“Health Over Wealth Act” Seeks to Regulate Private Equity in Healthcare



8/30/2024

Both the U.S. House of Representatives and Senate are now considering the “Health Over Wealth Act,” introduced by Senator Ed Markey and Representative Pramila Jayapal on July 25, 2024, which seeks to gain transparency over for-profit and private equity-owned health care entities by introducing stringent reporting requirements. The proposed reporting requirements would require for-profit and private equity-owned health care entities, such as physician practices, hospitals, mental and behavioral health care facilities, and nursing homes to report information such as debt, executive pay, political spending, patient health care costs, reductions in services to patients and reductions in wages and benefits for staff. The bill would also require private equity-owned health entities to establish escrow funds with sufficient capital to cover five years of operating expenses and obtain a license from the Department of Health and Human Services in order to invest in health care entities, and would prohibit private equity from “stripping” assets from health care entities.

This proposed legislation follows similar laws that have been proposed in several states, including proposed legislation in California, that seek to put significant constraints on private equity investment in health care entities.

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