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**THE GENERAL ASSEMBLY OF PENNSYLVANIA**

SENATE BILL

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| No. | 8 | Session of2024 |

INTRODUCED BY

REFERRED TO HEALTH AND HUMAN SERVICES

AN ACT

Enacting Health Systems Protections.

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

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

CHAPTER 8-C

HEALTH SYSTEMS PROTECTION

Section 801-C. Requires for-profit health systems, which own and operate one or more hospitals, hospice agencies or nursing homes, to file notice and documentation to the Office of the Attorney General before completing critical transactions, including, but not limited to:

1. Sale-leaseback agreements.
2. Purchases or sales of health system facilities or real estate.
3. Dividend recapitalization.
4. Private practice roll-ups.
5. Changes in majority owner equity stakes.

Section 802-C. Acquisition of health systems against the public interest.

1. General rule.--No person shall sell, transfer, lease, exchange, option or otherwise encumber an amount of equal to $10,000,000 or more of a health system's assets or operations in a manner that is against the public interest.
2. Against public interest is defined as where the effect of an action includes, as determined by the Attorney General, any of the following impacts:

(1) Reduced competition or increased costs for health care payers, purchasers or consumers.

(2) Unfair methods of competition in or affecting health care commerce or unfair or deceptive acts or practices in or affecting health care commerce.

(3) Reduced quality of care, including the ability to offer culturally competent and appropriate care.

(4) Reduced access to or availability of health care for payers, purchasers or consumers.

(5) Reduced access to care in a rural, low-income or disadvantaged community.

1. Exception.--An action prohibited under subsection (a) may be permitted when, as determined by the Attorney General, there is no feasible alternative to prevent a health system's closure or greater loss of health services.

Section 803-C. Public hearings and notice.

(a) Format.—Within 30 days of a for-profit health system filing notice and documentation, a public hearing is required by the Attorney General, and shall be live-streamed on the Attorney General's publicly accessible Internet website. A video recording of the public hearing shall be posted on the Attorney General's publicly accessible Internet website.

(b) Specific entities.--If any agreement or transaction involves acquiring a medical group or a hospital or hospital system, or any portion of the acquired entity, the Attorney General shall hold a public hearing in any county in which the acquired entity is located to hear comments from interested parties. Interested parties shall include, but are not limited to, legal aid and health advocacy organizations within a county in which the acquired entity is located.

(c) Notice.--At least 14 days before the date of the public hearing, the Attorney General shall provide written notice of the time and place of the public hearing.

Section 804-C. Determination and restraining prohibited transactions.

(a) Determination.—Within 30 days of the public hearing, the Attorney General shall determine whether the proposed agreement or transaction may be against the public interest.

(b) Action.--If the Attorney General determines that the proposed agreement or transaction is against the public interest, the Attorney General may commence an action in a court of competent jurisdiction to enjoin the agreement or transaction.

Section 805-C. Civil penalty, compliance and power of court.

The following shall apply:

(1) A for-profit health system who fails to comply with this chapter shall be subject to a fine of not less than $10,000 for each day of noncompliance.

Section 806-C. This act shall take effect in 60 days.