H.R. 30

To restore the opt-out public option, build new hospitals in underserved areas, and improve health outcomes for all Americans.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 6th, 2024

Mr. KEARSLEY of Olympia (for himself, on behalf of the CHAN administration) introduced the following bill; which was authored by Secretary Fields

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A BILL

To restore the opt-out public option, build new hospitals in underserved areas, and improve health out-comes for all Americans.

Be it enacted by the Senate and House of Representatives of the United States of America assembled,

SECTION 1. SHORT TITLE.

This act may be cited as the "Fix the Public Option Act of 2024".

SECTION 2. PURPOSE AND FINDINGS.

(a) PURPOSE.—The purpose of this Act is to—

(1) establish a universal public healthcare option accessible to all citizens and residents of the United States;

(2) build a government-managed healthcare infrastructure through the acquisition of hospitals and land using eminent domain;

(3) create a federally coordinated supply chain for medical equipment and pharmaceuticals to ensure affordability, accessibility, and national preparedness; and

(4) provide equitable, high-quality healthcare to all individuals while controlling costs and eliminating disparities.

(b) FINDINGS.—Congress finds that—

(1) Millions of Americans face barriers to accessing healthcare due to costs, geographic limitations, and lack of insurance coverage.

(2) The private healthcare system has left many hospitals near insolvency, threatening the stability of local healthcare delivery systems.

(3) The federal government is uniquely positioned to ensure healthcare access through the creation of a nationwide public hospital network.

(4) A robust, government-managed healthcare supply chain is essential for reducing costs, responding to public health emergencies, and improving patient outcomes.

SECTION 3. PUBLIC HEALTH FINANCE SPECIAL ACCOUNT.

(a) The Public Health Finance Corporation is hereby established. The Public Health Finance Corporation is a body corporate with perpetual succession.

(b) The Secretary of Health and Human Services shall be responsible for all decision making for the Public Health Finance Corporation, but may delegate any powers, functions, or duties under this Act to another individual or entity by written instrument. Individuals or entities exercising this delegated authority must exercise such authority in a manner consistent with the requirements of this Act.

(c) The Public Health Finance Special Account is hereby established as a special account, pursuant to section 4 of this Act. The purpose of the Public Health Finance Special Account is to administer payments relating to the provision of healthcare pursuant to this Act. The Public Health Finance Corporation is the accountable authority responsible for the Public Health Finance Special Account.

(d) No authority is granted for the Public Health Finance Special Account to hold a negative balance, pursuant to section 4(g) of this Act.

(e) If, at a particular time, the total assets exceed 125 percent of the total liabilities held by the Public Health Finance Special Account for three consecutive years on January 1, the excess shall be immediately debited from the account.

(f) Section 3111 of title 26, United States Code, is amended in paragraph (g) –

(1) by striking *"5 percent"* and inserting in lieu *"a rate between 4 and 6 percent, as determined by the Public Health*

Finance Corporation in writing on January 1 of each calendar year,"; and

(2) by striking all words following *"appropriated"* and inserting in lieu *"for the Public Health Finance Special Account to administer the opt-out public option. If there is no rate set by the Public Health Finance Corporation, then the rate shall be 5 percent."*.

(g) In addition to the functions prescribed in subsection (c), the Public Health Finance Corporation may authorize, in writing, payments to be made on account of special circumstances that have resulted in unintended and inequitable results to individuals or entities seeking a payment consistent with the establishing purpose of the Public Health Finance Special Account.

(1) Such payments shall not be made when there is an alternative remedy available to provide redress and shall not exceed $10,000,000 annually.

(2) The Public Health Finance Corporation may impose conditions upon payments prescribed in subsection (g). If the recipient of the payment fails to uphold such conditions, the Public Health Finance Corporation shall recover the payment as debt in a court of competent jurisdiction.

(3) Payments prescribed in subsection (g) may not be provided in a manner that would have the effect of applying to a group of individuals without consideration of specific circumstances.

SECTION 4. SPECIAL ACCOUNT GOVERNANCE.

(a) The term 'special account' means an account that is established by an Act in accordance with this section, which shall specify—

(1) the purposes for which amounts shall be debited from the special account; and

(2) the accountable authority of the Federal Government responsible for the special account.

(b) Any funds forming the balance of a special account shall be held in the general fund of the Treasury.

(c) The Department of the Treasury shall authorize expenditures by accountable authorities, as prescribed in subsection (a)(2), from the general fund of the Treasury, provided that the expenditure is consistent with the purpose prescribed in subsection (a)(1) and the balance of the special account would remain consistent with the requirement prescribed by subsection (g).

(d) Any debits against the general fund of the Treasury as prescribed in subsection (c) shall be debited in equal amount from the special account.

(e) No real or notional debit of a special account shall be inconsistent with the terms under which the special account was established, unless specific authority is granted by the establishing legislation.

(f) The receipts of the proceeds of an activity related to a special account shall be transferred to the general fund of the Treasury, with a credit in equal amount applied to the special account.

(g) No special account shall hold a negative balance, unless specific authority is granted by the establishing legislation.

(h) If, at a particular time, the total liabilities exceed the total assets held by a special account, the accountable authority responsible for the special account shall be authorized to request a further appropriation in the form of an equity injection, *provided*: That the accountable authority provides an explanation of the causes leading to the request and the accountable authority takes appropriate action to remedy such causes.

(i) In the event of two or more requests in accordance with subsection (h), the Secretary responsible for the Department of the Treasury or their delegate may prescribe an alternative accountable authority within the Federal Government for a period not exceeding 3 years.

(j) In the event of a default by a special account, the Federal Government shall provide any payable sums by the special account to respective creditors.

SECTION 5. OPT-OUT PUBLIC OPTION.

(a) Where, on or after January 1, 2025, medical expenses are incurred for a professional service provided in the United States to an eligible individual, a financial benefit shall be payable to the provider by the Public Health Finance Corporation within 21 days of the professional service.

(1) In addition to the requirements prescribed under this Act, a provider must—

(A) provide a fully itemized bill for all professional services by the provider, including services for which the provider is not submitting a claim;

(B) not discriminate between claimed and unclaimed services by price or function;

(C) engage in a national electronic health records system as developed by the Department of Health and Human Services, to the extent that such engagement is consistent with existing Federal Law and maintains affirmative patient consent;

(D) submit a claim within 7 days of the service to be eligible for a payment under subsection (a); and

(E) declare that all material information is included and that the included information is accurate and not misleading.

(b) The financial benefit in subsection (a) shall be consistent with the latest benefits schedule published by the Public Health Finance Corporation.

(c) The benefits schedule shall be determined by the Department of Health and Human Services and reflect the cost of provision with an additional 10 percent allowance.

(d) The term 'eligible individual' means any individual who is—

(1) either not a Private Health Insurance Beneficiary (as prescribed by section 6 of this Act), or a Private Health

Insurance Beneficiary who is undergoing a life-saving procedure; and

(2) one of the following—

(A) a citizen of the United States;

(B) a national of the United States (as defined in 8 USC 1101(a)(22);

(C) any person lawfully admitted for permanent residence (as defined in 8 CFR 1.2) who has been residing within the United States for the majority of the preceding 12 months; or

(D) a person included within a specified class of persons declared by the Secretary of Health and Human Services to be eligible due to extraordinary circumstances relating to national security or natural disaster.

(e) The term 'professional service' means a service performed by a relevant licensed medical practitioner who has not charged any other imposition (financial or otherwise) for the relevant medical expenses either directly or through a third-party, and is one or more of the following—

(1) medical consultation, including with a specialist;

(2) tests or examinations necessary to prevent, mitigate, or treat illness or injury;

(3) elective and emergency surgeries, including pre- and post-operative care;

(4) medicine necessary to prevent, mitigate, or treat illness or injury;

(5) emergency medical services, provided that the service was requested with reasonable cause;

(6) reproductive, maternity, prenatal, and postnatal care;

(7) rehabilitative and post-traumatic care;

(8) mental health care;

(9) vision tests; and

(10) dental examinations and treatments.

(f) The term 'licensed medical practitioner' means an individual holding a valid medical license issued by or on behalf of—

(1) the Commonwealth of Olympia;

(2) the District of Pacifica;

(3) the Commonwealth of Lincoln;

(4) the State of Jackson;

(5) the State of Frontier;

(6) the District of Columbia;

(7) American Samoa;

(8) Guam;

(9) the Northern Mariana Islands;

(10) the U.S. Virgin Islands; or

(11) any other jurisdiction of the United States as prescribed by the Secretary of Health and Human Services or their delegate.

(g) The financial benefit as prescribed in subsection (a) shall not exceed the medical expenses incurred by the patient.

(h) Where a financial benefit is paid to a provider who has failed to provide information that is accurate and not misleading, the Public Health Finance Corporation shall recover the payment as debt in a court of competent jurisdiction.

(i) A medical consultation with a specialist pursuant to subsection (e)(1) shall require a referral from a primary care provider for the financial benefit to be payable, except where there is a reasonable belief that requiring so would worsen the patient's condition.

(1) The term 'primary care provider' means a licensed medical practitioner who provides support for a patient with an undiagnosed health concern and provides generalist treatment for common illnesses and medical conditions, as determined by the Department of Health and Human Services.

(2) The term 'specialist' means a licensed medical practitioner who practises in an area other than those practised by primary care providers.

SECTION 6. MINIMAL WAIT TIME GUARANTEE.

(a) Where a licensed medical practitioner signs a written declaration stating that waiting for a procedure eligible under the benefits schedule would materially worsen the health condition of an eligible individual, the Public Health Finance Corporation is authorized to approve a financial benefit exceeding the benefit schedule by up to 20 percent.

(b) Where a licensed medical practitioner signs a written declaration stating that waiting for a life-saving procedure (as

determined by the Public Health Finance Corporation), the Public Health Finance Corporation is authorized to approve a reasonable financial benefit notwithstanding the rates prescribed by the benefit schedule.

(c) The Public Health Finance Corporation shall establish processes to ensure that all assessments under subsections (a) and (b) are evaluated in a timely manner.

(d) Where a professional service is provided outside of an area classified by the Census Bureau as being within a Census Urban Area (or its equivalent) in its latest determination, and a higher financial benefits rate is necessary to sustain an appropriate level of health coverage in the area, the Public Health Finance Corporation is authorized to approve a financial benefit exceeding the benefit schedule by up to 20 percent.

(e) Any person who solicits, receives, or agrees to receive any benefit of any kind to influence or attempt to influence a declaration or assessment under this Act shall be imprisoned not more than 20 years, fined, or both.

(1) The fine under subsection (b) shall be not less than the benefit obtained, but not exceed the greater of—

(A) double the benefit obtained; and

(B) $5,000,000.

(f) Any person who provides or offers a benefit to influence or attempt to influence a declaration or its assessment under this Act shall be imprisoned not more than 20 years, fined not more than $5,000,000, or both.

(g) Any person who knowingly, wilfully and deliberately signs a declaration or assessment under this Act containing false or misleading information (that is known to the signatory as false or misleading) shall be imprisoned not more than 2 years, fined, or both.

(1) The fine under subsection (b) shall not exceed $250,000 for each count.

SECTION 7. PRIVATE INSURANCE OPT-OUT.

(a) Each individual insured under an eligible health insurance policy who registers for and receives a rebate (as determined by paragraph (b)) from the Public Health Finance Special Account shall be considered a 'Private Health Insurance Beneficiary'.

(b) The Public Health Finance Corporation shall provide to individuals insured under a health insurance policy a rebate equal to 25% of the premium of an eligible health insurance policy, *provided*: That the policy is an insurance policy that covers hospital treatment in compliance with existing federal law and regulations, with benefits provided to a covered individual exclusively for the purposes of covering medical treatment, *provided further*: That the policy does not, across any 12 month period, incur—

(1) additional co-payments or fees, charged by the insurer providing coverage for undertaking liabilities of fees or charges relating to medical treatment, exceeding $500 for any single individual covered under an insurance policy, or

(2) premiums, charged by the insurer for undertaking liabilities of fees or charges relating to medical treatment,

exceeding $10,000 for any single individual covered under an insurance policy.

(c) For the purposes of this section, the term 'cover' means to undertake liabilities for not less than 75% of fees or charges for the provision of goods or services relating to a treatment, or to provide an insured individual with goods or services relating to a treatment without additional fees or charges.

(d) For the purposes of this section, the term 'hospital treatment' means a treatment that is intended to manage a disease, injury, or condition, and that is provided with the direct involvement of a hospital.

(e) For the purposes of this section, the term 'medical treatment' means a treatment that is intended to manage a disease, injury, or condition, and that is provided with the direct involvement of a legally qualified medical practitioner.

SECTION 8. MERGER OF MEDICARE AND MEDICAID.

(a) The Department of Health and Human Services shall provide individuals who are eligible for health coverage under both an existing public healthcare program and the Public Health Finance Corporation with a preference form.

(1) For the purposes of this section, the term 'public healthcare program' means Medicare, Medicaid, or any other healthcare program offered under the Social Security Act.

(2) The preference form shall allow the individual to select which healthcare program shall be their primary program.

(3) The preference form shall include an option for the individual to withdraw from their current public healthcare program in favor of the coverage provided by the Public Health Finance Corporation.

(4) Individuals who do not respond to the preference form who are currently enrolled in a public healthcare program shall remain enrolled into their current public healthcare program as their primary program.

(b) The Public Health Finance Corporation may impose cost-recovery measures upon the Hospital Insurance Trust Fund and the Supplementary Medical Insurance Trust Fund through a memorandum of understanding between the Public Health Finance Corporation and the Centers for Medicare & Medicaid Services, *provided*: That such cost-recovery measures are reflective of the transfer of liability that which would otherwise be incurred by the Hospital Insurance Trust Fund and the Supplementary Medical Insurance Trust Fund.

(c) Individuals eligible for health coverage from both the Veterans Health Administration and the Public Health Finance Corporation shall be covered by the Veterans Health Administration as their primary program, and the Public Health Finance Corporation as their secondary program.

(d) The Public Health Finance Corporation may impose cost-recovery measures upon the Veterans Health Administration through a memorandum of understanding between the Public Health Finance Corporation and the Under Secretary of Veterans Affairs for Health, *provided*: That such cost-recovery measures are reflective of the transfer of liability that which would otherwise be incurred by the Veterans Health Administration.

SECTION 9. REPEAL OF CONTRADICTORY AND AMBIGUOUS LEGISLATION.

(a) The *Market-Based Healthcare Reform for the 21st Century Act* is repealed in its entirety, effective 30 days after the passage of this Act.

(b) No health insurer (as reasonably determined by the Department of Health and Human Services) that deals with any trade (including the offer of insurance contract), commerce or communication among the several States or from any State to any place outside of the State, shall—

(1) discriminate with respect to pre-existing conditions between policyholders through pricing or in any other way, except wherein an exception has been provided in subsection (3);

(2) impose annual or lifetime caps on coverage;

(3) impose waiting periods beyond 10 months for maternity, prenatal, and postnatal care, or waiting periods beyond 2 weeks for any other condition; or

(4) offer a policy that fails to provide coverage for any professional service (as defined in section 5(e)), except wherein an exception has been provided in subsection (3).

SECTION 10. ACQUSITION OF NEAR-INSOLVENT FACILITIES.

(a) The Public Hospital Special Account is hereby established as a special account, pursuant to section 5 of this Act.

(1) The purpose of the Public Hospital Special Account is to establish or acquire, and operate healthcare facilities, including those relating to production and direct medical care.

(2) The Department of Health and Human Services is the accountable authority responsible for the Public Hospital Special Account.

(3) Authority is hereby granted for the Public Hospital Special Account to hold a negative balance not exceeding $200,000,000,000, pursuant to section 5(g) of this Act, provided that the Department of Health and Human Services reports on October 1 of each calendar year on the sustainability of the special account maintained through cost-recovery measures with other entities within the Federal Government.

(b) Beginning 14 days after the passage of this Act, the Department of Health and Human Services is authorized to acquire near-insolvent private hospitals and land in underserved areas.

(1) The term ‘near-insolvent hospitals’ means private hospitals with financial conditions that risk imminent closure or significant reduction in services.

(c) The Department of Health and Human Services shall identify and prioritize acquisitions based on—

(1) proximity to high-need populations;

(2) geographic health disparities;

(3) urgent local needs; and

(4) other relevant and reasonable criteria as the Secretary of Health and Human Services may determine.

(d) For 60 days after the passage of this Act, the Department of Health and Human Services shall prioritize and aim for the construction or acquisition of 500 directly managed hospitals and clinics in underserved regions.

(e) Where there is an immediate and urgent need in underserved regions while permanent structures are constructed, the Department of Health and Human Services is authorized to deploy temporary modular healthcare facilities.

SECTION 11. NATIONAL HEALTHCARE SUPPLY CHAIN INFRASTRUCTURE.

(a) The Department of Health and Human Services shall establish or acquire facilities to manufacture—

(1) medical equipment, including ventilators, imaging devices, and surgical instruments;

(2) essential pharmaceuticals, prioritizing generics and medications critical for chronic and acute conditions; and

(3) facilities must be operational within 30 days of enactment, with an emphasis on regions with high unemployment rates to boost local economies.

(b) The National Healthcare Logistics Center shall be established within the Department of Health and Human Services to—

(1) procure, store, and distribute medical supplies to federally managed hospitals and clinics; and

(2) maintain strategic stockpiles of critical medications and equipment for emergencies and national shortages.

(c) The National Healthcare Logistics Center shall partner with state and local governments during public health crises to ensure equitable distribution between populations and regions.

(d) The Secretary of Health and Human Services, or their delegate, is authorized to enter contracts with domestic and international manufacturers to address immediate supply shortages, with the Department of Health and Human Services to absorb the costs of resourcing within its existing function.

SECTION 12. EXPANDING HEALTHCARE ACCESS THROUGH NEW FACILITIES.

(a) The facilities to be constructed or acquired by the Department of Health and Human Services under section 9(a) of this Act shall provide comprehensive care, including—

(1) emergency and inpatient services;

(2) primary care and preventive services;

(3) specialized mental health and addiction treatment;

(4) dental and vision care; and

(5) pediatric and maternity services.

(b) The Department of Health and Human Services is authorized to acquire and repurpose vacant commercial properties and

public buildings into healthcare facilities for the purpose of expediting service availability.

(1) The Department of Health and Human Services is authorized to establish federally managed urgent care centers in areas with immediate needs using the converted spaces as provided in subsection (b).

(c) The Department of Health and Human Services is authorized to issue broadband grants to rural and underserved areas to facilitate telehealth services, with the Department of Health and Human Services to absorb the costs of resourcing within its existing function.

(d) The Department of Health and Human Services is authorized to employ such relevant healthcare personnel as may be necessary for the purposes of this Act.

SECTION 13. RESEARCH AND DEVELOPMENT INITIATIVE.

(a) There is hereby appropriated $10,000,000,000 in each fiscal year through fiscal year 2034-35, ending September 1, 2035, for the Department of Health and Human Services to support research into medical treatments, pharmaceuticals, and other public health advancements.

(b) The Department of Health and Human Services shall prioritize research into—

(1) cancer treatments and cures;

(2) infectious disease prevention and pandemic response;

(3) rare and neglected diseases; and

(4) health disparities affecting marginalized populations.

(c) The Department of Health and Human Services shall make all research funded under this section publicly available for the purpose of maximizing innovation and collaboration. It is the sense of Congress that the Department of Health and Human Services should continue to engage in public-private partnerships, provided that the results remain publicly available to all healthcare providers and researchers.

(d) The Department of Health and Human Services shall establish and manage five Centers for Medical Innovation to lead research and development efforts in collaboration with universities, private companies, and non-profit organizations.

(1) Each Centers for Medical Innovation shall focus on a specific research priority, as designated by the Department of Health and Human Services, and shall submit annual progress reports submitted to Congress on July 1 of each calendar year.

SECTION 14. EMERGENCY PREPAREDNESS AND PANDEMIC RESPONSE.

(a) The Department of Health and Human Services shall designate hospitals which are federally managed to establish Pandemic Readiness Units equipped with isolation wards, ventilators, and rapid testing hubs.

(1) The Department of Health and Human Services shall prepare Pandemic Readiness Units to serve as regional response hubs during public health emergencies.

(b) The Department of Health and Human Services shall maintain a national reserve of critical medical supplies, including personal protective equipment, ventilators, and vaccines.

(1) Stockpile levels shall be reviewed and replenished quarterly to ensure readiness.

(c) Staff in all federally managed hospitals and clinics shall conduct annual emergency preparedness training.

(1) Training programs shall include infectious disease control, disaster response, and mass casualty management.

SECTION 15. TRANSPARENCY AND OVERSIGHT.

(a) The Office of Healthcare Accountability shall be established within the Department of Health and Human Services to oversee the implementation and operation of this Act.

(b) The Office of Healthcare Accountability shall—

(1) conduct quarterly audits of federally managed hospitals and healthcare facilities; and

(2) publish annual reports detailing healthcare system performance metrics, including patient outcomes, cost efficiency, and accessibility.

(c) All hospitals, clinics, and other relevant health facilities (as determined by the Office of Healthcare Accountability) operated by the Federal Government shall publicly disclose—

(1) patient satisfaction surveys;

(2) average wait times for services;

(3) rates of medical errors and adverse events; and

(4) data relating to other metrics as prescribed by the Department of Health and Human Services.

(d) The Department of Health and Human Services shall develop a public database to provide real-time access to performance data relating to the provisions of subsection (c), with the Department of Health and Human Services to absorb the costs of resourcing within its existing function.

(e) The Independent Oversight Board shall be established to review the performance of the public healthcare system, with costs to be settled and agreed with the Department of the Treasury and the Department of Health and Human Services to absorb the costs of resourcing within its existing function.

(1) The Independent Oversight Board shall include healthcare professionals, patient advocates, and public health experts, selected through a process jointly determined by the Department of Health and Human Services and the Department of Justice.

(2) The Independent Oversight Board shall provide biannual recommendations to Congress for system improvements.

SECTION 16. ADDRESSING HEALTHCARE DISPARITIES.

(a) The Department of Health and Human Services is authorized to establish community outreach programs to inform populations in underserved areas about available services, with the Department of Health and Human Services to absorb the costs of resourcing within its existing function.

(b) The Department of Health and Human Services is authorized to establish programs addressing non-medical barriers to health, including housing, food security, and transportation, with the Department of Health and Human Services to absorb the costs of resourcing within its existing function.

(1) It is the sense of Congress that these efforts would benefit from collaboration with state and local governments to develop comprehensive health improvement strategies.

(c) The Department of Health and Human Services shall ensure appropriate engagement with culturally and linguistically diverse persons in the implementation of this Act, with the Department of Health and Human Services to absorb the costs of resourcing within its existing function.

(d) There is hereby appropriated $100,000,000 for the Department of Health and Human Services to establish mobile health units in rural and remote areas to provide screenings, vaccinations, and primary care, to remain available until September 30, 2025.

(a) There is hereby appropriated $1,000,000,000 for the Department of Health and Human Services to develop a national electric health records system, prioritizing data privacy and security, to remain available until September 30, 2027.

SECTION 17. RULE-MAKING AUTHORITY.

(a) The Secretary of Health and Human Services shall the authority to promulgate regulations necessary to implement and enforce the provisions of this Act.

(1) Such regulations shall be issued within 30 days of enactment, with expedited public comment periods of no more than 10 days where required.

(b) The Secretary of Health and Human Services shall coordinate with other relevant departments including the Department of Veterans' Affairs to streamline the implementation process.

(c) Joint task forces may be established by the Secretary of Health and Human Services to address interagency issues and expedite the implementation of this Act.

SECTION 18. SEVERABILITY.

Should any provision of this Act be deemed invalid or unconstitutional for any reason in a court with relevant jurisdiction, the rest of the Act, and the application of the remaining provisions, shall not be affected.

SECTION 19. SUPREMACY.

Any existing provisions of law that contradict this Act shall be considered null and void for the purposes of interpreting this legislation.

SECTION 20. EFFECTIVE DATE.

The provisions of this Act shall come into force immediately upon passage.

Companion Bill: S. 4