

**AMENDMENT TO \_\_\_\_\_**  
**OFFERED BY MR. BRADY OF TEXAS**

Base text: HR 3962 as introduced

Strike section 1156 and insert the following:

1 **SEC. 1156. STUDY RELATED TO CERTAIN EXCEPTIONS TO**  
2 **MEDICARE LIMITS ON PHYSICIAN REFER-**  
3 **ALS.**

4 (a) STUDY.—The Institute of Medicine (IOM), in  
5 consultation with the Centers of Medicare & Medicaid  
6 Services (CMS), shall conduct a study of the following:

7 (1) With respect to hospitals that serve patients  
8 for which they receive reimbursement under title  
9 XVIII of the Social Security Act, the number or per-  
10 centage that are full-service hospitals (or not spe-  
11 cialty hospitals as defined in section 1877(d)(3)(B)  
12 of the Social Security Act (42 U.S.C.  
13 1395nn(d)(3)(B)) and—

14 (A) of these full-service hospitals, the num-  
15 ber or percentage that have more than de mini-  
16 mus physician ownership and the percentage of  
17 such physician ownership; and

1 (B) of these full-service hospitals with phy-  
2 sician ownership, the size, payer mix, case mix,  
3 rural or urban designation, and profit margins.

4 (2) The evidence of the impact of physician  
5 ownership on referral patterns, patient selection,  
6 quality of care, and access to care compared to full-  
7 service hospitals without physician ownership, ana-  
8 lyzed by size, rural or urban designation, and payer  
9 mix.

10 (3) The economic impact of physician owner-  
11 ship in general acute care full-service hospitals, in-  
12 cluding those controlled by nonprofit entities, on  
13 full-service hospitals without physician ownership.

14 (4) To the extent possible, the number of full-  
15 service hospitals that have considered physician own-  
16 ership, closure, merger, or new partnerships to sur-  
17 vive in the last year, and—

18 (A) the number or percentage of these hos-  
19 pitals that are safety net hospitals, public hos-  
20 pitals, Medicare-dependent, rural, or another  
21 category serving vulnerable or underserved pop-  
22 ulations; and

23 (B) the potential impact on access to care,  
24 analyzed for urban and rural areas, size, and

1 payer mix, of a ban on physician ownership of  
2 general acute care full-service hospitals.

3 (b) REPORT.—Not later than 18 months after the  
4 date of the enactment of this Act, the Director of the In-  
5 stitute of Medicine shall submit a report to the Congress  
6 containing the results of such study, with appropriate rec-  
7 ommendations for legislation or administrative changes.

8 (c) REGULATIONS AND RECOMMENDATIONS.—Based  
9 on the results of the study and recommendations described  
10 in subsections (a) and (b), the Secretary shall develop reg-  
11 ulations or shall recommend legislation to address identi-  
12 fied abuses, such as referral patterns or excess profit mar-  
13 gins, or gaps in access or care quality resulting from phy-  
14 sician ownership.

In section 1001, strike the item in the table of con-  
tents related to section 1156 and insert the following  
item:

Sec. 1156. Study related to certain exceptions to Medicare limits on physician  
referrals.

