

Union Calendar No. 672

118TH CONGRESS
2D SESSION

H. R. 3284

[Report No. 118–765, Parts I and II]

To require the Secretary of Health and Human Services to submit an annual report on the impact of certain Medicare regulations on provider and payer consolidation.

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2023

Mr. BURGESS (for himself, Mrs. DINGELL, Mr. FERGUSON, and Mr. BILIRAKIS) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

NOVEMBER 22, 2024

Reported from the Committee on Energy and Commerce with an amendment
[Strike out all after the enacting clause and insert the part printed in italic]

NOVEMBER 22, 2024

Referral to the Committee on Ways and Means extended for a period ending not later than December 19, 2024

DECEMBER 5, 2024

Additional sponsor: Ms. LEE of Nevada

DECEMBER 5, 2024

Reported from the Committee on Ways and Means with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in boldface roman]

[For text of introduced bill, see copy of bill as introduced on May 15, 2023]

A BILL

To require the Secretary of Health and Human Services to submit an annual report on the impact of certain Medicare regulations on provider and payer consolidation.

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 “Providers and Payers*
5 *COMPETE Act”.*

6 **SEC. 2. ANNUAL REPORT ON THE IMPACT OF CERTAIN**
7 **MEDICARE REGULATIONS ON PROVIDER AND**
8 **PAYER CONSOLIDATION; PUBLIC COMMENT**
9 **ON PROVIDER AND PAYER CONSOLIDATION**
10 **FOR CERTAIN PROPOSED RULES.**

11 *(a) ANNUAL REPORT.—Not later than December 31,*
12 *2026, and annually thereafter, the Secretary of Health and*
13 *Human Services (in this section referred to as the “Sec-*
14 *retary”)* shall submit to Congress a report on the impact
15 *in the aggregate on provider and payer consolidation with*
16 *respect to regulations and rules for parts A, B, C, and D*
17 *of title XVIII of the Social Security Act (42 U.S.C. 1395c*
18 *et seq.) implemented in the calendar year immediately*
19 *prior to such report. Such report shall include regulations*
20 *and rules that—*

21 *(1) implement a change to an applicable pay-*
22 *ment system, a rate schedule, or another payment sys-*
23 *tem under parts A, B, C, or D of such title; or*

24 *(2) result in a significant rule effecting provider*
25 *or payer consolidation.*

1 (b) *PUBLIC COMMENT ON IMPACT TO PROVIDER AND*
2 *PAYER CONSOLIDATION.*—Beginning for 2025, as part of
3 any notice and comment rulemaking process that could re-
4 sult in a significant rule affecting provider or payer con-
5 solidation with respect to a proposed rule for parts A, B,
6 C, and D of title XVIII of the Social Security Act (42
7 U.S.C. 1395c et seq.), the Secretary shall seek public com-
8 ment on the potential impact of such proposed rule on pro-
9 vider and payer consolidation in the aggregate.

10 (c) *DEFINITIONS.*—In this section:

11 (1) *PROVIDER AND PAYER CONSOLIDATION.*—The
12 term “provider and payer consolidation” includes the
13 vertical or horizontal integration among providers of
14 services (as defined in subsection (u) of section 1861
15 of the Social Security Act (42 U.S.C. 1395x)), sup-
16 pliers (as defined in subsection (d) of such section),
17 accountable care organizations under section 1899 of
18 the Social Security Act (42 U.S.C. 1395jjj), Medicare
19 Advantage organizations, PDP sponsors, pharmacy
20 benefit managers, pharmacies, and integrated delivery
21 systems.

22 (2) *APPLICABLE PAYMENT SYSTEM.*—The term
23 “applicable payment system” includes—

24 (A) with respect to outpatient hospital serv-
25 ices, the prospective payment system for covered

1 *OPD services established under section 1833(t) of*
2 *such Act (42 U.S.C. 1395(l)); and*

3 *(B) with respect to physicians' services, the*
4 *physician fee schedules established under section*
5 *1848 of such Act (42 U.S.C. 1395w-4).*

6 **SEC. 3. CONSIDERATION OF EFFECTS ON PROVIDER AND**
7 **PAYER CONSOLIDATION WITH RESPECT TO**
8 **CMI MODELS.**

9 *(a) IN GENERAL.—Section 1115A(b)(4)(A) of the So-*
10 *cial Security Act (42 U.S.C. 1315a(b)(4)(A)) is amended—*

11 *(1) in clause (i), by striking at the end “and”;*

12 *(2) in clause (ii), by striking the period at the*
13 *end and inserting “; and”; and*

14 *(3) by adding at the end the following new*
15 *clause:*

16 *“(iii) the extent to which, and how, the*
17 *model has affected and could affect provider*
18 *and payer consolidation, which includes the*
19 *vertical or horizontal integration among*
20 *providers of services (as defined in sub-*
21 *section (u) of section 1861), suppliers (as*
22 *defined in subsection (d) of such section),*
23 *and accountable care organizations under*
24 *section 1899, or pursuant to models under*
25 *this section.”.*

1 **(b) EFFECTIVE DATE.**—*The amendments made by sub-*
2 *section (a) shall apply with respect to models tested on or*
3 *after January 1, 2025.*

4 **SECTION 1. SHORT TITLE.**

5 **This Act may be cited as the “Providers**
6 **and Payers COMPETE Act”.**

7 **SEC. 2. ANNUAL REPORT ON THE IMPACT OF CERTAIN**
8 **MEDICARE REGULATIONS ON PROVIDER AND**
9 **PAYER CONSOLIDATION; PUBLIC COMMENT**
10 **ON PROVIDER AND PAYER CONSOLIDATION**
11 **FOR CERTAIN PROPOSED RULES.**

12 **(a) ANNUAL REPORT.**—**Not later than De-**
13 **cember 31, 2026, and annually thereafter, the**
14 **Secretary of Health and Human Services (in**
15 **this section referred to as the “Secretary”)**
16 **shall submit to Congress a report on the im-**
17 **pect in the aggregate on provider and payer**
18 **consolidation with respect to regulations and**
19 **rules for parts A, B, C, and D of title XVIII of**
20 **the Social Security Act (42 U.S.C. 1395c et**
21 **seq.) implemented in the calendar year imme-**
22 **diately prior to such report. Such report shall**
23 **include regulations and rules that—**

24 **(1) implement a change to an applica-**
25 **ble payment system, a rate schedule, or**

1 another payment system under parts A,
2 B, C, or D of such title; or

3 (2) result in a significant rule effect-
4 ing provider or payer consolidation.

5 (b) PUBLIC COMMENT ON IMPACT TO PRO-
6 VIDER AND PAYER CONSOLIDATION.—Beginning
7 for 2025, as part of any notice and comment
8 rulemaking process that could result in a sig-
9 nificant rule affecting provider or payer con-
10 solidation with respect to a proposed rule for
11 parts A, B, C, and D of title XVIII of the Social
12 Security Act (42 U.S.C. 1395c et seq.), the Sec-
13 retary shall seek public comment on the po-
14 tential impact of such proposed rule on pro-
15 vider and payer consolidation in the aggre-
16 gate.

17 (c) DEFINITIONS.—In this section:

18 (1) PROVIDER AND PAYER CONSOLIDA-
19 TION.—The term “provider and payer con-
20 solidation” includes the vertical or hori-
21 zontal integration among providers of
22 services (as defined in subsection (u) of
23 section 1861 of the Social Security Act (42
24 U.S.C. 1395x)), suppliers (as defined in
25 subsection (d) of such section), account-

1 **able care organizations under section**
2 **1899 of the Social Security Act (42 U.S.C.**
3 **1395jjj), Medicare Advantage organiza-**
4 **tions, PDP sponsors, pharmacy benefit**
5 **managers, pharmacies, and integrated**
6 **delivery systems.**

7 **(2) APPLICABLE PAYMENT SYSTEM.—The**
8 **term “applicable payment system” in-**
9 **cludes—**

10 **(A) with respect to outpatient**
11 **hospital services, the prospective**
12 **payment system for covered OPD**
13 **services established under section**
14 **1833(t) of such Act (42 U.S.C. 1395(l));**
15 **and**

16 **(B) with respect to physicians’**
17 **services, the physician fee schedules**
18 **established under section 1848 of**
19 **such Act (42 U.S.C. 1395w-4).**

20 **SEC. 3. CONSIDERATION OF EFFECTS ON PROVIDER AND**
21 **PAYER CONSOLIDATION WITH RESPECT TO**
22 **CMI MODELS.**

23 **(a) IN GENERAL.—Section 1115A(b)(4)(A) of**
24 **the Social Security Act (42 U.S.C.**
25 **1315a(b)(4)(A)) is amended—**

1 (1) in clause (i), by striking at the end
2 “and”;

3 (2) in clause (ii), by striking the pe-
4 riod at the end and inserting “; and”; and

5 (3) by adding at the end the following
6 new clause:

7 “(iii) the extent to which, and
8 how, the model has affected and
9 could affect provider and payer
10 consolidation, which includes the
11 vertical or horizontal integration
12 among providers of services (as
13 defined in subsection (u) of sec-
14 tion 1861), suppliers (as defined
15 in subsection (d) of such section),
16 and accountable care organiza-
17 tions under section 1899, or pur-
18 suant to models under this sec-
19 tion.”.

20 (b) **EFFECTIVE DATE.**—The amendments
21 made by subsection (a) shall apply with re-
22 spect to models tested on or after January 1,
23 2025.

Union Calendar No. 672

118TH CONGRESS
2^D SESSION

H. R. 3284

[Report No. 118-765, Parts I and II]

A BILL

To require the Secretary of Health and Human Services to submit an annual report on the impact of certain Medicare regulations on provider and payer consolidation.

DECEMBER 5, 2024

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed