Health Over Wealth Act

Senator Ed Markey (D-Mass.) and Representative Pramila Jayapal (WA-7)

The Health Over Wealth Act would set essential guardrails for private equity in America's healthcare system and guarantee that corporate wealth will not come before public health.

1. TRANSPARENCY

The bill would require that private equity-owned healthcare entities, including hospitals, mental and behavioral healthcare facilities, nursing homes, and suppliers of durable medical equipment, report on their debt, executive pay, lobbying and political spending, healthcare costs for patients, and any reductions in services to patients or wages and benefits for staff.

2. PATIENT AND HEALTH PROVIDER PROTECTIONS

The bill would require that private equity-owned firms set up escrow accounts for healthcare entities they own to cover five years of operation and capital expenses to ensure that essential healthcare is still being provided in the event of financial disruptions that could risk hospital closure or service reduction. These accounts would have to include sufficient supplemental funding for neighboring non-profit and community health providers who are taking on their patients in the event of a closure or service reduction.

The bill would require that private equity firms obtain a license from the Department of Health and Human Services (HHS) in order to invest in healthcare entities. If the firm price gouges, understaffs its facility, or reduces access to care, HHS can revoke this license and force divesture from healthcare facilities. The bill would also require that healthcare entities who wish to sell or lease from Real Estate Investment Trusts (REITs) submit to HHS for review and potential block if the sale would mean the entity is weakened financially or public health is at risk.

The bill would also require that, prior to hospital closures or service reductions, hospitals notify the public, receive public comment, and create a plan to preserve healthcare access.

3. ACCOUNTABILITY FOR CORPORATE GREED

The bill would also establish a task force at HHS to review the role of private equity and consolidation in healthcare. The task force would monitor changes in the marketplaces, address and limit the role of private equity, and identify patterns by private equity or market consolidation that exacerbate healthcare inequities.

4. HEALTHCARE QUALITY, ACCESS, AND SAFETY

The bill would prohibit private equity firms from stripping assets from healthcare entities. Investment firms would be prohibited from undermining the quality or safety of, or access to healthcare. The bill would also require that bankruptcy courts, in evaluating the bankruptcy plan, to give substantial weight to how the plan allows for the maintenance of healthcare access and quality. It would also take into consideration the retention of healthcare providers and staff.

5. CLOSING TAX LOOPHOLES FOR HEALTHCARE REAL ESTATE INVESTORS

The bill would close tax loopholes for REITs for rental income from healthcare properties to disincentive selling health entities selling their property and being forced to pay unsustainable rent to REITs.