



The Hospital + Healthsystem
Association of Pennsylvania

Sent via email

June 3, 2025

Members of the House Health Committee:

On behalf of more than 235 members statewide, The Hospital and Healthsystem Association of Pennsylvania (HAP) writes today on two pieces of legislation scheduled to be considered this morning by the House Health Committee.

House Bill 1460—Attorney General Oversight of Health Care-Related Transactions

It is the priority of HAP to ensure hospitals remain financially stable, accessible, and open to provide care to individuals and families in communities all throughout the commonwealth. Strong hospitals are a cornerstone of thriving communities and healthy local economies. HAP acknowledges the desire to add statutory guardrails around the purchase and ownership of health care entities where none exist today, and where such guardrails would help preserve access to care in communities long term.

House Bill 1460 seeks to accomplish this goal by expanding attorney general (AG) oversight of health care-related transactions involving for-profit and investor-owned entities. While HAP acknowledges the need to establish new guardrails, it is important to understand the make-up of Pennsylvania's hospitals and the myriad of partnerships that exist to provide access to vital services communities expect and depend on. It is imperative the legislation does not unintentionally result in an overcorrection to the identified problem by stifling the variety of current and future business arrangements between hospitals and their partners. These partnerships not only preserve access but accelerate the delivery of modern and transformative health care. HAP does not believe these types of transactions are the intended target of legislation aimed at creating new oversight of the acquisition and merging of health care entities.

In the midst of considerable financial headwinds and policy uncertainty, Pennsylvania should not become an outlier that discourages routine transactions, joint ventures and partnerships that aim to add, not detract from access in communities. To that end, **HAP advocates for changes that would align with federal requirements that govern nonprofit hospital transactions. Specifically, an increase in the threshold for a change in control, from 10 percent to 50 percent, and for an increase in the dollar amount for a transaction to be considered “material,” from \$5 million to \$25 million.** While these are priority requests, HAP also seeks to clarify language around the AG's process to approve, conditionally approve, or disapprove a transaction, right-size cost responsibility associated with filing and ongoing monitoring if needed, limit the expansion of regulatory oversight across state agencies, and enhance confidentiality provisions.



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While HAP is not currently able to support House Bill 1460, Printer's No. 1696 as amended in committee, HAP appreciates the thoughtful approach taken by the bill sponsor and maker of the amendment, and looks forward to participating in ongoing discussions that result in legislative language which better reflects the complexity of health care transactions, while balancing the ability for hospitals and health systems to engage partners in order to maintain access throughout communities across the commonwealth.

House Bill 425—J-1 Visa Waiver Primary Care Physician Grant Program

HAP supports House Bill 425, amendment number A00805, which would create a state grant program to assist hospitals and other health care employers in hiring physicians through the federal J-1 Visa Waiver program. The bill would provide up to \$100,000 per year for three years to support a physician's salary in Health Professional Shortage Areas. This is an important investment in strengthening Pennsylvania's health care workforce.

The commonwealth does not currently have enough medical providers to meet Pennsylvanians' growing health care needs, leaving access to care hanging in the balance. These challenges are amplified in rural communities. Rural hospitals often serve as the only point of care in their regions, operate with thinner margins, and care for fewer patients across broader geographic areas. They also rely more heavily on below-cost reimbursements from Medicare and Medicaid, making recruitment and retention even more difficult.

Meeting Pennsylvanians' health care needs requires a stable, sufficient workforce in every community. House Bill 425 provides hospitals and other providers with a critical tool to attract and retain qualified physicians. **HAP urges a "yes" vote on HB 425** to strengthen the health care workforce and improve access to care in communities across the commonwealth.

Please contact [me](#) or [Sarah Lawver](#), HAP's senior director, state advocacy, with any questions.

Sincerely,

Arielle Chortanoff