

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

Healthcare Law Update

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Jonathan J. Walzman
Member, Healthcare

Edward Hilzenrath
Member, Healthcare

Andrew Kuder
Associate, Healthcare

BRACH | EICHLER^{LLC}
Counsellors at Law

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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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For more information, contact:

John D. Fanburg, Chair | 973.403.3107 | jfanburg@bracheichler.com

Edward Hilzenrath | 973.403.3114 | ehilzenrath@bracheichler.com

Andrew Kuder | 973.403.3141 | akuder@bracheichler.com

Authors

The following attorneys contributed to this insight.



John D. Fanburg

Managing Member
Healthcare Law, Cannabis Industry
973.403.3107 · 973.618.5507 Fax
jfanburg@bracheichler.com



Edward Hilzenrath

Member
Healthcare Law
973.403.3114 · 973.618.5594 Fax
ehilzenrath@bracheichler.com



Andrew M. Kuder

Associate
Healthcare Law
973.403.3141 · 973.618.5955 Fax
akuder@bracheichler.com