

119TH CONGRESS
2D SESSION

S. 3829

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

IN THE SENATE OF THE UNITED STATES

FEBRUARY 11, 2026

Ms. WARREN (for herself, Mr. BLUMENTHAL, Mr. MARKEY, Mr. MERKLEY, and Mr. WELCH) introduced the following bill; which was read twice and referred to the Committee on Finance

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”.

6 **SEC. 2. UNJUST ENRICHMENT CLAWBACK AUTHORITY AND**
7 **CRIMINAL PENALTY.**

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

1 **“§ 671. Unjust enrichment clawback and criminal**
2 **penalty**

3 “(a) DEFINITIONS.—In this section, the terms ‘cov-
4 ered party’, ‘target firm,’ and ‘triggering event’ have the
5 meanings given those terms in section 674(b).

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

11 **“§ 672. Criminal penalty**

12 “Whoever violates section 671(b) shall be imprisoned
13 for not less than 1 year or greater than 6 years.

14 **“§ 673. Civil penalty**

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

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

22 **“§ 674. Clawback**

23 “(a) IN GENERAL.—

24 “(1) PROHIBITION.—It shall be unlawful for
25 any covered party to acquire from a target firm cov-
26 ered compensation by unjust enrichment, and any

1 such covered party shall be subject to the penalties
2 described in sections 672 and 673 in addition to the
3 required clawbacks under this section.

4 “(2) PENALTY.—

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

12 “(B) ACTIONS TO RECOVER REQUIRED
13 CLAWBACKS.—

14 “(i) POWERS OF THE ATTORNEY GEN-
15 ERAL.—

16 “(I) IN GENERAL.—Except as
17 provided in clause (ii), the Attorney
18 General may enforce this section.

19 “(II) AUTHORITY PRESERVED.—
20 Nothing in this section shall be con-
21 strued to limit the authority of the
22 Attorney General under any provision
23 of law.

24 “(III) PENALTY.—In an action
25 brought by the Attorney General to

1 enforce this section and the regula-
2 tions promulgated under this section,
3 a covered party shall be liable for all
4 or part of the covered compensation
5 received by the covered party that is
6 obtained from the target firm during
7 the preceding or succeeding 10 years.

8 “(ii) ENFORCEMENT BY STATE AT-
9 TORNEYS GENERAL.—

10 “(I) CIVIL ACTION.—If an attor-
11 ney general of a State has reason to
12 believe that a triggering event has
13 harmed the residents of that State,
14 the attorney general of the State may,
15 as *parens patriae*, bring a civil action
16 on behalf of the residents of the State
17 in an appropriate district court of the
18 United States to recover all or part of
19 the covered compensation received by
20 the covered party that is obtained
21 from the target firm during the pre-
22 ceding or succeeding 10 years.

23 “(II) RIGHTS OF THE ATTORNEY
24 GENERAL.—

1 “(aa) NOTICE TO ATTORNEY
2 GENERAL.—

3 “(AA) IN GENERAL.—
4 Except as provided in
5 subitem (CC), the attorney
6 general of a State shall no-
7 tify the Attorney General in
8 writing that the attorney
9 general of the State intends
10 to bring a civil action under
11 subclause (I) not later than
12 10 days before initiating the
13 civil action.

14 “(BB) CONTENTS.—
15 The notification required
16 under subitem (AA) with re-
17 spect to a civil action shall
18 include a copy of the com-
19 plaint to be filed to initiate
20 the civil action.

21 “(CC) EXCEPTION.—If
22 it is not feasible for the at-
23 torney general of a State to
24 provide the notification re-
25 quired by subitem (AA) be-

1 fore initiating an action
2 under subclause (I), the at-
3 torney general of the State
4 shall notify the Attorney
5 General immediately upon
6 instituting the civil action.

7 “(bb) INTERVENTION BY
8 THE ATTORNEY GENERAL.—The
9 Attorney General may—

10 “(AA) intervene in any
11 action brought by the attor-
12 ney general of a State under
13 subclause (I); and

14 “(BB) upon intervening
15 under subitem (AA), be
16 heard on all matters arising
17 in the civil action and file
18 petitions for appeal of a de-
19 cision in the action.

20 “(iii) LIMITATION ON STATE ACTION
21 WHILE FEDERAL ACTION IS PENDING.—If
22 the Attorney General institutes an action
23 under clause (i) with respect to a trig-
24 gering event, a State may not, during the
25 pendency of that action, institute an action

1 under clause (ii) against any defendant
2 named in the complaint in the action insti-
3 tuted by the Attorney General based on
4 the same set of facts giving rise to the
5 triggering event with respect to which the
6 Attorney General instituted the action.

7 “(iv) AFFIRMATIVE DEFENSE.—It
8 shall be an affirmative defense in an action
9 under this section if the applicable covered
10 party shows by clear and convincing evi-
11 dence that the covered party could not pre-
12 vent the triggering event.

13 “(C) DEPOSIT.—

14 “(i) IN GENERAL.—Subject to clause
15 (ii), any covered compensation clawed back
16 in an action under this section shall be de-
17 posited in a fund created by the Attorney
18 General and distributed by the Attorney
19 General, in the interests of justice—

20 “(I) to cover shortfalls in the sal-
21 aries, employee benefit plans, or other
22 benefits owed to current or past em-
23 ployees of the target firm negatively
24 affected by the behavior that is the
25 basis of the action; and

1 “(II) to be put to use in the in-
2 terest of serving the health care needs
3 of the harmed community.

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

14 “(b) DEFINITIONS.—In this section:

15 “(1) AFFILIATE.—The term ‘affiliate’ means—
16 “(A) a person that directly or indirectly
17 owns, controls, or holds with power to vote, 5
18 percent or more of the outstanding voting secu-
19 rities of another entity, other than a person
20 that holds such securities—

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

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

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

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

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

20 “(C) a person whose business is operated
21 under a lease or operating agreement by an-
22 other entity, or person substantially all of whose
23 property is operated under an operating agree-
24 ment with that other entity; or

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

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

7 “(A) the power to vote more than 50 per
8 centum of any class of voting securities of a
9 corporation that engages in interstate com-
10 merce; or

11 “(B) any lesser per centum of any class of
12 voting securities of a corporation that engages
13 in interstate commerce that is sufficient to
14 make the acquirer of such an interest a person
15 that has the ability to direct the actions of that
16 corporation.

17 “(3) CONTROL PERSON.—The term ‘control
18 person’—

19 “(A) means—

20 “(i) a person—

21 “(I) that directly or indirectly
22 owns, controls, or holds with power to
23 vote, including through coordination
24 with other persons, 10 percent or

1 more of the outstanding voting inter-
2 ests of a corporation; or

3 “(II) that operates the business
4 or substantially all of the property of
5 a corporation under a lease or an op-
6 erating or management agreement;

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

17 “(iii) a person that otherwise has the
18 ability to direct the actions of a corpora-
19 tion; and

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

21 “(i)(I) is a limited partner with re-
22 spect to a controlling private fund that is
23 a partnership;

1 “(II) does not participate in the direc-
2 tion of the management or policy of a cor-
3 poration; and

4 “(III) is not an insider with respect to
5 the controlling private fund described in
6 subclause (I);

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

13 “(iii) holds the voting interests of a
14 corporation solely—

15 “(I) in a fiduciary or agency ca-
16 pacity without sole discretionary
17 power to vote the securities; or

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

20 “(aa) exercised the power to
21 vote; or

22 “(bb) exercised any other
23 governance rights with respect to
24 the corporation.

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

7 “(5) CORPORATION.—The term ‘corporation’
8 means—

9 “(A) a joint-stock company;

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

16 “(C) a trust; and

17 “(D) an association having a power or
18 privilege that a private corporation, but not an
19 individual or a partnership, possesses.

20 “(6) COVERED COMPENSATION.—The term
21 ‘covered compensation’ means—

22 “(A) salary;

23 “(B) any bonus;

24 “(C) any compensation that is granted,
25 earned, or vested based wholly or in part upon

1 the attainment of any financial reporting meas-
2 ure or other performance metric;

3 “(D) equity-based compensation;

4 “(E) time- or service-based awards;

5 “(F) awards based on nonfinancial
6 metrics;

7 “(G) any monitoring fees, management
8 fees, advisory fees, accelerated monitoring fees,
9 transaction fees, or fees for services not ren-
10 dered;

11 “(H) any profits realized from the buying
12 or selling of securities or assets, including any
13 real property;

14 “(I) any severance pay;

15 “(J) any golden parachute benefit; or

16 “(K) any other transaction similar to a
17 transaction described in subparagraph (H) or
18 (I).

19 “(7) COVERED PARTY.—The term ‘covered
20 party’ means—

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

1 “(B) any current or former shareholder or
2 joint venture partner that participates in the
3 conduct of the affairs of a target firm; or

4 “(C) any private fund.

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

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

11 “(A) director of a corporation;

12 “(B) officer of a corporation;

13 “(C) managing agent of a corporation;

14 “(D) control person with respect to a cor-
15 poration;

16 “(E) affiliate of a corporation;

17 “(F) general partner of a corporation that
18 is a partnership;

19 “(G) consultant or contractor retained by
20 a corporation;

21 “(H) affiliate, relative, or agent of a per-
22 son described in any of subparagraphs (A)
23 through (F); or

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

1 “(10) INTEREST COVERAGE.—The term ‘inter-
2 est coverage’ means the revenue of the target firm
3 less the expenses of the target firm, excluding tax
4 and interest, during the most recent fiscal year of
5 the target firm.

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

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

12 “(A) would be considered an investment
13 company under section 3 of the Investment
14 Company Act of 1940 (15 U.S.C. 80a–3) but
15 for the application of paragraph (1) or (7) of
16 subsection (c) of that section;

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

21 “(C) is not an institution selected under
22 section 107 of the Community Development
23 Banking and Financial Institutions Act of 1994
24 (12 U.S.C. 4706).

1 “(13) RELATIVE.—The term ‘relative’ means
2 an individual related by affinity or consanguinity
3 within the third degree as determined by the com-
4 mon law, or individual in a step or adoptive relation-
5 ship within such third degree.

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

9 “(15) TARGET FIRM.—The term ‘target firm’
10 means a health care corporation that is acquired in
11 a change in control transaction.

12 “(16) TRIGGERING EVENT.—The term ‘trig-
13 gering event’ means—

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

18 “(B) closure of the target firm;

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

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

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

1 “(17) UNJUST ENRICHMENT.—The term ‘un-
2 just enrichment’ means the acquisition of covered
3 compensation by a covered party from the target
4 firm during the 10-year period preceding or suc-
5 ceeding a triggering event if any of the following ag-
6 gravating circumstances are established:

7 “(A) The covered compensation was ob-
8 tained through a dividend recapitalization, a
9 sale-leaseback of real estate or equipment, or a
10 related person transaction, as set forth in sec-
11 tion 229.404 of title 17, Code of Federal Regu-
12 lations.

13 “(B) The covered party has been impli-
14 cated in any white-collar crime, as defined in
15 section 901 of title I of the Omnibus Crime
16 Control and Safe Streets Act of 1968 (34
17 U.S.C. 10251), committed in the course of the
18 current or former employment of the covered
19 party.

20 “(C) The covered party has charged the
21 target firm accelerated monitoring fees or fees
22 for services not rendered.

23 “(D) At the time of the issuance of the
24 covered compensation, or as the result of the
25 issuance of the covered compensation, the tar-

1 get firm had an interest coverage in excess of
2 100 percent.”.

3 (b) **TECHNICAL AND CONFORMING AMENDMENT.**—

4 The table of sections for chapter 31 of title 18, United
5 States Code, is amended by adding at the end the fol-
6 lowing:

“671. Unjust enrichment clawback and criminal penalty.

“672. Criminal penalty.

“673. Civil penalty.

“674. Clawback.”.

7 **SEC. 3. PROHIBITING PAYMENTS FROM FEDERAL HEALTH**
8 **CARE PROGRAMS TO ENTITIES THAT SELL**
9 **ASSETS TO OR USE ASSETS AS COLLATERAL**
10 **FOR A LOAN WITH A REAL ESTATE INVEST-**
11 **MENT TRUST.**

12 Section 1128(a) of the Social Security Act (42 U.S.C.
13 1320a–7(a)) is amended by adding at the end the fol-
14 lowing new paragraph:

15 “(5) **SELLING ASSETS TO OR USING ASSETS AS**
16 **COLLATERAL FOR A LOAN WITH A REAL ESTATE IN-**
17 **VESTMENT TRUST.**—

18 “(A) **IN GENERAL.**—Any individual or en-
19 tity that, on or after the date of enactment of
20 this paragraph, sells any assets to, or newly
21 pledges any assets as collateral for a loan with,
22 a real estate investment trust (as defined in

1 section 856(a) of the Internal Revenue Code of
2 1986).

3 “(B) CLARIFICATION.—Subparagraph (A)
4 shall not apply in the case where an individual
5 or entity agreed to pledge an asset as collateral
6 for a loan with a real estate investment trust
7 prior to the date of enactment of this para-
8 graph, including with respect to any future
9 agreement between the individual or entity and
10 the real estate investment trust regarding that
11 same asset.”.

12 **SEC. 4. REPEAL OF SPECIAL RULE FOR TAXABLE REIT SUB-**
13 **SIDIARIES WITH INTERESTS IN CERTAIN**
14 **HEALTH CARE PROPERTY.**

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

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

19 (2) by striking “qualified health care property
20 or”.

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

23 (1) in subparagraph (A)—

1 (A) by striking “or a qualified health care
2 property (as defined in subsection
3 (e)(6)(D)(i))”,

4 (B) by striking “or qualified health care
5 property”, and

6 (C) by striking “or qualified health care
7 properties”, and

8 (2) in subparagraph (B)—

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

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

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

17 **SEC. 5. ELIMINATION OF QUALIFIED REIT DIVIDENDS**
18 **FROM QUALIFIED BUSINESS INCOME.**

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

22 “(1) IN GENERAL.—The term ‘combined quali-
23 fied business income amount’ means, with respect to
24 any taxable year, an amount equal to the sum of the
25 amounts determined under paragraph (2) for each

1 qualified trade or business carried on by the tax-
2 payer.”.

3 (b) CONFORMING AMENDMENTS.—

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

6 (2) Section 199A(e) of such Code is amended
7 by striking paragraph (3) and by redesignating
8 paragraph (4) as paragraph (3).

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

12 **SEC. 6. MANDATORY REPORTING WITH RESPECT TO CER-**
13 **TAIN HEALTH-RELATED OWNERSHIP INFOR-**
14 **MATION.**

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

18 **“SEC. 1150D. MANDATORY REPORTING WITH RESPECT TO**
19 **CERTAIN HEALTH-RELATED OWNERSHIP IN-**
20 **FORMATION.**

21 **“(a) MANDATORY REPORTING WITH RESPECT CER-**
22 **TAIN HEALTH-RELATED OWNERSHIP INFORMATION.—**

23 **“(1) REPORTING.—**Not later than January 1,
24 2027 (or in the case of a specified entity formed
25 after January 1, 2027, within 60 days of becoming

1 a specified entity), and each year thereafter, each
2 specified entity (as defined in subsection (e)(8))
3 shall submit to the Secretary, in a form and manner
4 specified by the Secretary, a report containing the
5 following information, subject to paragraph (3)(B):

6 “(A) Data on mergers, acquisitions,
7 changes in ownership, changes in control, trans-
8 actions to form new affiliations, changes in
9 partnerships, joint ventures, and/or manage-
10 ment services agreements, to which such speci-
11 fied entity is a party for the previous 1-year pe-
12 riod, including—

13 “(i) the primary reason the reporting
14 entity completed the acquisition; and

15 “(ii) a description of how the acquirer
16 obtained control of the acquiree, and the
17 percentage of ownership acquired (i.e., vot-
18 ing equity interests).

19 “(B) As applicable, the name, address, tax
20 or health plan identification numbers (includ-
21 ing, without limitation, the tax identification
22 number, National Association of Insurance
23 Commissioners identification number, State in-
24 surance identification number, Medicare pro-
25 vider number, and the standard unique health

1 identifier (as described in section 1173(b)) of
2 all health care providers within the specified en-
3 tity that furnish items or services.

4 “(C) The business structure of any con-
5 trolling entity, including the business type and
6 the tax identification number of such entity,
7 other affiliates under common control, subsidi-
8 aries, and management services entities of such
9 specified entity, as of the date of the submission
10 of such report.

11 “(D) Information regarding—

12 “(i) the debt-to-earnings ratio of the
13 specified entity;

14 “(ii) the amount of debt incurred—

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

17 “(II) by the entire specified enti-
18 ty;

19 “(iii) real estate leases and purchases
20 for property used, or intended to be used,
21 to furnish or otherwise support the provi-
22 sion of health care services, including ex-
23 penditures on rents and maintenance,
24 property taxes paid, and the name of the
25 company leased from;

1 “(iv) details of other companies’ revenue sharing arrangement;

2
3 “(v) fees charged or dividends paid to
4 investors;

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

10
11 “(vii) information with respect to any
12 controlling entity of such specified entity.

13
14 “(E) The value of quality payments received for performance under any value-based
15 or other performance-based program such as
16 the shared savings program under section 1899.

17
18 “(F) Any other information with respect to
19 ownership or control of a specified entity, as determined by the Secretary.

20
21 “(G) Any changes to the health care providers within the specified entity that furnish
22 items or services during the previous 1-year period, identified by the National Provider identifier described in section 1173(b).

1 “(H) The domicile and business registra-
2 tion information for any controlling entity or
3 subsidiary of such controlling entity that is
4 domiciled outside of the United States.

5 “(2) AVOIDING DUPLICATE REPORTING.—If a
6 specified entity is owned or controlled by an entity
7 described in subparagraph (G) of subsection (e)(8),
8 only the entity described in such subparagraph (G)
9 shall be required to submit reports under this sub-
10 section with respect to such entity and any specified
11 entity owned or controlled by the entity.

12 “(3) AVAILABILITY OF INFORMATION AND PUB-
13 LIC REPORTING.—

14 “(A) IN GENERAL.—Not later than Janu-
15 ary 1, 2028, and annually thereafter, subject to
16 subparagraph (B), the Secretary shall post on
17 a publicly available website of the Department
18 of Health and Human Services the information
19 reported under this subsection with respect to
20 the previous 1-year period for which the infor-
21 mation was collected.

22 “(B) REQUIREMENT.—In making informa-
23 tion reported under this subsection publicly
24 available under subparagraph (A), the Sec-
25 retary shall do so in a manner that does not

1 disclose the social security number of any indi-
2 vidual provider of services or supplier.

3 “(b) AUDITS.—The Secretary shall conduct an an-
4 nual audit consisting of a random sample of specified enti-
5 ties to verify compliance with the requirements of this sec-
6 tion and the accuracy of information submitted pursuant
7 to this section.

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

17 “(d) INAPPLICABILITY OF PAPERWORK REDUCTION
18 ACT.—Chapter 35 of title 44, United States Code, shall
19 not apply to collections of information made under this
20 section.

21 “(e) DEFINITIONS.—In this section:

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

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

3 “(B) to direct the actions of the specified
4 entity.

5 “(2) CONTROLLING ENTITY.—

6 “(A) IN GENERAL.—The term ‘controlling
7 entity’ means, with respect to any specified en-
8 tity, a parent company or other entity that
9 owns or controls the specified entity through
10 ownership, contractual agreement, or otherwise.

11 “(B) INCLUSION OF REITS.—Such term in-
12 cludes, with respect to a specified entity, a real
13 estate investment trust (as defined in section
14 856 of the Internal Revenue Code of 1986) that
15 owns property where the specified entity fur-
16 nishes health care items or services.

17 “(3) HEALTH PLAN.—The term ‘health plan’
18 has the meaning given such term in section
19 1128C(c).

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

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

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

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

8 “(A) would be considered an investment
9 company under section 3 of the Investment
10 Company Act of 1940 (15 U.S.C. 80a–3) but
11 for the application of paragraph (1) or (7) of
12 subsection (c) of such section 3;

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

17 “(C) is not an institution selected under
18 section 107 of the Community Development
19 Banking and Financial Institutions Act of 1994
20 (12 U.S.C. 4706).

21 “(8) SPECIFIED ENTITY.—The term ‘specified
22 entity’ means—

23 “(A) a hospital or health system;

24 “(B) a physician-owned physician practice
25 (other than a practice described in subpara-

1 graph (C)) that is enrolled in the Medicare pro-
2 gram under title XVIII under section 1866(j);

3 “(C) a physician practice owned, con-
4 trolled, under common control, or under man-
5 agement agreement by a hospital, health sys-
6 tem, a health plan, a private fund, a venture
7 capital fund, a public or private corporation, or
8 any subsidiaries or entities under common con-
9 trol thereof;

10 “(D) an ambulatory surgical center meet-
11 ing the standards specified under section
12 1832(a)(2)(F)(i);

13 “(E) an independent freestanding emer-
14 gency department;

15 “(F) a behavioral health treatment facility,
16 a hospice program (as defined in section
17 1861(dd)(2)), a home health agency, a provider
18 of services or renal dialysis facility that fur-
19 nishes renal dialysis services, or an assisted liv-
20 ing facility;

21 “(G) any entity that owns or controls 1 or
22 more specified entities; and

23 “(H) any other entity specified by the Sec-
24 retary that furnishes health care items and
25 services.

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

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

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

9 (1) conduct a study that evaluates profit-driven
10 practices, including cost-cutting practices and rev-
11 enue-enhancing practices, in health care delivery;
12 and

13 (2) submit to Congress a report describing the
14 results of such study.

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

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

20 (A) overbilling or up-coding;

21 (B) inflated patient severity or patient risk
22 scores;

23 (C) executive and provider compensation
24 designed to increase revenue or profits, such as

1 bonuses based on productivity, relative value
2 units, or service volume;

3 (D) reductions in staff and substitution of
4 patient care staff with technology;

5 (E) changes in the mix of services provided
6 in order to maximize revenue;

7 (F) efforts by private health insurers that
8 are designed to restrict, delay, deny, or discour-
9 age health care access services, such as prior
10 authorization or utilization review mechanisms;
11 and

12 (G) efforts by private health insurers, pri-
13 vate equity firms, and other corporate entities
14 to evade State corporate practice of medicine
15 laws;

16 (2) an evaluation of the impact of such prac-
17 tices on—

18 (A) the quality, safety, and outcomes of
19 patient care;

20 (B) the well-being of personnel providing
21 health care services;

22 (C) the Medicare program under title
23 XVIII of the Social Security Act (42 U.S.C.
24 1395 et seq.);

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

3 (E) health care furnished under the laws
4 administered by the Secretary of Veterans Af-
5 fairs;

6 (F) the health insurance program carried
7 out under chapter 89 of title 5, United States
8 Code;

9 (G) qualified health plans offered through
10 American Health Benefit Exchanges established
11 under section 1311 or 1321 of the Patient Pro-
12 tection and Affordable Care Act (42 U.S.C.
13 18031, 18041); and

14 (H) group health plans and group and in-
15 dividual health insurance coverage, including
16 managed care plans;

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

20 (4) an evaluation of the adequacy of Federal
21 policies designed to prevent and penalize health care
22 fraud and abuse, given health care consolidation and
23 integration, including the transparency of health
24 care entities' financial practices, the enforcement re-

- 1 sources of Federal agencies, and the adequacy of fi-
- 2 nancial and other penalties as deterrents.

