

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 health care system and guarantee that corporate wealth will not come before public health.

1. TRANSPARENCY

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

2. PROTECTIONS FOR PATIENTS AND HEALTH PROVIDERS

The bill would require that private equity-owned firms set up escrow accounts for health care entities they own to cover five years of operation and capital expenses to ensure that essential health care 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 health care entities. If the firm price gauges, understaffs its facility, or reduces access to care, HHS can revoke this license and force divestiture from health care facilities. The bill would also require that health care 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 health care 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 health care. 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 health care inequities.

4. HEALTH CARE QUALITY, ACCESS, AND SAFETY

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

5. CLOSED TAX LOOPHOLES FOR HEALTH CARE REAL ESTATE INVESTORS

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