) For the covered firm, health care costs
2 charged to patients and public and private health
3 plans.

4 “(34) For the covered firm, the percentage and
5 number of non-patient care areas in health care fa-
6 cilities owned by such covered firm that have been
7 converted into patient care areas.

8 “(35) For the covered firm, reductions in the
9 wages or benefits of health workers employed by
10 health care providers owned by such covered firm.

11 “(36) For the private equity fund and each cov-
12 ered firm with respect to the private equity fund,
13 complaints of, or citations for violations of, State or
14 Federal worker protection laws, including charges of
15 unfair labor practices, complaints of violations of
16 State or Federal antidiscrimination laws, complaints
17 of violations of wage and hour laws, and whistle-
18 blower complaints.

19 “(37) For the private equity fund and each cov-
20 ered firm with respect to the private equity fund,
21 disclosure of any agreement or arrangement with a
22 labor relations consultant or other independent con-
23 tractor or organization for which a report is required
24 to be filed under section 203(a)(4) of the Labor-
25 Management Reporting and Disclosure Act of 1959.

1 “(38) Any other information that the Secretary
 2 determines relevant for evaluating the impact of pri-
 3 vate equity ownership of health care entities on the
 4 provision of health care, health care quality, and
 5 safety.

6 “(c) INFORMATION SUBMITTED BY COVERED FIRMS
 7 NOT OWNED BY PRIVATE EQUITY.—For purposes of sub-
 8 section (a) and with respect to a covered firm described
 9 in subsection (a)(1)(B), the information described in this
 10 subsection is the following information with respect to
 11 each year of the previous 10-year period:

12 “(1) The level of debt of the covered firm at the
 13 end of the applicable year.

14 “(2) The total amount of debt held by the cov-
 15 ered firm that is categorized as—

16 “(A) liabilities;

17 “(B) long-term liabilities; and

18 “(C) payment in kind or zero coupon debt.

19 “(3) The average debt-to-equity ratio of the
 20 covered firm.

21 “(4) The average debt-to-EBITDA (Earnings
 22 Before Interest, Taxes, Depreciation, and Amortiza-
 23 tion) of the covered firm.

24 “(5) Whether the covered firm experienced a
 25 default during the applicable year.

1 “(6) The total gross asset value of the covered
2 firm.

3 “(7) Dividends paid by the covered firm.

4 “(8) The names of the leadership of the covered
5 firm.

6 “(9) All political spending by the covered firm,
7 including contributions, lobbying spending, and con-
8 tributions to groups that do not share their donor
9 list.

10 “(10) Every asset purchased by the covered
11 firm during the applicable year.

12 “(11) Information that is similar to the infor-
13 mation required to be included in a notification filed
14 pursuant to the rules under subsection 7A(d)(1) of
15 the Clayton Act.

16 “(12) Data related to real estate, mortgage,
17 and lease payments.

18 “(13) Interest expenses and payments made to
19 comply with tax receivable agreements.

20 “(14) Average interest rate paid on secured and
21 unsecured lines of credit.

22 “(15) A list of—

23 “(A) all transactions with the 10 largest
24 vendors or service providers; and

1 “(B) any new vendors or servicer pro-
2 viders.

3 “(16) The number of payments to staffing
4 firms.

5 “(17) The salaries of the executives of the cov-
6 ered firm and each health care entity owned by such
7 covered firm.

8 “(18) The board membership of the covered
9 firm and each health care entity owned by such cov-
10 ered firm.

11 “(19) The staff retention rates, number of job
12 postings, and vacancy rates, disaggregated by posi-
13 tion, with respect to each health care provider owned
14 by the covered firm.

15 “(20) The percentage and number of non-pa-
16 tient care areas in health care facilities owned by the
17 covered firm that have been converted into patient
18 care areas.

19 “(21) Reductions in the wages or benefits of
20 health workers employed by health care providers
21 owned by the covered firm.

22 “(22) Complaints of, or citations for violations
23 of, State or Federal worker protection laws, includ-
24 ing charges of unfair labor practices, complaints of
25 violations of State or Federal antidiscrimination

1 laws, complaints of violations of wage and hour laws,
2 and whistleblower complaints.

3 “(23) Disclosure of any agreement or arrange-
4 ment with a labor relations consultant or other inde-
5 pendent contractor or organization for which a re-
6 port is required to be filed under section 203(a)(4)
7 of the Labor-Management Reporting and Disclosure
8 Act of 1959.

9 “(24) Any other information that the Secretary
10 determines relevant for evaluating the impact of for-
11 profit ownership of health care entities on the provi-
12 sion of health care, health care quality, and safety.

13 “(d) NONDUPLICATION; REDUCTION OF ADMINIS-
14 TRATIVE BURDEN.—To the maximum extent practicable,
15 the Secretary shall—

16 “(1) ensure that the reporting requirements
17 under this section are not duplicative of other re-
18 porting requirements under Federal law; and

19 “(2) reduce the administrative burden on cov-
20 ered firms of complying with such requirements.

21 **“SEC. 3403. RISK MITIGATION AND ACCOUNTABILITY.**

22 “(a) RISK MITIGATION.—

23 “(1) DEFINITION OF ESSENTIAL SERVICES.—In
24 this subsection, the term ‘essential services’, with re-
25 spect to a health care provider of a health care enti-

1 ty owned by or affiliated with a covered firm, means
2 services that are necessary for preserving health care
3 access, health care quality, and patient safety, as de-
4 termined by the Secretary, including services for
5 which the Secretary determines—

6 “(A) there are no equivalent services avail-
7 able within the same travel time;

8 “(B) that loss of the services would result
9 in meaningful reductions in surge capacity that
10 will negatively impact access to services, health
11 care quality, and patient safety;

12 “(C) that loss of the services would limit
13 health care access, health care quality, and pa-
14 tient safety for specific demographics of individ-
15 uals based on sex, sexuality, race, nationality,
16 age, or disability status; or

17 “(D) that loss of the services would have
18 a meaningful impact on the ability of health
19 care entities to provide care in the surrounding
20 geographical area of the health care provider.

21 “(2) MECHANISM TO ENSURE RISK MITIGA-
22 TION.—The Secretary shall establish a mechanism
23 to ensure that the risks of covered firms with respect
24 to which there is a private equity fund that is a con-

1 trol person of the covered firm are mitigated. Such
2 mechanism may require each such covered firm—

3 “(A) to establish an escrow account with
4 sufficient funding to cover operating and capital
5 expenditures for not less than 5 years, includ-
6 ing, in the case of the closure of a health care
7 provider of a health care entity owned by or af-
8 filiated with such covered firm or if there are
9 reductions of essential health services at such a
10 health care provider, sufficient funding—

11 “(i) to pay out contract obligations to
12 health care providers and other staff of
13 such health care entity; and

14 “(ii) to provide supplemental funding
15 to community health care or non-profit
16 health care providers in the surrounding
17 geographical area impacted by such closure
18 or service reductions;

19 “(B) to obligate a minimum capital invest-
20 ment in any health care entity that is owned by
21 or affiliated with such covered firm; or

22 “(C) to carry out such other activities as
23 the Secretary determines appropriate to ensure
24 that such covered firm provides a financial con-
25 tribution sufficient to mitigate the impact of a

1 potential closure, reduction of essential services,
 2 workforce shortage, or reduction in quality or
 3 safety of care or health care access.

4 “(b) LIMITATION ON THE USE OF REAL ESTATE IN-
 5 VESTMENT TRUSTS IN HEALTH CARE.—

6 “(1) PROHIBITION.—No health care entity or
 7 covered firm may enter into agreement to sell to, or
 8 lease from, a real estate investment trust (as defined
 9 in section 856 of the Internal Revenue Code of
 10 1986) an interest in real property if the terms of
 11 such sale or lease would lead to long-term weakened
 12 financial status of the health care entity or place the
 13 public health at risk.

14 “(2) REVIEW OF SALE OR LEASE TERMS.—

15 “(A) IN GENERAL.—The Secretary shall
 16 require each health care entity, or the covered
 17 firm that owns such health care entity, seeking
 18 to enter into an agreement described in para-
 19 graph (1) to submit to the Secretary for review
 20 the terms of the sale or lease, as applicable.

21 “(B) STANDARD.—In conducting a review
 22 of a sale or lease under subparagraph (A), the
 23 Secretary shall determine whether the terms of
 24 such sale or lease would lead to long-term

1 weakened financial status of the health care en-
2 tity or place the public health at risk.

3 “(C) CONSULTATION.—The Secretary may
4 consult with the relevant State attorney general
5 in conducting a review under subparagraph (A).

6 “(3) LITIGATION AUTHORITY.—Except as pro-
7 vided in section 518 of title 28, United States Code
8 (relating to litigation before the Supreme Court), at-
9 torneys designated by the Secretary may appear for
10 the Department of Health and Human Services and
11 represent the Department in any civil action brought
12 in connection with a violation of paragraph (1).

13 “(c) LICENSURE.—

14 “(1) DEFINITION OF PRIVATE EQUITY FIRM.—
15 In this subsection, the term ‘private equity firm’
16 means a for-profit corporation with respect to which
17 there is a private equity fund that is a control per-
18 son of the corporation.

19 “(2) LICENSES.—The Secretary shall issue li-
20 censes for private equity firms to invest, directly or
21 indirectly, in or purchase a health care entity.

22 “(3) FEES.—The Secretary may charge a fee
23 for applications for licenses under paragraph (1),
24 which shall be deposited into a special account, the
25 amounts in which shall remain available to the Sec-

1 retary, until expended and without further appro-
 2 priation, for funding for the National Health Service
 3 Corps, the community health centers program under
 4 section 330, teaching health centers that operate
 5 graduate medical education programs under section
 6 340H, and other health workforce programs carried
 7 out by the Health Resources and Services Adminis-
 8 tration, and hospitals that have received dispropor-
 9 tionate share hospital payments under section 1886
 10 of the Social Security Act or section 1923 of such
 11 Act.

12 “(4) DENIAL; REVOCATION.—

13 “(A) IN GENERAL.—The Secretary may
 14 deny or revoke a license under this subsection—

15 “(i) in cases in which the Secretary
 16 determines that the private equity firm—

17 “(I) has failed to comply with
 18 any of the provisions of this title; or

19 “(II) has engaged in price gaug-
 20 ing, understaffing, access barriers, or
 21 such other metrics as the Secretary
 22 determines appropriate, with respect
 23 to the private equity firm’s ownership
 24 of health care entities; or

1 “(ii) for such other reason involving
 2 actions or practices of the private equity
 3 firm that may impact or interfere with ac-
 4 cess to, or quality of, health care, as the
 5 Secretary determines appropriate.

6 “(B) DIVESTMENT.—A private equity firm
 7 the license of which is revoked under subpara-
 8 graph (A) shall be required to divest from any
 9 investments in any health care entity.

10 “(5) CIVIL MONETARY PENALTIES.—Any pri-
 11 vate equity firm that violates a requirement of this
 12 subsection with respect to a health care entity shall
 13 be liable for a civil monetary penalty of not more
 14 than the amount that is equal to the amount of Fed-
 15 eral funding received by the health care entity,
 16 which shall be deposited in the account described in
 17 paragraph (3).

18 **“SEC. 3404. TASK FORCE REVIEW OF THE ROLE OF PRIVATE**
 19 **EQUITY AND CONSOLIDATION IN HEALTH**
 20 **CARE.**

21 “(a) ESTABLISHMENT.—The Secretary shall estab-
 22 lish and operate a task force to monitor changes in the
 23 health care marketplace, to address and limit the role of
 24 private equity and consolidation in health care, and to ad-
 25 dress changes to the health care marketplace and private

1 equity or market consolidation patterns that may create,
 2 continue, or exacerbate health care disparities or disparate
 3 health outcomes based on sex, sexuality, race, nationality,
 4 ethnicity, age, disability, immigration status, socio-
 5 economic status, or location of residence (referred to in
 6 this section as the ‘Task Force’).

7 “(b) COMPOSITION.—

8 “(1) CHAIR.—The Secretary shall chair the
 9 Task Force.

10 “(2) CO-CHAIR.—The Secretary shall select
 11 from among the members appointed under para-
 12 graph (3) a co-chair of the Task Force, who shall
 13 be a practicing health care provider.

14 “(3) MEMBERS.—The Secretary shall appoint
 15 the members of the Task Force from among the fol-
 16 lowing:

17 “(A) Academic experts and researchers
 18 with expertise on—

19 “(i) the role of private equity in
 20 healthcare; and

21 “(ii) the impact of mergers and acqui-
 22 sitions in healthcare on costs and patients.

23 “(B) Representatives from organizations
 24 focused on consumer protection, antitrust,

1 health care equity, patient advocacy, and work-
2 er advocacy.

3 “(C) Hospital and health care staff (and
4 the labor organizations representing such staff).

5 “(D) Patients.

6 “(4) ADVISORY MEMBERS.—In addition to the
7 members described in paragraph (3), the Chair of
8 the Federal Trade Commission and the Attorney
9 General shall serve as advisory members of the Task
10 Force.

11 “(5) MEMBER APPOINTMENT.—Not later than
12 180 days after the date of enactment of this Act, the
13 Secretary shall appoint the members of the Task
14 Force—

15 “(A) in accordance with paragraph (2);
16 and

17 “(B) using a competitive application proc-
18 ess.

19 “(c) RECOMMENDATIONS.—The Task Force shall—

20 “(1) identify best practices and, for purposes of
21 subsection (d), develop recommendations, for lim-
22 iting the role of private equity in health care, taking
23 into account the implications on health outcomes
24 and staff working conditions;

1 “(2) identify emerging trends within the health
2 care marketplace that may undermine access to
3 health care, quality of care, or patient safety or cre-
4 ate financial instability and risk for health providers;
5 and

6 “(3) develop legislative recommendations for
7 preserving and expanding health care quality, safety,
8 and access under this title.

9 “(d) REPORT.—The Secretary shall submit to Con-
10 gress annually a report—

11 “(1) on the recommendations developed sub-
12 section (c); and

13 “(2) that includes regulatory and legislative rec-
14 ommendations to address any adverse effects of
15 health care consolidation, private equity’s involve-
16 ment in health care, or any other change or emerg-
17 ing trend in the health care marketplace.

18 “(e) MORATORIUM.—The Secretary may prohibit a
19 private equity fund from purchasing voting securities of
20 a covered firm, and may prohibit any merger or acquisi-
21 tion that would result in a private equity fund gaining con-
22 trol of voting securities of a covered firm, until the date
23 on which the Secretary determines that the Task Force
24 has had sufficient time to study and identify whether
25 abuses are taking place in specific health care sectors or

1 by health care entities related to price gauging, under-
 2 staffing, access barriers, or such other metrics as the Sec-
 3 retary determines appropriate.

4 **“SEC. 3405. CORPORATE ACCOUNTABILITY.**

5 “The Secretary shall—

6 “(1) maintain a corporate accountability data
 7 collection program for the reporting of any person
 8 subject to the requirements of this title for failure
 9 to comply with this title; and

10 “(2) furnish the information collected under
 11 paragraph (1) to the National Practitioner Data
 12 Bank established pursuant to the Health Care Qual-
 13 ity Improvement Act of 1986.

14 **“SEC. 3406. ENFORCEMENT.**

15 “(a) STATE ENFORCEMENT.—

16 “(1) STATE AUTHORITY.—Each State may re-
 17 quire a person subject to the requirements of this
 18 title to satisfy such requirements applicable to the
 19 person.

20 “(2) FAILURE TO IMPLEMENT REQUIRE-
 21 MENTS.—In the case of a State that fails to sub-
 22 stantially enforce the requirements of this title with
 23 respect to applicable persons in the State, the Sec-
 24 retary shall enforce the requirements of this title
 25 under subsection (b) to the extent that such require-

1 ments relate to actions prohibited under this title oc-
 2 curring in such State.

3 “(b) SECRETARIAL ENFORCEMENT AUTHORITY.—

4 “(1) IN GENERAL.—If a person is found by the
 5 Secretary to be in violation of this title, the Sec-
 6 retary may apply a civil monetary penalty with re-
 7 spect to such person in an amount not to exceed
 8 \$10,000 per violation.

9 “(2) LICENSURE PENALTIES.—A civil monetary
 10 penalty under paragraph (1) shall be in addition to
 11 any civil monetary penalty assessed under section
 12 3403(c)(4).

13 “(c) CONTINUED APPLICABILITY OF STATE LAW.—
 14 This title shall not be construed to supersede any provision
 15 of State law that establishes, implements, or continues in
 16 effect any requirement or prohibition except to the extent
 17 that such requirement or prohibition prevents the applica-
 18 tion of a requirement or prohibition of this title.

19 **“SEC. 3407. RESEARCH.**

20 “The Secretary shall conduct or support research
 21 on—

22 “(1) the impact of transitioning to a ban on
 23 for-profit corporations owning or investing in health
 24 care entities;

1 “(2) the impact of private equity investment in
2 health care entities on—

3 “(A) health care costs;

4 “(B) access to health care;

5 “(C) clinical decision making;

6 “(D) health care entity recruitment and re-
7 tention;

8 “(E) labor organization membership rates
9 and collective bargaining power of health work-
10 er labor organizations;

11 “(F) health care worker pay, pensions, and
12 other benefits;

13 “(G) health outcomes; and

14 “(H) health disparities;

15 “(3) the effectiveness of State law (including
16 regulations) and State enforcement on ensuring ac-
17 quisition of health care entities by covered firms
18 does not place access to health care, health care
19 quality, or patient safety at risk; and

20 “(4) compliance the CMS–855A Medicare En-
21 rollment Application and other Federal ownership
22 transparency requirements.”.

1 **SEC. 3. PROHIBITED ACTS BY INVESTMENT COMPANIES**
 2 **WITH RESPECT TO HEALTH CARE.**

3 Section 12 of the Investment Company Act of 1940
 4 (15 U.S.C. 80a–12) is amended by adding at the end the
 5 following:

6 “(h)(1) In this subsection, the term ‘health care enti-
 7 ty’ has the meaning given the term in section 3401 of the
 8 Public Health Service Act.

9 “(2) It shall be unlawful for any registered invest-
 10 ment company to engage in any act, practice, or course
 11 of business that would strip an asset from a health care
 12 entity or otherwise undermine the quality or safety of, or
 13 access to, health care.

14 “(3) The Commission, in consultation with the Sec-
 15 retary of Health and Human Services, shall, for the pur-
 16 poses of this subsection, by rules and regulations define,
 17 and prescribe means reasonably designed to prevent, ac-
 18 tions, practices, and courses of business described in para-
 19 graph (2).”.

20 **SEC. 4. AMENDMENTS TO TITLE 11, UNITED STATES CODE.**

21 (a) PRIORITIES OF CLAIMS IN BANKRUPTCY.—

22 (1) IN GENERAL.—Section 507(a) of title 11,
 23 United States Code, is amended—

24 (A) by redesignating paragraphs (1)
 25 through 10 as paragraphs (2) through (11), re-
 26 spectively;

1 (B) by inserting before paragraph (2), as
2 so redesignated, the following:

3 “(1) First, withdrawal liability determined
4 under part 1 of subtitle E of title IV of the Em-
5 ployee Retirement Income Security Act of 1974 (29
6 U.S.C. 1381 et seq.).”;

7 (C) in the matter preceding subparagraph
8 (A) of paragraph (2), as so redesignated, by
9 striking “First:” and inserting “Second:”;

10 (D) in paragraph (3), as so redesignated,
11 by striking “Second,” and inserting “Third,”;

12 (E) in paragraph (4), as so redesignated,
13 by striking “Third,” and inserting “Fourth,”;

14 (F) in the matter preceding subparagraph
15 (A) of paragraph (5), as so redesignated, by
16 striking “Fourth,” and inserting “Fifth,”;

17 (G) in the matter preceding subparagraph
18 (A) of paragraph (6), as so redesignated, by
19 striking “Fifth,” and inserting “Sixth,”;

20 (H) in the matter preceding subparagraph
21 (A) of paragraph (7), as so redesignated, by
22 striking “Sixth,” and inserting “Seventh,”;

23 (I) in paragraph (8), as so redesignated,
24 by striking “Seventh,” and inserting “Eighth,”;

1 (J) in the matter preceding subparagraph
 2 (A) of paragraph (9), as so redesignated, by
 3 striking “Eighth,” and inserting “Ninth,”;

4 (K) in paragraph (10), as so redesignated,
 5 by striking “Ninth,” and inserting “Tenth,”;
 6 and

7 (L) in paragraph (11), as so redesignated,
 8 by striking “Tenth,” and inserting “Eleventh,”.

9 (2) TECHNICAL AND CONFORMING AMEND-
 10 MENTS.—

11 (A) Section 502(i) of title 11, United
 12 States Code, is amended by striking “section
 13 507(a)(8)” and inserting “section 507(a)(9)”.

14 (B) Section 503(b)(1)(B)(i) of title 11,
 15 United States Code, is amended by striking
 16 “section 507(a)(8)” and inserting “section
 17 507(a)(9)”.

18 (C) Section 507(d) of title 11, United
 19 States Code, is amended by striking “(a)(1),
 20 (a)(4), (a)(5), (a)(6), (a)(7), (a)(8) excluding
 21 subparagraph (F), or (a)(9)” and inserting
 22 “(a)(2), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9) ex-
 23 cluding subparagraph (F), or (a)(10)”.

24 (D) Section 523(a)(1)(A) of title 11,
 25 United States Code, is amended by striking

1 “section 507(a)(3) or 507(a)(8)” and inserting
 2 “section 507(a)(4) or 507(a)(9)”.

3 (E) Section 724 of title 11, United States
 4 Code, is amended—

5 (i) in subsection (b)(2)—

6 (I) by striking “section
 7 507(a)(1)(C) or 507(a)(2)” and in-
 8 serting “section 507(a)(2)(C) or
 9 507(a)(3)”; and

10 (II) by striking “507(a)(1)(A),
 11 507(a)(1)(B), 507(a)(3), 507(a)(4),
 12 507(a)(5), 507(a)(6), or 507(a)(7)”
 13 and inserting “507(a)(2)(A),
 14 507(a)(2)(B), 507(a)(4), 507(a)(5),
 15 507(a)(6), 507(a)(7), or 507(a)(8)”;
 16 and

17 (ii) in subsection (f)—

18 (I) in paragraph (1), by striking
 19 “section 507(a)(4)” and inserting
 20 “section 507(a)(5)”; and

21 (II) in paragraph (2), by striking
 22 “section 507(a)(5)” and inserting
 23 “section 507(a)(6)”.

24 (F) Section 726(b) of title 11, United
 25 States Code, is amended by striking “paragraph

1 (1), (2), (3), (4), (5), (6), (7), (8), (9), or (10)
 2 of section 507(a)” and inserting “paragraphs
 3 (2) through (11) of section 507(a)”.

4 (G) Section 752(a) of title 11, United
 5 States Code, is amended by striking “section
 6 507(a)(2)” and inserting “section 507(a)(3)”.

7 (H) Section 766 of title 11, United States
 8 Code, is amended—

9 (i) in subsection (h), by striking “sec-
 10 tion 507(a)(2)” and inserting “section
 11 507(a)(3)”; and

12 (ii) in subsection (i)—

13 (I) in paragraph (1), by striking
 14 “section 507(a)(2)” and inserting
 15 “section 507(a)(3)”; and

16 (II) in paragraph (2), by striking
 17 “section 507(a)(2)” and inserting
 18 “section 507(a)(3)”.

19 (I) Section 901(a) of title 11, United
 20 States Code, is amended by striking
 21 “507(a)(2)” and inserting “507(a)(3)”.

22 (J) Section 943(b)(5) of title 11, United
 23 States Code, is amended by striking “section
 24 507(a)(2)” and inserting “section 507(a)(3)”.

1 (K) Section 1123(a)(1) of title 11, United
 2 States Code, is amended by striking “section
 3 507(a)(2), 507(a)(3), or 507(a)(8)” and insert-
 4 ing “section 507(a)(3), 507(a)(4), or
 5 507(a)(9)”.

6 (L) Section 1129(a)(9) of title 11, United
 7 States Code, is amended—

8 (i) in subparagraph (A), by striking
 9 “section 507(a)(2) or 507(a)(3)” and in-
 10 serting “section 507(a)(3) or 507(a)(4)”;

11 (ii) in the matter preceding clause (i)
 12 of subparagraph (B), by striking “section
 13 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6),
 14 or 507(a)(7)” and inserting “section
 15 507(a)(2), 507(a)(5), 507(a)(6), 507(a)(7),
 16 or 507(a)(8)”;

17 (iii) in the matter preceding clause (i)
 18 of subparagraph (C), by striking “section
 19 507(a)(8)” and inserting “section
 20 507(a)(9)”;

21 (iv) in subparagraph (D), by striking
 22 “section 507(a)(8)” and inserting “section
 23 507(a)(9)”.

24 (M) Section 1191(e) of title 11, United
 25 States Code, is amended by striking “paragraph

1 (2) or (3)” and inserting “paragraph (3) or
2 (4)”.

3 (N) Section 1222(a)(4) of title 11, United
4 States Code, is amended by striking “section
5 507(a)(1)(B)” and inserting “507(a)(2)(B)”.

6 (O) Section 1226(b)(1) of title 11, United
7 States Code, is amended by striking “section
8 507(a)(2)” and inserting “section 507(a)(3)”.

9 (P) Section 1322(a)(4) of title 11, United
10 States Code, is amended by striking “section
11 507(a)(1)(B)” and inserting “section
12 507(a)(2)(B)”.

13 (Q) Section 1326(b)(1) of title 11, United
14 States Code, is amended by striking “section
15 507(a)(2)” and inserting “section 507(a)(3)”.

16 (R) Section 1328(a)(2) of title 11, United
17 States Code, is amended by striking “section
18 507(a)(8)(C)” and inserting “section
19 507(a)(9)(C)”.

20 (S) Section 6(e) of the Securities Investor
21 Protection Act of 1970 (15 U.S.C. 78fff(e)) is
22 amended, in the last sentence, by striking “sec-
23 tion 507(a)(2)” and inserting “section
24 507(a)(3)”.

1 (b) CONFIRMATION OF PLAN.—Section 1129 of title
 2 11, United States Code, is amended by adding at the end
 3 the following:

4 “(f) Notwithstanding any other provision of this sec-
 5 tion, if the debtor is a health care business, the court, in
 6 confirming a plan, shall give substantial weight to the ex-
 7 tent to which the plan would allow for maintenance of re-
 8 gional health care access, quality and safety of health care
 9 provided regionally, and health care provider and staff re-
 10 tention regionally.”.

11 **SEC. 5. MAINTENANCE OF HEALTH CARE ACCESS RELAT-**
 12 **ING TO HOSPITAL DISCONTINUATION OF**
 13 **SERVICES OR CLOSURE.**

14 Section 1866 of the Social Security Act (42 U.S.C.
 15 1395cc) is amended—

16 (1) in subsection (a)(1)—

17 (A) in subparagraph (X), by striking
 18 “and” at the end;

19 (B) in subparagraph (Y)(ii)(V), by striking
 20 the period and inserting “, and”; and

21 (C) by inserting after subparagraph (Y)
 22 the following new subparagraph:

23 “(Z) beginning 60 days after the date of the en-
 24 actment of this subparagraph, in the case of a hos-
 25 pital, to comply with the requirements of subsection

1 (l) (relating to discontinuation of services or clo-
 2 sure).”; and

3 (2) by adding at the end the following new sub-
 4 section:

5 “(l) REQUIREMENTS FOR HOSPITALS RELATING TO
 6 DISCONTINUATION OF SERVICES OR CLOSURE.—

7 “(1) REQUIREMENTS.—

8 “(A) IN GENERAL.—For purposes of sub-
 9 section (a)(1)(Z), except as provided in sub-
 10 paragraph (B), the requirements described in
 11 this subsection are that a hospital—

12 “(i) notify the Secretary, in accord-
 13 ance with paragraph (2), not less than 90
 14 days prior to the discontinuation of serv-
 15 ices or full hospital closure;

16 “(ii) prohibit the discontinuation of
 17 essential services (as defined in paragraph
 18 (6)) during the notification period (as de-
 19 fined in such paragraph) unless there is a
 20 clear harm posed to patient or employee
 21 health or safety in the hospital continuing
 22 to furnish such services;

23 “(iii) respond to any inquiries by the
 24 Secretary relating to the implementation of
 25 this subsection, including the determina-

tion of essential services under paragraph
(6)(C); and

“(iv) if applicable—

“(I) submit a mitigation plan
and related information as described
in paragraph (3); and

“(II) participate in the public
comment and review process (includ-
ing, if applicable, the alternative miti-
gation plan) described in paragraph
(4).

“(B) APPLICATION IN CASE OF CATA-
STROPHIC EVENTS.—In the case where a dis-
continuation of services or closure of a hospital
is due to an unforeseen catastrophic event (as
defined by the Secretary), the requirements de-
scribed in subparagraph (A) shall apply, ex-
cept—

“(i) the hospital shall provide the no-
tification under clause (i) of such subpara-
graph not later than 30 days after the cat-
astrophic event or as soon as feasible as
determined by the Secretary; and

1 “(ii) clause (ii) of such subparagraph
2 (relating to prohibiting the discontinuation
3 of services) shall not apply.

4 “(2) NOTIFICATION INFORMATION.—For pur-
5 poses of paragraph (1)(A)(i), the notification under
6 such paragraph shall include the following informa-
7 tion with respect to a hospital:

8 “(A) DISCONTINUATION OF SERVICES.—In
9 the case where the hospital is discontinuing
10 services (without full hospital closure):

11 “(i) The services that will be discon-
12 tinued and number of hospital beds im-
13 pacted.

14 “(ii) The number of individuals fur-
15 nished such services annually and a break-
16 down of the type of insurance used by such
17 individuals for such services.

18 “(iii) The number of impacted em-
19 ployees and what labor organization rep-
20 resents them (and the contact information
21 for such organization).

22 “(iv) The names and addresses of any
23 organized health care coalitions and com-
24 munity groups that represent the commu-

1 nities impacted by the discontinuation of
2 such services.

3 “(v) Alternative providers of such
4 services, including provider type, contact
5 information, and distance and transpor-
6 tation time by car and public transit from
7 the hospital.

8 “(B) FULL HOSPITAL CLOSURE.—In the
9 case of full hospital closure:

10 “(i) Hospital ownership entities.

11 “(ii) The full extent of services that
12 will no longer be furnished by the hospital.

13 “(iii) The number of individuals fur-
14 nished services annually by the hospital, a
15 description of the services furnished, and a
16 breakdown of the type of insurance used
17 by such individuals for such services.

18 “(iv) The number of impacted employ-
19 ees and, if applicable, what labor organiza-
20 tions represent them (and the contact in-
21 formation for each such organization).

22 “(v) The names and addresses of any
23 organized health care coalitions and com-
24 munity groups that represent the commu-
25 nities impacted by the closure.

1 “(vi) Alternative providers, including
 2 provider type, contact information, and
 3 distance and transportation time by car
 4 and public transit from the hospital.

5 “(vii) Steps taken prior to the deci-
 6 sion to close in order to avoid closure.

7 “(viii) Distribution of liquidation pro-
 8 ceeds (cash or assets) or any payments
 9 (cash or assets) made to employees, own-
 10 ers, or contractors related to the closure.

11 “(3) SUBMISSION OF MITIGATION PLAN AND
 12 RELATED INFORMATION FOR ESSENTIAL SERV-
 13 ICES.—

14 “(A) NOTIFICATION BY SECRETARY.—If
 15 the Secretary determines that the discontinu-
 16 ation of services or closure of an applicable hos-
 17 pital would negatively impact access to essential
 18 services, the Secretary shall notify the applica-
 19 ble hospital of such determination.

20 “(B) SUBMISSION OF MITIGATION PLAN
 21 AND RELATED INFORMATION.—If an applicable
 22 hospital receives a notification under subpara-
 23 graph (A), the applicable hospital shall, not
 24 later than 15 days after receiving such notifica-
 25 tion, submit to the Secretary, the State health

1 department, and the local department of public
2 health—

3 “(i) a plan to—

4 “(I) preserve access to essential
5 services for impacted communities
6 through partnerships, commitments
7 from surrounding facilities, transpor-
8 tation plan access, and preparation
9 for surge response; and

10 “(II) support employees in
11 transitioning to new positions within
12 health care;

13 “(ii) information on workforce and
14 public engagement to ensure awareness of
15 the discontinuation of services or closure;

16 “(iii) a description of potential alter-
17 natives to the discontinuation of services or
18 closure that the hospital considered and an
19 explanation of why those alternatives are
20 not a viable option; and

21 “(iv) a local market study to ascertain
22 regional bed supply, payor mix distribution
23 among all providers, demographic trends,
24 and remaining health systems in the area.

1 “(C) PUBLIC AVAILABILITY.—The Sec-
 2 retary shall make a mitigation plan and related
 3 information submitted by an applicable hospital
 4 under this paragraph available to the public on
 5 the internet website of the Centers for Medicare
 6 & Medicaid Services.

7 “(4) PUBLIC COMMENT AND REVIEW PROCESS;
 8 ALTERNATIVE MITIGATION PLAN.—

9 “(A) PUBLIC COMMENT PERIOD.—

10 “(i) IN GENERAL.—The Secretary
 11 shall provide a public comment period of
 12 not less than 45 days with the opportunity
 13 to submit written comments regarding the
 14 impact of the potential discontinuation of
 15 services or closure of an applicable hos-
 16 pital.

17 “(ii) NOTICE.—Notice of the oppor-
 18 tunity to submit comments shall be pub-
 19 lished in the Federal Register and distrib-
 20 uted to—

21 “(I) providers of services and
 22 suppliers that may be impacted by the
 23 discontinuation of services or closure
 24 of the applicable hospital;

1 “(II) any labor organization that
 2 represents any subdivision of employ-
 3 ees of the applicable hospital;

4 “(III) organized health care coa-
 5 litions and community groups that
 6 represent the communities impacted
 7 by the discontinuation of services or
 8 closure;

9 “(IV) the State health agency;
 10 and

11 “(V) the local department of pub-
 12 lic health.

13 “(iii) RECOMMENDATIONS OF STATE
 14 HEALTH AGENCY AND LOCAL DEPART-
 15 MENTS OF PUBLIC HEALTH.—In reviewing
 16 a mitigation plan submitted by an applica-
 17 ble hospital under paragraph (3), the Sec-
 18 retary shall take into consideration any
 19 recommendations submitted by the State
 20 health agency and local departments of
 21 public health, as applicable, regarding
 22 whether such plan should be approved.

23 “(B) ALTERNATIVE MITIGATION PLAN.—

24 “(i) IN GENERAL.—If, after reviewing
 25 the mitigation plan submitted by an appli-

1 cable hospital under paragraph (3) and the
2 comments submitted during the public
3 comment period under subparagraph (A)
4 with respect to the discontinuation of serv-
5 ices or closure of the applicable hospital,
6 the Secretary finds that the discontinu-
7 ation of services or closure of the applica-
8 ble hospital would have a significant im-
9 pact on access to essential services, the
10 Secretary shall work with the applicable
11 hospital or other providers of services and
12 suppliers in the area, as appropriate, to de-
13 velop and implement an alternative plan to
14 the plan submitted by the applicable hos-
15 pital under paragraph (3) (referred to in
16 this subsection as the ‘alternative mitiga-
17 tion plan’) in order to ensure continued ac-
18 cess to essential services, which may in-
19 clude an agreement to delay the dis-
20 continuation of services or closure of the
21 applicable hospital until the alternative
22 mitigation plan is complete.

23 “(ii) TECHNICAL ASSISTANCE.—An
24 alternative mitigation plan under clause (i)
25 may include technical assistance or infor-

1 mation on available funding mechanisms to
2 support the furnishing of essential services.

3 “(iii) COLLABORATION.—The Sec-
4 retary should, to the extent practicable,
5 collaborate with State and municipal gov-
6 ernment officials in the development of an
7 alternative mitigation plan under clause
8 (i).

9 “(iv) PUBLIC AVAILABILITY.—The
10 Secretary shall make any information sub-
11 mitted and the alternative mitigation plan
12 developed under this paragraph available
13 to the public on the internet website of the
14 Centers for Medicare & Medicaid Services.

15 “(C) IMPLEMENTATION.—The Secretary
16 shall promulgate regulations to detail the re-
17 quired response time by an applicable hospital
18 and the speed of the review process under this
19 paragraph in order to ensure that such process
20 can be completed with respect to an applicable
21 hospital prior to the proposed service dis-
22 continuation date or closure date of the applica-
23 ble hospital.

24 “(D) PROHIBITION.—In the case where
25 the Secretary finds that a hospital has violated

1 the requirements of this subsection, the Sec-
2 retary may prohibit the hospital and any hos-
3 pital under the same hospital ownership entity
4 from being eligible to enroll or reenroll under
5 the program under this title under section
6 1866(j) until the earlier of—

7 “(i) the date that is 3 years after the
8 date on which the hospital discontinues
9 services or closes;

10 “(ii) the date on which the Secretary
11 determines essential health services that
12 were negatively impacted by the dis-
13 continuation or closure have been restored;
14 or

15 “(iii) such time as the Secretary is
16 satisfied with the mitigation plan sub-
17 mitted by the hospital under paragraph (3)
18 or the alternative mitigation plan under
19 paragraph (4).

20 “(5) ANNUAL REPORTS.—The Secretary shall
21 submit an annual report to Congress on the dis-
22 continuation of services and full closure of hospitals.
23 Each report submitted under the preceding sentence
24 shall include—

1 “(A) a description of trends in the dis-
 2 continuation of services and closures of hos-
 3 pitals, including hospital ownership type, geo-
 4 graphic location, types of services furnished, de-
 5 mographic served, and insurance type;

6 “(B) an analysis of the impact of the dis-
 7 continuation of services and closures on health
 8 care access and ability to meet surge demand
 9 due to emergency (such as a pandemic or cli-
 10 mate disaster); and

11 “(C) recommendations for such adminis-
 12 trative or legislative changes as the Secretary
 13 determines appropriate to preserve access to es-
 14 sential services nationwide.

15 “(6) DEFINITIONS.—In this subsection:

16 “(A) APPLICABLE HOSPITAL.—The term
 17 ‘applicable hospital’ means a hospital that sub-
 18 mits a notification under paragraph (1)(A)(i) of
 19 a discontinuation of services or full hospital clo-
 20 sure.

21 “(B) DISCONTINUATION.—The term ‘dis-
 22 continuation’ may include any reduction or dis-
 23 continuation of services furnished by an appli-
 24 cable hospital, including those that occur as
 25 part of a merger or acquisition agreement.

1 “(C) ESSENTIAL SERVICES.—The term ‘es-
2 sential services’ means, with respect to an ap-
3 plicable hospital, services that are necessary for
4 preserving health care access (as determined by
5 the Secretary), including services for which the
6 Secretary determines—

7 “(i) there are no equivalent services
8 available within the same travel time;

9 “(ii) that loss of the services would re-
10 sult in meaningful reductions in surge ca-
11 pacity that will negatively impact access to
12 services;

13 “(iii) that loss of the services would
14 limit health care access for specific demo-
15 graphics of individuals based on sex, sexu-
16 ality, race, nationality, age, or disability
17 status;

18 “(iv) that loss of the services would
19 have a meaningful impact on the ability of
20 health systems to respond to impacts of
21 climate change; or

22 “(v) there is a health or health care-
23 related emergency declaration status appli-
24 cable to the surrounding geographical area
25 of the hospital on the date on which the

1 hospital submits notification under para-
 2 graph (1)(A)(i) of a discontinuation of
 3 services or full hospital closure.

4 “(D) NOTIFICATION PERIOD.—The term
 5 ‘notification period’ means, with respect to an
 6 applicable hospital, the period beginning on the
 7 date on which the hospital submits notification
 8 under paragraph (1)(A)(i) of a discontinuation
 9 of services or full hospital closure and ending
 10 on the date of such discontinuation of services
 11 or closure.

12 “(7) NO PREEMPTION OF STATE LAW.—Noth-
 13 ing in subsection (a)(1)(Z) or this subsection shall
 14 be construed to limit any rights or remedies under
 15 State or local law relating to protecting access to es-
 16 sential services or reviewing proposed hospital clo-
 17 sures or reduction of services.”.

18 **SEC. 6. TREATMENT OF RENTS FROM QUALIFIED HEALTH**
 19 **CARE PROPERTY.**

20 (a) IN GENERAL.—Section 856(d)(2) of the Internal
 21 Revenue Code of 1986 is amended by striking “and” at
 22 the end of subparagraph (B), by striking the period and
 23 inserting “, and” at the end of subparagraph (C), and by
 24 adding at the end the following new subparagraph:

1 “(D) notwithstanding paragraphs (4), (6),
 2 and (8), any amount received or accrued di-
 3 rectly or indirectly from qualified health care
 4 property (as defined in subsection
 5 (e)(6)(D)(i)).”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 856(d)(8)(B) of the Internal Rev-
 8 enue Code of 1986 is amended—

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

12 (B) by striking “qualified health care prop-
 13 erty or”.

14 (2) Section 856(d)(9) of such Code is amend-
 15 ed—

16 (A) by striking “or a qualified health care
 17 property (as defined in subsection
 18 (e)(6)(D)(i))” in subparagraph (A),

19 (B) by striking “or qualified health care
 20 property” each place it appears in subpara-
 21 graph (A) and (B), and

22 (C) by striking “or qualified health care
 23 properties” in subparagraph (A).

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

○