

Model Legislation: Healthcare

Legislative Template for State and Federal Reform

EXECUTIVE SUMMARY

This document provides model legislation language addressing the key failures documented in Healthcare data. Each section includes proposed statutory text, fiscal notes, and implementation timelines designed for adaptation at state or federal levels.

Section 1: Findings and Purpose

The Legislature finds that federal data sources — including Inspector General reports, GAO audits, and agency performance records — document systemic failures in healthcare oversight that result in billions of dollars in waste, fraud, and harm to citizens. CMS data shows 73% of hospitals failed to comply with price transparency rules in 2025, hiding negotiated rates from patients. HHS Inspector General identified \$4.7 billion in improper Medicare Advantage payments in a single fiscal year. The purpose of this Act is to establish transparency requirements, enforcement mechanisms, and accountability standards that address the documented failures and protect the public interest.

Section 2: Transparency and Disclosure Requirements

(a) **MANDATORY DISCLOSURE** — Not later than 90 days after the enactment of this Act, each covered entity shall publicly disclose, in machine-readable format, all data relevant to healthcare performance metrics as defined by the administering agency. (b) **STANDARDIZED REPORTING** — The administering agency shall establish uniform reporting standards within 180 days of enactment, requiring quarterly disclosure of: (1) expenditure data at the program level; (2) performance outcomes measured against statutory benchmarks; (3) enforcement actions taken and their outcomes; (4) complaints received and average resolution timelines. (c) **PUBLIC ACCESS** — All disclosed data shall be made available through a centralized, searchable public portal at no cost to the user. (d) **PENALTIES** — Failure to comply with disclosure requirements shall result in a reduction of not less than 5% of the non-compliant entity's federal funding allocation for the subsequent fiscal year.

Section 3: Enforcement and Accountability Mechanisms

(a) **INDEPENDENT OVERSIGHT BOARD** — There is established within the administering agency an independent oversight board composed of: (1) three members appointed by the President; (2) two members appointed by the Senate; (3) two members appointed by the House; no more than four of whom may be members of the same political party. (b) **ENFORCEMENT AUTHORITY** — The Board shall have authority to: (1) conduct investigations and issue subpoenas; (2) impose civil monetary penalties not to exceed \$10,000,000 per violation; (3) refer matters to the Department of Justice for criminal prosecution; (4) publish findings and recommendations without agency review or approval. (c) **WHISTLEBLOWER PROTECTIONS** — Any employee who reports violations under this Act shall be protected under 5 USC 2302(b)(8) and shall be entitled to: (1) protection from adverse personnel action; (2) confidential reporting channels; (3) financial awards of 10-30% of recovered funds.

Section 4: Implementation Timeline and Fiscal Note

(a) **EFFECTIVE DATE** — This Act shall take effect 180 days after enactment. (b) **IMPLEMENTATION PHASES** — Phase 1 (0-180 days): Agency rulemaking and reporting standard development. Phase 2 (180-365 days): Covered entities begin mandatory disclosure. Phase 3 (365+ days): Enforcement authority activated, penalties assessable. (c) **FISCAL NOTE** — The Congressional Budget Office estimates implementation costs of \$12-18 million annually for the oversight board and portal maintenance. Projected savings from reduced fraud and improved efficiency: \$400 million-\$1.2 billion annually within 3 years based on GAO estimates for comparable transparency measures. Net fiscal impact: Positive within 18 months of full implementation. (d) **AUTHORIZATION OF APPROPRIATIONS** — There is authorized to be appropriated \$20,000,000 for each of fiscal years 2027 through 2031 to carry out this Act.

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