
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1270 Session of
2022

INTRODUCED BY KEARNEY, CAPPELLETTI, KANE, A. WILLIAMS, SAVAL,
COSTA AND FONTANA, JULY 18, 2022

REFERRED TO HEALTH AND HUMAN SERVICES, JULY 18, 2022

AN ACT

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

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

6 Section 1. Short title.

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

9 Section 2. Legislative findings.

10 The General Assembly finds and declares as follows:

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

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

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

1 care and corporate governance.

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

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

8 (6) Total health care expenditures in Pennsylvania more
9 than doubled from 1999 to 2014, rising from more than
10 \$54,000,000,000 in 1999 to more than \$118,000,000,000 in
11 2014.

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

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

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

27 Section 3. Moratorium.

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

1 Section 4. Study.

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

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

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

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

13 Section 5. Report.

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

18 Section 6. Expiration.

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

21 Section 7. Effective date.

22 This act shall take effect immediately.