

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2704 Session of 2022

INTRODUCED BY D. WILLIAMS, HOWARD, SHUSTERMAN, MADDEN, HILL-
EVANS, N. NELSON, SAPPEY, OTTEN, BURGOS, CIRESI, INNAMORATO,
KIM, GUENST, KINSEY, FRANKEL, FITZGERALD, CEPHAS, O'MARA AND
DELLOSO, JUNE 22, 2022

REFERRED TO COMMITTEE ON HEALTH, JUNE 22, 2022

AN ACT

1 Amending the act of July 19, 1979 (P.L.130, No.48), entitled "An
2 act relating to health care; prescribing the powers and
3 duties of the Department of Health; establishing and
4 providing the powers and duties of the State Health
5 Coordinating Council, health systems agencies and Health Care
6 Policy Board in the Department of Health, and State Health
7 Facility Hearing Board in the Department of Justice;
8 providing for certification of need of health care providers
9 and prescribing penalties," in licensing of health care
10 facilities, providing for hospital pricing transparency;
11 providing for acquisition of health care facilities; and
12 imposing duties on the Department of Health and the Attorney
13 General.

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

16 Section 1. The act of July 19, 1979 (P.L.130, No.48), known
17 as the Health Care Facilities Act, is amended by adding a
18 section to read:

19 Section 822. Hospital pricing transparency.

20 (a) Requirement generally.--No later than December 31, 2022,
21 a hospital or hospital system shall establish, update and
22 publish on its publicly accessible Internet website a list of

1 its standard charges for each item or service that it provides
2 as required under section 2718 of the Public Health Service Act
3 (58 Stat. 682, 42 U.S.C. § 300gg-18).

4 (b) Required data elements.--A hospital or hospital system
5 shall include all of the following corresponding data elements
6 in its list of standard charges, as applicable:

7 (1) A description of each item or service provided by
8 the hospital or hospital system.

9 (2) The gross charge that applies to each individual
10 item or service when provided in, as applicable, the hospital
11 inpatient setting and outpatient department setting.

12 (3) The payer-specific negotiated charge that applies to
13 each item or service when provided in, as applicable, the
14 hospital inpatient setting and outpatient department setting.
15 Each payer-specific negotiated charge must be clearly
16 associated with the name of the third-party payer and plan.

17 (4) The de-identified minimum negotiated charge that
18 applies to each item or service when provided in, as
19 applicable, the hospital inpatient setting and outpatient
20 department setting.

21 (5) The de-identified maximum negotiated charge that
22 applies to each item or service when provided in, as
23 applicable, the hospital inpatient setting and outpatient
24 department setting.

25 (6) The discounted cash price that applies to each item
26 or service when provided in, as applicable, the hospital
27 inpatient setting and outpatient department setting.

28 (7) Any code used by the hospital or hospital system for
29 purposes of accounting or billing for the item or service,
30 including, but not limited to, the Current Procedural

1 Terminology (CPT) code, the Healthcare Common Procedure
2 Coding System (HCPCS) code, the Diagnosis Related Group
3 (DRG), the National Drug Code (NDC) or other common payer
4 identifier.

5 (c) Continued obligation.--A hospital or hospital system
6 shall continue to publish its charges and services if:

7 (1) section 2718 of the Public Health Service Act is
8 repealed; or

9 (2) Federal enforcement of section 2718 of the Public
10 Health Service Act is stopped.

11 (d) Definitions.--As used in this section, the following
12 words and phrases shall have the meanings given to them in this
13 subsection unless the context clearly indicates otherwise:

14 "De-identified maximum negotiated charge." The highest
15 charge that a hospital or hospital system has negotiated with
16 all third-party payers for an item or service.

17 "De-identified minimum negotiated charge." The lowest charge
18 that a hospital or hospital system has negotiated with all
19 third-party payers for an item or service.

20 "Discounted cash price." The charge that applies to an
21 individual who pays cash or a cash equivalent for a hospital
22 item or service.

23 "Gross charge." The charge for an individual item or service
24 that is reflected on a hospital's chargemaster, absent any
25 discounts.

26 "Item or service." As follows:

27 (1) Each item or service, including an individual item
28 or service or service package, that could be provided by a
29 hospital to a patient in connection with an inpatient
30 admission or an outpatient department visit for which the

1 hospital has established a standard charge.

2 (2) The term includes, without limitation, the
3 following:

4 (i) Any supply or procedure.

5 (ii) Room and board.

6 (iii) The use of the facility or any item that is
7 generally described as a facility fee.

8 (iv) The service of an employed physician or
9 nonphysician practitioner that is generally reflected as
10 a professional charge.

11 (v) Any other item or service for which a hospital
12 has established a standard charge.

13 "Payer-specific negotiated charge." The charge that a
14 hospital or hospital system has negotiated with a third-party
15 payer for an item or service.

16 "Standard charge." As follows:

17 (1) The regular rate established by a hospital or
18 hospital system for an item or service provided to a specific
19 group of paying patients.

20 (2) The term includes the following:

21 (i) The gross charge.

22 (ii) The payer-specific negotiated charge.

23 (iii) The de-identified minimum negotiated charge.

24 (iv) The de-identified maximum negotiated charge.

25 (v) The discounted cash price.

26 "Third-party payer." An entity that is, by statute, contract
27 or agreement, legally responsible for payment of a claim for a
28 health care item or service.

29 Section 2. The act is amended by adding a chapter to read:

30 CHAPTER 8-A

1 ACQUISITION OF HEALTH CARE FACILITIES

2 Section 801-A. Definitions.

3 The following words and phrases when used in this chapter
4 shall have the meanings given to them in this section unless the
5 context clearly indicates otherwise:

6 "Acquisition." An acquisition by a person of an interest in
7 a hospital or hospital system by purchase, sale, option, merger,
8 lease, gift, joint venture, spin-off, split-off,
9 recapitalization, exchange, conveyance, transfer or otherwise
10 that results in any of the following:

11 (1) A change of ownership or control of 20% or more of
12 the assets, operations or voting securities of the hospital
13 or hospital system.

14 (2) The acquiring person holding or controlling 50% or
15 more of the assets, operations or voting securities of the
16 hospital or hospital system.

17 (3) The direct or indirect transfer of control,
18 responsibility or governance of 20% or more of the assets,
19 operations or voting securities of the hospital or hospital
20 system. For purposes of this paragraph, a transfer includes
21 any of the following:

22 (i) The substitution of a new corporate member that
23 transfers the control of, responsibility for or
24 governance of the hospital or hospital system.

25 (ii) The substitution of one or more members of the
26 governing body or any arrangement, written or oral, that
27 would transfer voting control of the members of the
28 governing body.

29 (iii) Either of the following:

30 (A) The entry into a voting agreement covering,

1 or the deposit into a voting trust regarding, that
2 control, responsibility or governance.

3 (B) The grant of a proxy regarding that control,
4 responsibility or governance.

5 "Department." The Department of Health of the Commonwealth.

6 "Health care services." Medical, surgical, chiropractic,
7 hospital, optometric, podiatric, pharmaceutical, ambulance,
8 mental health, substance use disorder, therapeutic,
9 preventative, diagnostic, curative, rehabilitative, palliative,
10 custodial and any other services relating to the prevention,
11 cure or treatment of illness, injury or disease.

12 "Hospital system." Any of the following:

13 (1) A parent corporation of one or more hospitals and
14 any entity affiliated with the parent corporation through
15 ownership or control.

16 (2) A hospital and any entity affiliated with the
17 hospital through ownership.

18 "Merger." A consolidation of two or more organizations,
19 including two or more organizations joining through a common
20 parent organization or two or more organizations forming a new
21 organization.

22 Section 802-A. Acquisition of health care facilities.

23 (a) Requirement.--A person may not engage in the acquisition
24 of a hospital or hospital system without first having applied
25 for and received the approval of the department under this
26 chapter.

27 (b) Contents of application.--An application under
28 subsection (a) must be submitted to the department and must
29 include the following information:

30 (1) The name of the hospital or hospital system being

1 acquired and the name of the acquiring person or other
2 parties to the acquisition.

3 (2) The acquisition price.

4 (3) A full description of the acquisition agreement.

5 (4) A copy of the acquisition agreement.

6 (5) A statement from the hospital or hospital system's
7 board of directors that explains the effect that the
8 acquisition will likely have on delivery and cost of health-
9 related services to the community served by each facility
10 involved in the acquisition, along with the basis for this
11 opinion. The statement shall also describe all dissenting
12 viewpoints of which the board of directors is aware.

13 (6) If applicable, a copy of the two most recent
14 community needs assessments or any similar evaluations or
15 assessments prepared by or for the hospital or hospital
16 system that is the subject of the acquisition, and the
17 identity of all persons who assisted or contributed to the
18 evaluations or assessments.

19 (7) A description of all charity care provided in the
20 last three years and the projected charity care for three
21 years following the acquisition by each health facility that
22 is the subject of the acquisition agreement. The description
23 must include:

24 (i) Annual total charity care spending.

25 (ii) Inpatient, outpatient and emergency room
26 charity care spending.

27 (iii) A description of how the amount of charity
28 care spending was calculated.

29 (iv) Annual charity care inpatient discharges,
30 outpatient visits and emergency visits.

1 (v) A description of the types of charity care
2 services provided annually.

3 (vi) A description of the policies, procedures and
4 eligibility requirements for the provision of charity
5 care.

6 (8) A description of the health care services currently
7 provided at each facility that is the subject of the
8 acquisition.

9 (9) A description of all services provided by each
10 health care facility that is the subject of the acquisition
11 in the past five years to medical assistance patients,
12 qualified health plan patients and indigent patients. The
13 description must include, at a minimum, the following:

14 (i) The type and volume of services provided.

15 (ii) The payors for the services provided.

16 (iii) The demographic characteristics of and zip
17 code data for the patients served by the hospital or
18 hospital system.

19 (iv) The costs and revenues for the services
20 provided.

21 (10) The following current policies for any hospital
22 that is the subject of the acquisition:

23 (i) Admission policies.

24 (ii) Nondiscrimination policies.

25 (iii) End-of-life policies.

26 (iv) Reproductive health policies.

27 (v) Other policies or information as appropriate.

28 (11) The following post-acquisition policies for any
29 hospital that is the subject of the acquisition:

30 (i) Admission policies.

1 (ii) Nondiscrimination policies.

2 (iii) End-of-life policies.

3 (iv) Reproductive health policies.

4 (v) Other policies or information as appropriate.

5 (12) If the acquisition will have any impact on
6 reproductive health care services provided by any health care
7 facility that is the subject of the acquisition, or any
8 impact on the availability or accessibility of reproductive
9 health care services, a description of all reproductive
10 health care services provided in the last five years by each
11 health care facility that is the subject of the acquisition.
12 The description must include the types and levels of
13 reproductive services, including:

14 (i) Information about contraception provision.

15 (ii) The number of pregnancy terminations, tubal
16 ligations and in-vitro fertilization procedures provided.

17 (iii) A description of how the information under
18 this paragraph was compiled.

19 (13) If the acquisition will have any impact on end-of-
20 life health care services provided by any health care
21 facility that is the subject of the acquisition, or any
22 impact on the availability or accessibility of end-of-life
23 health care services, a description of all end-of-life health
24 care services provided in the last five years by each health
25 care facility that is the subject of the acquisition. The
26 description must include the types and levels of end-of-life
27 services provided and a description of how this information
28 was compiled.

29 (14) If the acquisition will have any impact on gender
30 affirming health care services, provided by any health care

1 facility that is the subject of the acquisition, or any
2 impact on the availability or accessibility of gender
3 affirming health care services, a description of all gender
4 affirming health care services provided in the last five
5 years by each health care facility that is the subject of the
6 acquisition. The description must include the types and
7 levels of gender affirming health care provided, including
8 information about the number of gender affirming surgical
9 procedures provided and a description of how this information
10 was compiled.

11 (15) A description of any community benefit program
12 provided by the hospital or hospital system during the past
13 five years with an annual cost of at least \$10,000 and the
14 annual cost of each program for the past five years.

15 (16) As follows:

16 (i) For each hospital or hospital system that is the
17 subject of the acquisition, a description of the
18 following:

19 (A) The current policies and procedures on
20 staffing for patient care areas.

21 (B) Employee input on health quality and
22 staffing issues.

23 (C) Employee wages, salaries, benefits, working
24 conditions and employment protections.

25 (ii) The description under subparagraph (i) must
26 include a list of all:

27 (A) Existing staffing plans.

28 (B) Policy and procedure manuals.

29 (C) Employee handbooks.

30 (D) Collective bargaining agreements.

1 (E) Similar employment-related documents.

2 (17) For each hospital or hospital system that is the
3 subject of the acquisition, all existing documents specifying
4 any guarantees made by an entity that would be taking over
5 operation or control of the hospital or hospital system
6 relating to employee job security and retraining, or the
7 continuation of current staffing levels and policies,
8 employee wages, salaries, benefits, working conditions and
9 employment protections.

10 (18) For each hospital or hospital system that is the
11 subject of the acquisition, a statement as to whether,
12 following the acquisition, nonstance will be maintained
13 through all communications and usage of funds regarding
14 nonunion employees forming a union.

15 (19) For each hospital or hospital system that is the
16 subject of the acquisition, a statement as to whether any
17 successor of the employer or union will be bound to any
18 existing union certification and any existing collective
19 bargaining agreement.

20 (20) For each hospital or hospital system that is the
21 subject of the acquisition, a description of current debt
22 collection practices and a description of any anticipated
23 changes to debt collection practices following the
24 acquisition.

25 (21) A description of any anticipated postacquisition
26 changes in services at any health care facility that is the
27 subject of the acquisition. If anticipated changes include a
28 reduction, relocation or elimination of a service, the
29 following information must be included:

30 (i) The need that the population presently has for

1 the service.

2 (ii) How the need will be adequately met by the
3 proposed change.

4 (iii) Alternative arrangements designed to meet the
5 identified need.

6 (22) A detailed statement and all documents relating to
7 the parties' plans for assuring the continuance of existing
8 hospital privileges following the acquisition.

9 (23) A detailed statement and all documents relating to
10 the parties' plans for ensuring the maintenance of
11 appropriate health science research and health care provider
12 education following the acquisition.

13 (24) A detailed statement and all documents relating to
14 the parties' plans for ensuring safeguards to avoid conflict
15 of interest in postacquisition patient referral.

16 (25) A detailed statement and all documents relating to
17 the parties' commitment and plans to provide health care to
18 the disadvantaged, the uninsured and the underinsured and how
19 benefits to promote improved health in the affected community
20 will be provided following the acquisition.

21 (26) A description of each measure proposed by the
22 applicant to mitigate or eliminate any potential adverse
23 effect on the availability or accessibility of health care
24 services to the affected community that may result from the
25 acquisition.

26 (27) A list of the primary languages spoken at the
27 hospital or hospital system and the threshold languages for
28 medical assistance health beneficiaries, as determined by the
29 department for the county in which any health care facility
30 that is the subject of the acquisition is located.

1 (28) For each hospital or hospital system that is the
2 subject of the acquisition or otherwise involved in the
3 acquisition, a financial and economic analysis and report
4 from an independent expert or consultant that includes a
5 description of current costs and competition in the relevant
6 geographic and product market and any anticipated changes in
7 the costs and competition as a result of the acquisition.

8 (29) Any other information deemed necessary by the
9 department.

10 (c) Public records.--An application and all related
11 documents shall be deemed public records and accessible for
12 inspection and duplication in accordance with the act of
13 February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

14 (d) Fee.--The department shall charge an applicant fee
15 sufficient to cover the costs of implementing this chapter.

16 (e) Multiple acquisitions.--If a hospital or hospital system
17 has engaged in multiple acquisitions, in a manner designed to
18 avoid review by the department and Attorney General under this
19 chapter, all related agreements or transactions shall be
20 considered and analyzed as a single acquisition for purposes of
21 this chapter.

22 Section 803-A. Completed applications.

23 (a) Completeness.--The department shall determine if an
24 application in accordance with section 802-A is complete for the
25 purposes of review. If the department determines that an
26 application is incomplete, it shall notify the applicant within
27 30 business days after the date the application was received
28 stating the reasons for its determination of incompleteness.

29 (b) Receipt.--A completed application shall be deemed
30 received on the date when all the information required by

1 section 802-A has been submitted to the department.

2 (c) Notice.--

3 (1) Within five business days after receipt of a
4 completed application, the department shall:

5 (i) Publish notice of the application:

6 (A) On the publicly accessible Internet website
7 of the department.

8 (B) In a newspaper of general circulation in the
9 county or counties where the hospital or hospital
10 system has health care facilities that are the
11 subject of the acquisition.

12 (ii) Notify, by first-class United States mail,
13 email or facsimile transmission, any person who has
14 requested notice of the filing of the application.

15 (2) The notice must:

16 (i) State that the application has been received.

17 (ii) State the names of the parties to the
18 agreement.

19 (iii) Describe the contents of the application.

20 (iv) State the date and process by which a person
21 may submit written comments about the application to the
22 department.

23 Section 804-A. Public hearings.

24 (a) Hearing requirements.--During the course of review under
25 this chapter, the department shall conduct one or more public
26 hearings, at least one of which shall be in a county where the
27 hospital or hospital system to be acquired is located. The
28 following apply:

29 (1) At the hearings, anyone may file written comments
30 and exhibits or appear and make a statement.

1 (2) The department may subpoena additional information
2 or witnesses, require and administer oaths, require sworn
3 statements, take depositions and use related discovery
4 procedures for purposes of the hearing and at any time prior
5 to making a decision on the application.

6 (b) Timing.--A public hearing under this section must be
7 held no later than 45 days after receipt of a completed
8 application, unless the department determines that a new health
9 care impact statement is required in accordance with section
10 805-A, in which case a public hearing must be held no later than
11 30 days after the health care impact statement is completed.

12 (c) Notice.--

13 (1) At least 30 days prior to the public hearing, the
14 department shall provide notice of the time and place of the
15 hearing on its publicly accessible Internet website and to
16 any person who has requested notice in writing, unless a new
17 health care impact statement is required in accordance with
18 section 805-A, in which case the department shall provide at
19 least 15 days notice of the public hearing.

20 (2) At least 30 days prior to the public hearing, the
21 following apply, unless a new health care impact statement is
22 required in accordance with section 805-A, in which case the
23 parties shall provide at least 15 days notice:

24 (i) The parties to the acquisition agreement shall
25 provide notice of the time and place of the hearing:

26 (A) Through publication in a newspaper of
27 general circulation in the affected communities.

28 (B) At the public entrance and on the bulletin
29 boards designated for legal or public notices of any
30 health care facility that is affected by the

1 acquisition.

2 (C) Prominently on the website available to the
3 public of any health care facility that is affected
4 by the acquisition.

5 (D) Prominently on the website available to the
6 employees of any health care facility that is
7 affected by the acquisition.

8 (ii) (Reserved).

9 (3) Each notice under this subsection shall be provided
10 in English and in the languages spoken in the county or
11 counties in which the health care facilities are located or
12 provide care.

13 (d) Summary report.--Within 15 business days of the last
14 public hearing, the department shall compile a summary report of
15 each public hearing proceeding and post the summary report on
16 its publicly accessible Internet website. The department shall
17 also provide a copy of the summary report to the Attorney
18 General.

19 (e) Changes.--If after the initial public hearing there is
20 any change in the terms of the acquisition that materially
21 alters any of the information that the parties to the
22 acquisition provided under section 802-A(b), the department
23 shall conduct an additional public hearing to ensure adequate
24 public comment regarding the proposed change.

25 Section 805-A. Health care impact statements.

26 (a) Authorization.--The department shall engage an
27 independent contractor to prepare an independent health care
28 impact statement for any acquisition that satisfies any of the
29 following conditions:

30 (1) The acquisition directly affects a hospital that is

1 licensed under chapter 8 and has more than 50 acute care
2 beds.

3 (2) There is a reasonable basis to conclude that the
4 acquisition may significantly reduce the availability or
5 accessibility or cost of any existing health care service.

6 (b) Construction.--Nothing in this section shall preclude
7 the department from obtaining an independent health care impact
8 statement or any other report that is not required under this
9 section.

10 (c) Contents.--An independent health care impact statement
11 must contain the following information:

12 (1) An assessment of the effect of the acquisition on
13 emergency services, reproductive health care services, end-
14 of-life health care services, gender affirming health care
15 services and any other health care services that the hospital
16 or hospital system is providing.

17 (2) An assessment of the effect of the acquisition on
18 the level and type of charity care that the hospital or
19 hospital system has historically provided.

20 (3) An assessment of the effect of the acquisition on
21 the provision of health care services to medical assistance
22 patients, patients with disabilities, women, racial and
23 ethnic minorities, lesbian, gay, bisexual, transgender and
24 queer patients and other underserved or marginalized
25 populations.

26 (4) An assessment of the effect of the acquisition on
27 any community benefit program that the hospital or hospital
28 system has historically funded or operated.

29 (5) An assessment of the effect of the acquisition on
30 staffing for patient care areas as it may affect availability

1 of care, on the likely retention of employees as it may
2 affect continuity of care and on the rights of employees to
3 provide input on health quality and staffing issues.

4 (6) An assessment of the effect of the acquisition on
5 the cost of patient care.

6 (7) An assessment of the effectiveness of any mitigation
7 measure proposed by the applicant to reduce any potential
8 adverse effect on health care services identified in the
9 health care impact statement.

10 (8) A discussion of alternatives to the acquisition,
11 including closure of the hospital or hospital system.

12 (9) Recommendations for additional feasible mitigation
13 measures that would reduce or eliminate any significant
14 adverse effect on health care services identified in the
15 health care impact statement.

16 (d) Consideration.--The information contained in a health
17 care impact statement shall be used in considering whether the
18 acquisition may negatively impact the availability or
19 accessibility of health care services as specified in section
20 807-A.

21 (e) Copies.--A copy of a health care impact statement shall
22 be made available to any individual or entity that has requested
23 a copy.

24 Section 806-A. Duties of department.

25 (a) Determination.--The department shall review the
26 completed application and, within 45 days of the last public
27 hearing held under section 804-A, shall determine whether the
28 acquisition meets the requirements for approval in section 807-
29 A. At that point, the department shall:

30 (1) approve the acquisition, with or without any

1 specific modifications or conditions; or

2 (2) disapprove the acquisition.

3 (b) Conditions.--

4 (1) Subject to paragraphs (2) and (3), the department
5 may impose conditions on an acquisition to ensure the
6 requirements of section 807-A are met and that sufficient
7 safeguards are in place to ensure that communities have
8 continued or improved access to affordable quality care.

9 (2) The department may not make its decision subject to
10 any condition not directly and rationally related to
11 requirements in section 807-A.

12 (3) Any condition or modification must bear a direct and
13 rational relationship to the application under review.

14 (c) Disapproval.--If the department disapproves the
15 acquisition, the disapproval shall constitute a final decision.

16 (d) Challenges.--A person engaged in an acquisition and
17 affected by a final decision of the department or a person
18 residing in a community affected by a final decision of the
19 department has the right to an adjudicative proceeding to
20 challenge the decision of the department. The adjudicative
21 proceeding shall be governed by 2 Pa.C.S. (relating to
22 administrative law and procedure).

23 (e) Extensions.--The department may extend, by not more than
24 30 days, any deadline established under this chapter one time
25 during consideration of any application, for good cause.

26 (f) Contracts and reimbursement.--The department may
27 contract with and provide reasonable reimbursement to qualified
28 persons to assist in determining whether the requirements of
29 section 807-A have been met.

30 (g) Rules and regulations.--The department may adopt rules

1 and regulations necessary to implement this chapter.

2 Section 807-A. Approval of acquisition.

3 The department:

4 (1) Shall only approve an application for an acquisition
5 if the acquisition will not detrimentally affect the
6 continued existence of accessible and affordable health care
7 that is responsive to the needs of the communities in which
8 the hospital or hospital system health facilities are
9 located.

10 (2) May not approve an application unless, at a minimum,
11 the department determines that:

12 (i) After the acquisition, the affected community
13 will have the same or greater access to quality,
14 affordable care, including reproductive, end-of-life and
15 gender affirming health care services, and that, if the
16 health care facilities that are the subject of the
17 acquisition will not provide these services, there are
18 alternative sources of quality affordable care in the
19 community that will ensure the community has the same or
20 greater access to these services.

21 (ii) The acquisition will not result in the
22 revocation of hospital privileges.

23 (iii) Sufficient safeguards are included to maintain
24 appropriate capacity for health science research and
25 health care provider education.

26 (iv) The acquiring person and parties to the
27 acquisition are committed to providing health care to the
28 disadvantaged, the uninsured and the underinsured and to
29 providing benefits to promote improved health in the
30 affected community.

1 (v) Sufficient safeguards are included to avoid
2 conflict of interest in patient referral.

3 Section 808-A. Duty of Secretary of the Commonwealth.

4 The Secretary of the Commonwealth may not accept any forms or
5 documents in connection with any acquisition of a hospital or
6 hospital system until the acquisition has been approved by the
7 department under this chapter.

8 Section 809-A. Reports.

9 (a) Compliance.--The department shall monitor ongoing
10 compliance with the terms and conditions of the acquisition for
11 at least 10 years from when the acquisition agreement is
12 finalized. The following apply:

13 (1) The department shall require periodic reports from
14 the parties to the acquisition or any successor persons to
15 ensure compliance with commitments made. The department shall
16 determine the frequency of the periodic reports, but the
17 periodic reports shall be made at least annually.

18 (2) The department may subpoena information and
19 documents and may conduct on-site compliance audits at the
20 acquiring person's expense.

21 (b) Experts and consultants.--To effectively monitor ongoing
22 compliance with the terms and conditions of the acquisition, the
23 department may, in its discretion, contract with experts and
24 consultants. Contract costs may not exceed an amount that is
25 reasonable and necessary to conduct the review and evaluation.

26 (c) Reimbursement.--The department shall be entitled to
27 reimbursement from the acquiring person for all actual and
28 direct costs incurred in monitoring ongoing compliance with the
29 terms and conditions of the acquisition, including contract and
30 administrative costs. The following apply:

1 (1) The department may bill the acquiring person or any
2 successor for the costs incurred.

3 (2) The acquiring person or successor billed by the
4 department under paragraph (1) shall promptly pay for the
5 costs incurred.

6 (3) If the acquiring person or successor fails to pay
7 the costs incurred within 30 days, the department may assess
8 a civil fine.

9 (d) Hearing.--If the department has reason to believe or
10 receives information indicating that the acquiring person or
11 successor is not fulfilling commitments to the affected
12 community under section 807-A, including the acquiring person or
13 successor not complying with any conditions imposed by the
14 department under section 806-A, the department shall hold a
15 hearing upon 10 days' notice to the affected parties. The
16 following apply:

17 (1) The cost of the hearing and any onsite reviews
18 related to determining the validity of the information shall
19 be borne by the acquiring person or successor.

20 (2) If after the hearing the department determines that
21 the acquiring person or successor is not fulfilling its
22 commitments to the affected community under section 807-A,
23 the department may:

24 (i) Revoke or suspend the license issued to the
25 acquiring person or successor or impose civil fines until
26 the acquiring person or successor submits or begins to
27 follow a corrective plan of action.

28 (ii) Refer the matter to the Attorney General for
29 appropriate action. The Attorney General may seek a court
30 order compelling the acquiring person to fulfill its

1 commitments under section 807-A.

2 Section 810-A. Duties of Attorney General.

3 (a) Duties.--The Attorney General may:

4 (1) Ensure compliance with commitments that inure to the
5 public interest.

6 (2) Take legal action to enforce this chapter and any
7 conditions that the department imposes on the approval of the
8 acquisition.

9 (3) Obtain damages, injunctive relief, attorney fees and
10 other relief as the court deems necessary to ensure
11 compliance with this chapter.

12 (4) Seek an injunction to prevent any acquisition not
13 approved by the department under this chapter.

14 (b) Construction.--No provision of this chapter shall
15 derogate from any authority granted to the Attorney General
16 under law.

17 Section 811-A. Study.

18 The department shall conduct a study on the impact that
19 provider organization acquisitions have on access to affordable
20 quality health care services throughout the communities of this
21 Commonwealth. The following apply:

22 (1) The study shall address health care services
23 generally and specifically address access to reproductive,
24 end-of-life and gender affirming health care services.

25 (2) For purposes of the study, the department shall
26 consult with health care providers, health care advocates and
27 community members to determine both the scope of the study
28 and what constitutes a provider organization, but a provider
29 organization shall not include a hospital or hospital system
30 as defined under this chapter.

1 Section 812-A. Review.

2 If a hospital or hospital system is subject to a review by
3 the department, the review shall be concurrent with the review
4 under this chapter, to the extent practicable.

5 Section 3. This act shall take effect January 1, 2023.