

H.R. 5825, Transparency in Health Care Investments Act of 2020

As ordered reported by the House Committee on Ways and Means on February 12, 2020

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	not estimated	not estimated	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between -\$500,000 and \$500,000.			

Bill Summary

H.R. 5825 would generally require private equity firms that have a controlling interest in certain medical service providers to file annual information returns with the Internal Revenue Service. Those returns would include information on certain income, assets, and debt, and the information would be made available to the public. The bill also creates a new penalty for failure to comply as a result of willful negligence with the new reporting requirements.

Specifically, H.R. 5825 defines a new category of persons subject to special provisions for information returns and outlines the required items for that information return. The information return must be filed annually with the regular income tax return. For the new provisions to apply several criteria must be met. In general, the reporting requirements apply to entities who hold at least a 50-percent interest in a specified medical care provider, and are engaged in or receive services from a service provider in the business of raising or returning capital, investing in or disposing of assets, and in which some of the interest must be with respect to a medical service provider. Specified medical care providers are defined as those that are enrolled and eligible to participate in and receive payment under Medicare or a state's Medicaid program, or employ at least one individual enrolled in either or both programs. The additional information required on the new return pertains to gross receipts,



acquisitions and dispositions, real estate and payments to related persons, and any additional information required by the Secretary of the Treasury.

Estimated Federal Cost

The staff of the Joint Committee on Taxation (JCT) estimates enacting the bill would have a negligible effect on revenues.

The Congressional Budget Act of 1974, as amended, stipulates that revenue estimates provided by JCT will be the official estimates for all tax legislation considered by the Congress. As such, CBO incorporates those estimates into its cost estimates of the effects of legislation. All of the estimates for the provisions of H.R. 5825 were provided by JCT.

The CBO staff contact for this estimate is Jennifer Shand. The estimate was reviewed by John McClelland, Director of Tax Analysis.