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(Original Signature of Member)

119TH CONGRESS
2^D SESSION

H. R. _____

To amend title XVIII of the Social Security Act to prevent hospitals or skilled nursing facilities that are owned by certain firms from participating in the Medicare program.

IN THE HOUSE OF REPRESENTATIVES

Ms. SCANLON introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title XVIII of the Social Security Act to prevent hospitals or skilled nursing facilities that are owned by certain firms from participating in the Medicare program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Take Back Our Hos-
5 pitals Act of 2026”.

1 **SEC. 2. PREVENTING HOSPITALS AND SKILLED NURSING**
2 **FACILITIES OWNED BY CERTAIN FIRMS FROM**
3 **PARTICIPATING IN MEDICARE.**

4 Section 1862 of the Social Security Act (42 U.S.C.
5 1395y) is amended by adding at the end the following new
6 subsection:

7 “(p) PROHIBITION ON PAYMENTS TO HOSPITALS
8 AND SKILLED NURSING FACILITIES OWNED BY CERTAIN
9 FIRMS.—

10 “(1) IN GENERAL.—

11 “(A) PROHIBITION.—No payment may be
12 made under this title to a hospital or skilled
13 nursing facility that is owned or controlled by
14 a covered firm or an affiliate of a covered firm.

15 “(B) EXCEPTION.—If, on the date of en-
16 actment of this subsection, a hospital or skilled
17 nursing facility is owned or controlled by a cov-
18 ered firm or an affiliate of such a firm, such
19 hospital or skilled nursing facility shall not be
20 considered in violation of subparagraph (A)
21 until the date that is 3 years after such date of
22 enactment.

23 “(2) NOTICE, HEARING, AND JUDICIAL RE-
24 VIEW.—Any hospital or skilled nursing facility found
25 to be in violation of paragraph (1) shall be entitled

1 to reasonable notice and opportunity for hearing as
2 described in section 1128(f).

3 “(3) JOINT AND SEVERAL LIABILITY.—A cov-
4 ered firm or an affiliate of such a firm that owns or
5 is an affiliate of a hospital or skilled nursing facility
6 that is in violation of paragraph (1) shall be jointly
7 and severally liable for any penalty or obligation
8 such hospital or skilled nursing facility receives for
9 such violation.

10 “(4) DEFINITIONS.—In this subsection:

11 “(A) AFFILIATE.—The term ‘affiliate’
12 means an entity that controls, is controlled by,
13 or is under common control with another entity.

14 “(B) CONTROL.—

15 “(i) IN GENERAL.—The term ‘control’
16 means to possess the power, directly or in-
17 directly, to direct, or cause the direction of,
18 the management, administrative functions,
19 assets, or policies of an entity through
20 owning voting securities in such entity,
21 contracting with such entity (except for
22 contracting with such entity for goods or
23 non-management services), or other similar
24 means, as determined by the Secretary.

1 “(ii) VOTING SECURITIES.—A person
2 shall be considered to control an entity if
3 such person directly or indirectly owns, has
4 rights over, or holds with the power to
5 vote, 10 percent or more of the voting se-
6 curities of such entity.

7 “(C) CORPORATION.—The term ‘corpora-
8 tion’ means—

9 “(i) a joint-stock company;

10 “(ii) a company or partnership asso-
11 ciation organized under a law that makes
12 only the capital subscribed or callable up
13 to a specified amount responsible for the
14 debts of the company or partnership asso-
15 ciation, and includes a limited partnership
16 and a limited liability company;

17 “(iii) a trust; or

18 “(iv) an association that—

19 “(I) possesses the power or privi-
20 lege of a private corporation under
21 State law; and

22 “(II) does not possess the power
23 or privilege of a sole proprietorship or
24 partnership under State law.

1 “(D) COVERED FIRM.—The term ‘covered
2 firm’ means—

3 “(i) a private equity fund;

4 “(ii) a corporation that is owned or
5 controlled by a private equity fund; or

6 “(iii) a real estate investment trust.

7 “(E) PRIVATE EQUITY FUND.—The term
8 ‘private equity fund’ means a person who—

9 “(i) would be considered an invest-
10 ment company under section 3 of the In-
11 vestment Company Act of 1940 (15 U.S.C.
12 80a-3) but for the application of para-
13 graph (1) or (7) of subsection (c) of such
14 section; and

15 “(ii) directly, or through an affiliate,
16 acts as a control person of such company.

17 “(F) REAL ESTATE INVESTMENT TRUST.—
18 The term ‘real estate investment trust’ has the
19 meaning given such term in section 856 of the
20 Internal Revenue Code of 1986.”.