

118TH CONGRESS  
1ST SESSION

# H. R. 3120

To ban anticompetitive terms in facility and insurance contracts that limit access to higher quality, lower cost care.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2023

Mrs. STEEL introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To ban anticompetitive terms in facility and insurance contracts that limit access to higher quality, lower cost care.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Healthy Competition  
5 for Better Care Act”.

1 **SEC. 2. BANNING ANTICOMPETITIVE TERMS IN FACILITY**  
2 **AND INSURANCE CONTRACTS THAT LIMIT AC-**  
3 **CESS TO HIGHER QUALITY, LOWER COST**  
4 **CARE.**

5 (a) IN GENERAL.—

6 (1) PHSA.—Section 2799A–9 of the Public  
7 Health Service Act (42 U.S.C. 300gg–119) is  
8 amended by adding at the end the following:

9 “(b) PROTECTING HEALTH PLANS NETWORK DE-  
10 SIGN FLEXIBILITY.—

11 “(1) IN GENERAL.—A group health plan or a  
12 health insurance issuer offering group or individual  
13 health insurance coverage shall not enter into an  
14 agreement with a provider, network or association of  
15 providers, or other service provider offering access to  
16 a network of service providers if such agreement, di-  
17 rectly or indirectly—

18 “(A) restricts the group health plan or  
19 health insurance issuer from—

20 “(i) directing or steering enrollees to  
21 other health care providers; or

22 “(ii) offering incentives to encourage  
23 enrollees to utilize specific health care pro-  
24 viders;

25 “(B) requires the group health plan or  
26 health insurance issuer to enter into any addi-

1 tional contract with an affiliate of the provider  
2 as a condition of entering into a contract with  
3 such provider;

4 “(C) requires the group health plan or  
5 health insurance issuer to agree to payment  
6 rates or other terms for any affiliate not party  
7 to the contract of the provider involved; or

8 “(D) restricts other group health plans or  
9 health insurance issuers not party to the con-  
10 tract, from paying a lower rate for items or  
11 services than the contracting plan or issuer  
12 pays for such items or services.

13 “(2) ADDITIONAL REQUIREMENT FOR SELF-IN-  
14 SURED PLANS.—A self-insured group health plan  
15 shall not enter into an agreement with a provider,  
16 network or association of providers, third-party ad-  
17 ministrator, or other service provider offering access  
18 to a network of providers if such agreement directly  
19 or indirectly requires the group health plan to cer-  
20 tify, attest, or otherwise confirm in writing that the  
21 group health plan is bound by restrictive contracting  
22 terms between the service provider and a third-party  
23 administrator that the group health plan is not  
24 party to, without a disclosure that such terms exist.

1           “(3) EXCEPTION FOR CERTAIN GROUP MODEL  
2 ISSUERS.—Paragraph (1)(A) shall not apply to a  
3 group health plan or health insurance issuer offering  
4 group or individual health insurance coverage with  
5 respect to—

6           “(A) a health maintenance organization  
7 (as defined in section 2791(b)(3)), if such  
8 health maintenance organization operates pri-  
9 marily through exclusive contracts with multi-  
10 specialty physician groups, nor to any arrange-  
11 ment between such a health maintenance orga-  
12 nization and its affiliates; or

13           “(B) a value-based network arrangement,  
14 such as an exclusive provider network, account-  
15 able care organization or other alternative pay-  
16 ment model, center of excellence, a provider  
17 sponsored health insurance issuer that operates  
18 primarily through aligned multi-specialty physi-  
19 cian group practices or integrated health sys-  
20 tems, or such other similar network arrange-  
21 ments as determined by the Secretary through  
22 rulemaking.

23           “(4) ATTESTATION.—A group health plan or  
24 health insurance issuer offering group or individual  
25 health insurance coverage shall annually submit to,

1 as applicable, the applicable authority described in  
2 section 2723 or the Secretary of Labor, an attesta-  
3 tion that such plan or issuer is in compliance with  
4 the requirements of this subsection.

5 “(c) MAINTENANCE OF EXISTING HIPAA, GINA,  
6 AND ADA PROTECTIONS.—Nothing in this section shall  
7 modify, reduce, or eliminate the existing privacy protec-  
8 tions and standards provided by reason of State and Fed-  
9 eral law, including the requirements of parts 160 and 164  
10 of title 45, Code of Federal Regulations (or any successor  
11 regulations).

12 “(d) REGULATIONS.—The Secretary, in consultation  
13 with the Secretary of Labor and the Secretary of the  
14 Treasury, not later than 1 year after the date of enact-  
15 ment of this section, shall promulgate regulations to carry  
16 out this section.

17 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-  
18 tion shall be construed to limit network design or cost or  
19 quality initiatives by a group health plan or health insur-  
20 ance issuer, including accountable care organizations, ex-  
21 clusive provider organizations, networks that tier providers  
22 by cost or quality or steer enrollees to centers of excel-  
23 lence, or other pay-for-performance programs.

24 “(f) CLARIFICATION WITH RESPECT TO ANTITRUST  
25 LAWS.—Compliance with this section does not constitute

1 compliance with the antitrust laws, as defined in sub-  
2 section (a) of the first section of the Clayton Act (15  
3 U.S.C. 12(a)).”.

4 (2) ERISA.—Section 724 of the Employee Re-  
5 tirement Income Security Act of 1974 (29 U.S.C.  
6 1185m) is amended by adding at the end the fol-  
7 lowing:

8 “(b) PROTECTING HEALTH PLANS NETWORK DE-  
9 SIGN FLEXIBILITY.—

10 “(1) IN GENERAL.—A group health plan or a  
11 health insurance issuer offering group health insur-  
12 ance coverage shall not enter into an agreement with  
13 a provider, network or association of providers, or  
14 other service provider offering access to a network of  
15 service providers if such agreement, directly or indi-  
16 rectly—

17 “(A) restricts the group health plan or  
18 health insurance issuer from—

19 “(i) directing or steering enrollees to  
20 other health care providers; or

21 “(ii) offering incentives to encourage  
22 enrollees to utilize specific health care pro-  
23 viders;

24 “(B) requires the group health plan or  
25 health insurance issuer to enter into any addi-

1 tional contract with an affiliate of the provider  
2 as a condition of entering into a contract with  
3 such provider;

4 “(C) requires the group health plan or  
5 health insurance issuer to agree to payment  
6 rates or other terms for any affiliate not party  
7 to the contract of the provider involved; or

8 “(D) restricts other group health plans or  
9 health insurance issuers not party to the con-  
10 tract, from paying a lower rate for items or  
11 services than the contracting plan or issuer  
12 pays for such items or services.

13 “(2) ADDITIONAL REQUIREMENT FOR SELF-IN-  
14 SURED PLANS.—A self-insured group health plan  
15 shall not enter into an agreement with a provider,  
16 network or association of providers, third-party ad-  
17 ministrator, or other service provider offering access  
18 to a network of providers if such agreement directly  
19 or indirectly requires the group health plan to cer-  
20 tify, attest, or otherwise confirm in writing that the  
21 group health plan is bound by restrictive contracting  
22 terms between the service provider and a third-party  
23 administrator that the group health plan is not  
24 party to, without a disclosure that such terms exist.

1           “(3) EXCEPTION FOR CERTAIN GROUP MODEL  
2 ISSUERS.—Paragraph (1)(A) shall not apply to a  
3 group health plan or health insurance issuer offering  
4 group health insurance coverage with respect to—

5           “(A) a health maintenance organization  
6 (as defined in section 733(b)(3)), if such health  
7 maintenance organization operates primarily  
8 through exclusive contracts with multi-specialty  
9 physician groups, nor to any arrangement be-  
10 tween such a health maintenance organization  
11 and its affiliates; or

12           “(B) a value-based network arrangement,  
13 such as an exclusive provider network, account-  
14 able care organization or other alternative pay-  
15 ment model, center of excellence, a provider  
16 sponsored health insurance issuer that operates  
17 primarily through aligned multi-specialty physi-  
18 cian group practices or integrated health sys-  
19 tems, or such other similar network arrange-  
20 ments as determined by the Secretary through  
21 rulemaking.

22           “(4) ATTESTATION.—A group health plan or  
23 health insurance issuer offering group health insur-  
24 ance coverage shall annually submit to the Secretary  
25 of Labor an attestation that such plan or issuer is



1 in compliance with the requirements of this sub-  
2 section.

3 “(c) MAINTENANCE OF EXISTING HIPAA, GINA,  
4 AND ADA PROTECTIONS.—Nothing in this section shall  
5 modify, reduce, or eliminate the existing privacy protec-  
6 tions and standards provided by reason of State and Fed-  
7 eral law, including the requirements of parts 160 and 164  
8 of title 45, Code of Federal Regulations (or any successor  
9 regulations).

10 “(d) REGULATIONS.—The Secretary, in consultation  
11 with the Secretary of Health and Human Services and the  
12 Secretary of the Treasury, not later than 1 year after the  
13 date of enactment of this section, shall promulgate regula-  
14 tions to carry out this section.

15 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-  
16 tion shall be construed to limit network design or cost or  
17 quality initiatives by a group health plan or health insur-  
18 ance issuer, including accountable care organizations, ex-  
19 clusive provider organizations, networks that tier providers  
20 by cost or quality or steer enrollees to centers of excel-  
21 lence, or other pay-for-performance programs.

22 “(f) CLARIFICATION WITH RESPECT TO ANTITRUST  
23 LAWS.—Compliance with this section does not constitute  
24 compliance with the antitrust laws, as defined in sub-

1 section (a) of the first section of the Clayton Act (15  
2 U.S.C. 12(a)).”.

3 (3) IRC.—Section 9824 of the Internal Rev-  
4 enue Code of 1986 is amended by adding at the end  
5 the following:

6 “(b) PROTECTING HEALTH PLANS NETWORK DE-  
7 SIGN FLEXIBILITY.—

8 “(1) IN GENERAL.—A group health plan shall  
9 not enter into an agreement with a provider, net-  
10 work or association of providers, or other service  
11 provider offering access to a network of service pro-  
12 viders if such agreement, directly or indirectly—

13 “(A) restricts the group health plan  
14 from—

15 “(i) directing or steering enrollees to  
16 other health care providers; or

17 “(ii) offering incentives to encourage  
18 enrollees to utilize specific health care pro-  
19 viders;

20 “(B) requires the group health plan to  
21 enter into any additional contract with an affil-  
22 iate of the provider as a condition of entering  
23 into a contract with such provider;

24 “(C) requires the group health plan to  
25 agree to payment rates or other terms for any

1 affiliate not party to the contract of the pro-  
2 vider involved; or

3 “(D) restricts other group health plans not  
4 party to the contract, from paying a lower rate  
5 for items or services than the contracting plan  
6 pays for such items or services.

7 “(2) ADDITIONAL REQUIREMENT FOR SELF-IN-  
8 SURED PLANS.—A self-insured group health plan  
9 shall not enter into an agreement with a provider,  
10 network or association of providers, third-party ad-  
11 ministrator, or other service provider offering access  
12 to a network of providers if such agreement directly  
13 or indirectly requires the group health plan to cer-  
14 tify, attest, or otherwise confirm in writing that the  
15 group health plan is bound by restrictive contracting  
16 terms between the service provider and a third-party  
17 administrator that the group health plan is not  
18 party to, without a disclosure that such terms exist.

19 “(3) EXCEPTION FOR CERTAIN GROUP MODEL  
20 ISSUERS.—Paragraph (1)(A) shall not apply to a  
21 group health plan with respect to—

22 “(A) a health maintenance organization  
23 (as defined in section 9832(b)(3)), if such  
24 health maintenance organization operates pri-  
25 marily through exclusive contracts with multi-

1 specialty physician groups, nor to any arrange-  
2 ment between such a health maintenance orga-  
3 nization and its affiliates; or

4 “(B) a value-based network arrangement,  
5 such as an exclusive provider network, account-  
6 able care organization or other alternative pay-  
7 ment model, center of excellence, a provider  
8 sponsored health insurance issuer that operates  
9 primarily through aligned multi-specialty physi-  
10 cian group practices or integrated health sys-  
11 tems, or such other similar network arrange-  
12 ments as determined by the Secretary through  
13 rulemaking.

14 “(4) ATTESTATION.—A group health plan shall  
15 annually submit to the Secretary of Labor an attes-  
16 tation that such plan is in compliance with the re-  
17 quirements of this subsection.

18 “(c) MAINTENANCE OF EXISTING HIPAA, GINA,  
19 AND ADA PROTECTIONS.—Nothing in this section shall  
20 modify, reduce, or eliminate the existing privacy protec-  
21 tions and standards provided by reason of State and Fed-  
22 eral law, including the requirements of parts 160 and 164  
23 of title 45, Code of Federal Regulations (or any successor  
24 regulations).

1       “(d) REGULATIONS.—The Secretary, in consultation  
2 with the Secretary of Health and Human Services and the  
3 Secretary of Labor, not later than 1 year after the date  
4 of enactment of this section, shall promulgate regulations  
5 to carry out this section.

6       “(e) RULE OF CONSTRUCTION.—Nothing in this sec-  
7 tion shall be construed to limit network design or cost or  
8 quality initiatives by a group health plan, including ac-  
9 countable care organizations, exclusive provider organiza-  
10 tions, networks that tier providers by cost or quality or  
11 steer enrollees to centers of excellence, or other pay-for-  
12 performance programs.

13       “(f) CLARIFICATION WITH RESPECT TO ANTITRUST  
14 LAWS.—Compliance with this section does not constitute  
15 compliance with the antitrust laws, as defined in sub-  
16 section (a) of the first section of the Clayton Act (15  
17 U.S.C. 12(a)).”.

18       (b) EFFECTIVE DATE.—The amendments made by  
19 subsection (a) shall apply with respect to any contract en-  
20 tered into on or after the date that is 18 months after  
21 the date of enactment of this Act. With respect to an ap-  
22 plicable contract that is in effect on the date of enactment  
23 of this Act, such amendments shall apply on the earlier

- 1 of the date of renewal of such contract or 3 years after
- 2 such date of enactment.

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