
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1954 Session of
2024

INTRODUCED BY O'MARA, KAZEEM, BOROWSKI, MADDEN, ISAACSON,
D. WILLIAMS, KHAN, DELLOSO, HOWARD, HANBIDGE, SANCHEZ,
PASHINSKI, GREEN, OTTEN, MAYES, SHUSTERMAN, GUENST AND
DONAHUE, JANUARY 9, 2024

REFERRED TO COMMITTEE ON HEALTH, JANUARY 9, 2024

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

1 due to its tax status can result in a different approach to
2 care and corporate governance.

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

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

9 (6) Total health care expenditures in Pennsylvania more
10 than doubled from 1999 to 2014, rising from more than
11 \$54,000,000,000 in 1999 to more than \$118,000,000,000 in
12 2014.

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

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

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

28 Section 3. Moratorium.

29 There shall be a moratorium for 24 months on the transfer of
30 ownership of a hospital or health system in this Commonwealth if

1 the acquiree or the acquirer is a for-profit entity.

2 Section 4. Study.

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

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

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

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

14 Section 5. Report.

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

19 Section 6. Expiration.

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

22 Section 7. Effective date.

23 This act shall take effect immediately.