

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5825
OFFERED BY MR. NEAL OF MASSACHUSETTS**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Transparency in
3 Health Care Investments Act”.

**4 SEC. 2. REPORTING BY CERTAIN INVESTORS WITH RE-
5 SPECT TO CERTAIN SPECIFIED MEDICAL
6 CARE PROVIDERS.**

7 (a) IN GENERAL.—Subpart A of part III of sub-
8 chapter A of chapter 61 of the Internal Revenue Code of
9 1986 is amended by inserting after section 6039J the fol-
10 lowing new section:

**11 “SEC. 6039K. RETURNS BY CERTAIN INVESTORS WITH RE-
12 SPECT TO CERTAIN SPECIFIED MEDICAL
13 CARE PROVIDERS.**

14 “(a) IN GENERAL.—Each reporting person with re-
15 spect to any specified medical care provider shall electroni-
16 cally file a separate annual return with respect to each
17 such medical care provider which contains the information
18 described in subsection (b).

1 “(b) INFORMATION REQUIRED.—With respect to
2 each specified medical care provider with respect to which
3 the person is a reporting person, such information as the
4 Secretary may require relating to each of the following:

5 “(1) GROSS RECEIPTS.—

6 “(A) Amounts received by the specified
7 medical care provider as reimbursement for any
8 item or service under title XVIII of the Social
9 Security Act.

10 “(B) Amounts received by the specified
11 medical care provider as reimbursement for any
12 item or service received under a State plan (or
13 waiver of such plan) under title XIX of the So-
14 cial Security Act.

15 “(C) Amounts not described in subpara-
16 graph (A) or (B) received by the specified med-
17 ical care provider pursuant to a negotiated rate
18 with respect to any provider of health insur-
19 ance.

20 “(D) Amounts received by the specified
21 medical care provider in the sale of, or other ar-
22 rangement with respect to, any receivable aris-
23 ing in connection with the provision of medical
24 care.

1 “(E) Amounts not described in any pre-
2 ceding subparagraph of this paragraph which
3 are received by the specified medical care pro-
4 vider for the provision of medical care (and a
5 separate statement of such amounts which are
6 received from any provider of health insurance).

7 “(F) Gross receipts not described in any
8 preceding subparagraph of this paragraph (and
9 divided into such categories as the Secretary
10 may provide).

11 “(2) ACQUISITIONS AND DISPOSITIONS.—

12 “(A) The first date on which the reporting
13 person, or any person related to the reporting
14 person, controls the specified medical care pro-
15 vider.

16 “(B) The addresses of all real estate
17 owned or leased by the specified medical care
18 provider as of such first date.

19 “(C) The adjusted taxable income (as de-
20 fined in section 163(j)(8), determined without
21 regard to ‘in the case of taxable years beginning
22 before January 1, 2022’ in subparagraph (A)(v)
23 thereof) for the last taxable year of specified
24 medical care provider ending before such first
25 date.

1 “(D) Any debt incurred (including any re-
2 financing of debt) or guaranteed by (or secured
3 by any property held by) the specified medical
4 care provider or any person related to such pro-
5 vider if such debt was so incurred, guaranteed,
6 or secured in connection with the acquisition of
7 any equity interest relevant to the acquisition of
8 control referred to in subparagraph (A).

9 “(E) With respect to each transaction in
10 which a reporting person, or any person related
11 to the reporting person, disposes of any equity
12 interest relevant to the control of the specified
13 medical care provider referred to in subpara-
14 graph (A)—

15 “(i) the person who disposed of such
16 interest and information sufficient to es-
17 tablish the relationship between such per-
18 son and the specified medical care pro-
19 vider,

20 “(ii) the date on which such person
21 disposed of such interest,

22 “(iii) whether the reporting person (or
23 any person related to the reporting person)
24 retains control of the specified medical
25 care provider after such disposition, and

1 “(iv) the value of all consideration re-
2 ceived in exchange for the interest disposed
3 of.

4 “(3) REAL ESTATE.—

5 “(A) The addresses of all real estate owned
6 or leased by the specified medical care provider.

7 “(B) Amounts paid as principal or interest
8 by the specified medical care provider on any
9 debt which is secured by real estate (and a sep-
10 arate statement of such amounts which are paid
11 to the reporting person or any person related to
12 the reporting person).

13 “(C) Amounts paid by the specified med-
14 ical care provider as rent for real property (and
15 a separate statement of such amounts which
16 are paid to the reporting person or any person
17 related to the reporting person).

18 “(D) Amounts received by the specified
19 medical care provider for any interest in real
20 property (and a separate statement of such
21 amounts which are received from the reporting
22 person or any person related to the reporting
23 person).

24 “(4) OTHER PAYMENTS TO RELATED PER-
25 SONS.—

1 “(A) Amounts paid as principal or interest
2 by the specified medical provider on any debt
3 not described in paragraph (3) to the reporting
4 person or any person related to the reporting
5 person.

6 “(B) Amounts paid by the specified med-
7 ical care provider as rent for any property other
8 than real property to the reporting person or
9 any person related to the reporting person.

10 “(C) Amounts not described in subpara-
11 graph (A) or (B) paid by the specified medical
12 care provider to the reporting person or any
13 person related to the reporting person (and di-
14 vided into such categories as the Secretary may
15 provide).

16 “(5) OTHER INFORMATION.—Such other infor-
17 mation as the Secretary may reasonably require.

18 “(c) REPORTING PERSON.—For purposes of this sec-
19 tion—

20 “(1) IN GENERAL.—The term ‘reporting per-
21 son’ means, with respect to any specified medical
22 care provider, any person if—

23 “(A) such person holds an interest in such
24 specified medical care provider,

1 “(B) such person (or any person related to
2 such person) controls such specified medical
3 care provider, and

4 “(C) such person (or any person related to
5 such person) either—

6 “(i) is engaged in an applicable trade
7 or business with respect to which any in-
8 terest in such specified medical care pro-
9 vider is, directly or indirectly, an expanded
10 specified asset, or

11 “(ii) receives any service from any
12 person engaged in an applicable trade or
13 business described in clause (i).

14 “(2) APPLICABLE PARTNERSHIP INTEREST RE-
15 QUIREMENT.—

16 “(A) IN GENERAL.—A person shall not be
17 treated as a reporting person with respect to
18 any specified medical care provider unless one
19 or more persons receive or hold an applicable
20 partnership interest with respect to the applica-
21 ble trade or business which is referred to in
22 paragraph (1)(C) with respect to such specified
23 medical care provider.

24 “(B) APPLICABLE PARTNERSHIP INTER-
25 EST.—The term ‘applicable partnership inter-

1 est' has the meaning which would be given such
2 term by section 1061(c) if the term 'applicable
3 trade or business' had the meaning given such
4 term by paragraph (3) for purposes of such sec-
5 tion.

6 “(3) APPLICABLE TRADE OR BUSINESS.—The
7 term 'applicable trade or business' has the meaning
8 which would be given such term by section
9 1061(c)(2) if such section were applied by sub-
10 stituting 'expanded specified assets' for 'specified as-
11 sets' each place it appears therein.

12 “(4) EXPANDED SPECIFIED ASSETS.—The term
13 'expanded specified asset' means any specified asset
14 (as defined in section 1061(c)(3)) and any interest
15 in a partnership.

16 “(5) CONTROL.—For purposes of paragraph
17 (1)(B)—

18 “(A) except as provided in subparagraph
19 (B), control shall be determined under the rules
20 of paragraph (2) or (3) of section 6038(e), and

21 “(B) if the investment of any person de-
22 scribed in paragraph (1)(B) is coordinated with
23 the investment of any other person the invest-
24 ment of such other person shall be treated as
25 held by such person.

1 For purposes of subparagraph (B), investments of
2 persons shall not fail to be treated as coordinated if
3 contractual obligations exist (directly or indirectly)
4 between such persons with respect to such invest-
5 ments or the provision of any services in connection
6 with any applicable trade or business.

7 “(d) SPECIFIED MEDICAL CARE PROVIDER.—For
8 purposes of this section, the term ‘specified medical care
9 provider’ means any corporation or partnership which—

10 “(1) is enrolled under section 1866(j) of the So-
11 cial Security Act,

12 “(2) is enrolled as a participating provider in a
13 State plan (or waiver of such plan) under title XIX
14 of such Act, or

15 “(3) in the course of any trade or business
16 which includes the provision of medical care, em-
17 ploys any individual who is so enrolled or certified.

18 “(e) RELATED PERSONS.—For purposes of this sec-
19 tion, persons are related to each other if such persons are
20 described in section 267(b) or 707(b)(1), determined by
21 substituting ‘20 percent’ for ‘50 percent’ each place it ap-
22 pears in such sections.

23 “(f) REGULATIONS.—The Secretary shall prescribe
24 such regulations or other guidance as may be necessary
25 to carry out the purposes of this section, including—

1 “(1) the time and manner of filing the return
2 required under subsection (a),

3 “(2) rules to prevent, to the extent practicable,
4 more than one person from being required to report
5 the same information,

6 “(3) rules to prevent the use of intermediaries,
7 agents, nominee ownership, and other arrangements
8 to avoid the application of this section, and

9 “(4) rules to require reporting of information to
10 any person by any person related to such person to
11 the extent that such information is necessary for
12 such person to determine if such person is a report-
13 ing person, or is required to be reported by such
14 person under this section, and is not otherwise avail-
15 able to such person.

16 “(g) PUBLIC AVAILABILITY OF RETURNS.—Annual
17 returns filed under this section shall be made available by
18 the Secretary to the public as soon as practicable in a ma-
19 chine readable format.”.

20 (b) PENALTY FOR FAILURE TO FILE COMPLETE AND
21 CORRECT RETURN.—Part II of subchapter B of chapter
22 68 of such Code is amended by adding at the end the fol-
23 lowing new section:

1 **“SEC. 6726. FAILURE TO FILE CORRECT INFORMATION RE-**
2 **TURN WITH RESPECT TO SPECIFIED MED-**
3 **ICAL CARE PROVIDERS.**

4 “(a) IN GENERAL.—In the case of any person’s fail-
5 ure to file a complete and correct return under section
6 6039K with respect to any specified medical care provider
7 (as defined in such section) at the time and in the manner
8 prescribed therefor, such person shall pay a penalty of
9 \$5,000 for each such return for each day during which
10 such failure continues.

11 “(b) MAXIMUM PENALTY PER RETURN.—The max-
12 imum penalty under this section on failures with respect
13 to any 1 return shall not exceed \$1,000,000.

14 “(c) DEFICIENCY PROCEDURES NOT TO APPLY.—
15 Subchapter B of chapter 63 (relating to deficiency proce-
16 dures for income, estate, gift, and certain excise taxes)
17 shall not apply with respect to the assessment or collection
18 of any penalty imposed by this section.”.

19 (c) CLERICAL AMENDMENTS.—

20 (1) The table of sections for subpart A of part
21 III of subchapter A of chapter 61 of such Code is
22 amended by inserting after the item relating to sec-
23 tion 6039J the following new item:

“Sec. 6039K. Returns by certain investors with respect to certain specified
medical care providers.”.

1 (2) The table of sections for part II of sub-
2 chapter B of chapter 68 of such Code is amended
3 by adding at the end the following new item:

 “Sec. 6726. Failure to file correct information return with respect to specified
 medical care providers.”.

4 (d) **EFFECTIVE DATE.**—The amendments made by
5 this section shall apply to returns with respect to taxable
6 years of specified medical care providers beginning after
7 the date of the enactment of this Act.

