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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2668 Session of 2022

INTRODUCED BY ZABEL, O'MARA, MADDEN, SCHLOSSBERG, DELLOSO, KRAJEWSKI, D. WILLIAMS, GUENST, SHUSTERMAN, WEBSTER, DALEY, HILL-EVANS AND HOWARD, JUNE 13, 2022

REFERRED TO COMMITTEE ON HEALTH, JUNE 13, 2022

AN ACT

Establishing a moratorium on for-profit hospital ownership; and directing the Joint State Government Commission to study and issue a report on for-profit hospitals.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Short title.

This act shall be known and may be cited as the For-Profit Hospital Moratorium Act.

Section 2. Legislative findings.

The General Assembly finds and declares as follows:

(1) From 1999 to 2020, the proportion of non-profit-owned hospitals in Pennsylvania fell by roughly 18% while the proportion of for-profit-owned hospitals grew by nearly 348%.

(2) The strength of this Commonwealth's overall hospital network is critical to the well-being of all Pennsylvania residents.

(3) The for-profit hospital model's diverging interests due to its tax status can result in a different approach to

care and corporate governance.

(4) Financial troubles at some hospitals may stem in part from their status as for-profit institutions.

(5) The ramifications of any potential hospital closures are felt in health centers across this Commonwealth, potentially overtaxing their ability to provide necessary health care.

(6) Total health care expenditures in Pennsylvania more than doubled from 1999 to 2014, rising from more than $54,000,000,000 in 1999 to more than $118,000,000,000 in 2014.

(7) The vast majority of Americans feel that health care expenses are too high and over 50% of Americans say they have avoided needed medical care due to an inability to pay.

(8) For the General Assembly to best address the issue of high health care costs and develop policy, necessary information is essential, including an understanding of the impacts the recent increase in for-profit hospital ownership has had in Pennsylvania.

(9) A moratorium on approvals of any new for-profit hospitals or transfer of ownership would grant the General Assembly the time necessary to conduct a comprehensive review of for-profit hospital entities and their impact on the financial condition of the hospitals they operate, other hospitals in this Commonwealth and the overall health care system.

Section 3. Moratorium.

There shall be a moratorium for 24 months on the transfer of ownership of a hospital or health system in this Commonwealth if the acquiree or the acquirer is a for-profit entity.

Section 4. Study.

Within 18 months of the effective date of this section, the Joint State Government Commission shall conduct a study of for-profit hospital and health system ownership in this Commonwealth that shall include:

(1) Causes for the increase in for-profit hospital and health system ownership that has occurred in this Commonwealth.

(2) Costs and benefits of for-profit versus nonprofit hospital and health system ownership.

(3) Recommendations for policies to improve health care costs and functionality in this Commonwealth.

Section 5. Report.

Within 18 months of the effective date of this section, the Joint State Government Commission shall issue the report on its findings under section 4 to the members of the Senate, the members of the House of Representatives and the Governor.

Section 6. Expiration.

This act shall expire 24 months after the effective date of this section.

Section 7. Effective date.

This act shall take effect immediately.