

SB350 INTRODUCED



1 SB350
2 QNPF15-1
3 By Senators Chesteen, Chambliss, Albritton, Melson, Gudger
4 RFD: Healthcare
5 First Read: 10-Mar-26

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SYNOPSIS:

Under existing law, certain anticompetitive business practices violate state and federal antitrust law.

Also under existing law, states may provide immunity from state and federal antitrust laws under the state action doctrine, subject to certain requirements.

This bill would create the Rural Health Antitrust Immunity Act.

This bill would provide immunity from antitrust laws to rural healthcare providers who engage in conduct to improve healthcare access, healthcare quality, and health outcomes for rural Alabama citizens through the Alabama Rural Health Transformation Program's initiatives.

This bill would establish a system of continued oversight and supervision by the state.

A BILL
TO BE ENTITLED
AN ACT

Relating to rural healthcare; to authorize regulated collaboration among rural healthcare providers and related

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29 entities; to establish a certification and active supervision
30 framework administered by the state; to articulate a state
31 policy displacing competition where necessary to preserve
32 rural healthcare access and quality; to provide limited
33 immunity from state and federal antitrust laws consistent with
34 the state action doctrine; to prescribe application, review,
35 monitoring, renewal, and enforcement procedures; to limit
36 immunity to approved and supervised conduct; and to provide
37 related protections and safeguards.

38 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

39 Section 1. This act may be known and cited as the Rural
40 Health Antitrust Immunity Act.

41 Section 2. The Legislature finds and declares the
42 following:

43 (1) Alabama's rural communities face persistent
44 disparities in access to care, workforce capacity, health
45 outcomes, and healthcare infrastructure, requiring coordinated
46 and sustained action across state agencies, the Legislature,
47 providers, and community partners.

48 (2) Rural healthcare facilities are closing and losing
49 important specialty services due to declining populations,
50 diminishing health literacy and nutrition awareness,
51 increasing costs, and the inability to recruit and retain
52 qualified physicians and other healthcare professionals.

53 (3) The One Big Beautiful Bill Act, signed into law on
54 July 4, 2025, by President Donald J. Trump, established the
55 Rural Health Transformation Program, which authorizes states
56 to submit plans to strengthen rural communities by improving

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57 healthcare access, quality, and outcomes by transforming the
58 healthcare delivery system. On November 5, 2025, the state
59 submitted its plan, known as the Alabama Rural Health
60 Transformation Program, to the Centers for Medicare & Medicaid
61 Services, which includes policy reforms, innovative care
62 models, shared-service infrastructure, and workforce
63 initiatives.

64 (4) On December 18, 2025, Governor Kay Ivey issued
65 Executive Order No. 741 which established the Alabama Rural
66 Health Transformation Advisory Group to coordinate policy
67 development, stakeholder engagement, and intergovernmental
68 collaboration.

69 (5) Collaboration among entities and individuals to
70 expand access to healthcare in rural areas of the state is in
71 the best interest of Alabama citizens.

72 (6) It is the policy of this state to improve
73 healthcare access, healthcare quality, and health outcomes for
74 Alabama citizens who live in one of the state's rural counties
75 through the Alabama Rural Health Transformation Program's
76 initiatives, and, where necessary, to substitute regulated
77 collaboration and coordination for unfettered competition
78 under active state supervision. The Legislature further
79 articulates a state policy to displace competition in rural
80 healthcare markets, when reasonably necessary to advance the
81 purposes of this Act, including authorization of conduct that
82 may otherwise restrain trade, affect prices, markets, or
83 output.

84 (7) It is the intent of the legislature to exempt from

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85 state anti-trust laws, and provide immunity from federal
86 anti-trust laws through the state action doctrine, to entities
87 and individuals carrying out the state's policy provided in
88 this Act.

89 (8) This Act is intended to satisfy the requirements of
90 the state-action doctrine under federal antitrust law.

91 Section 3. (a) Subject to approval as provided in this
92 Act, entities and individuals may engage in data sharing,
93 collaborating, and providing shared services to carry out the
94 state's policy provided in this Act. Such activities may
95 include, but are not limited to:

96 (1) Joint purchasing and contracting;

97 (2) Shared clinical, administrative, and support
98 services;

99 (3) Coordinated staffing arrangements;

100 (4) Joint quality improvement initiatives;

101 (5) Shared technology platforms;

102 (6) Joint negotiations with payors, suppliers, and
103 vendors;

104 (7) Coordinated service line development; and

105 (8) Shared facilities, equipment, and infrastructure.

106 (b) Prior to engaging in activities provided in
107 subsection (a), an entity or individual shall obtain a valid
108 certificate authorizing such activities issued by the State
109 Health Planning and Development Agency, acting through its
110 Executive Director.

111 (c) An applicant shall describe with reasonable
112 particularity:

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- 113 (1) The parties to the engagement;
- 114 (2) The nature and scope of the proposed activities;
- 115 (3) The anticipated effects of engagement, including
- 116 any expected impact on competition; and
- 117 (4) Any other information requested by the State Health
- 118 Planning and Development Agency.
- 119 (d) In addition, to the requirements of subsection (c),
- 120 the applicant shall certify that the engagement is in good
- 121 faith and is reasonably necessary to further the state's
- 122 policy set forth in this Act.
- 123 (e) The State Health Planning and Development Agency
- 124 may issue a certificate if it determines that the activities
- 125 are reasonably necessary to further the state's policy set
- 126 forth in this Act and the benefits of the proposed activities
- 127 outweigh foreseeable anticompetitive effects. In making this
- 128 determination, the State Health Planning and Development
- 129 Agency may consider the effects of the proposed engagement on:
- 130 (1) The quality of hospital and related care provided
- 131 to rural Alabama citizens;
- 132 (2) The continued availability of hospital facilities
- 133 in close geographical proximity to the rural communities they
- 134 serve;
- 135 (3) Potential cost efficiencies in the services
- 136 provided by the applicant and other individuals and entities
- 137 involved in the proposed engagement;
- 138 (4) The efficient use of rural healthcare resources and
- 139 equipment, including the avoidance of duplication of resources
- 140 and equipment;

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141 (5) Improvements in health outcomes in the region
142 impacted by the proposed engagement;

143 (6) Access to care for medically underserved rural
144 populations and the extent to which these populations are
145 likely to benefit from the proposed activities;

146 (7) The ability of rural healthcare payors to negotiate
147 appropriate payment and service arrangements with rural
148 healthcare providers;

149 (8) Competition among rural healthcare providers and
150 others providing goods or services to, or competing with, such
151 providers;

152 (9) The quality, availability, and price of healthcare
153 services for rural Alabama citizens; and

154 (10) Whether other alternatives could reasonably
155 achieve the same or greater public health benefits with fewer
156 anticompetitive effects.

157 (f) A certificate issued under this section shall not
158 become effective unless and until it is reviewed and approved
159 in writing by the Governor or the Governor's designee. The
160 Governor may approve, in whole or in part, disapprove, or
161 return the certificate for further consideration, and may
162 impose conditions consistent with the purposes of this Act.

163 Section 4. (a) A certificate issued pursuant to section
164 3. is valid for a period of three years. An applicant may
165 renew its certificate in three-year increments. An application
166 for renewal shall include:

167 (1) A certification that the engagement has continued
168 and will continue in good faith and continues to be reasonably

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169 necessary to further the state's policy set forth in this Act;

170 (2) An explanation of how the engagement has furthered
171 the state's policy as set forth in this Act; and

172 (3) Any other information requested by the State Health
173 Planning and Development Agency.

174 (b) The State Health Planning and Development Agency
175 may approve the renewal, in whole or in part, or on an amended
176 basis, if it determines that the activities continue to be
177 reasonably necessary to further the state's policy set forth
178 in this Act and the benefits of the proposed activities
179 outweigh foreseeable anticompetitive effects.

180 Section 5. (a) The State Health Planning and
181 Development Agency shall adopt rules that provide for the
182 ongoing and active supervision of activities conducted
183 pursuant to a certificate issued under this Act.

184 (b) Notwithstanding Section 4., the State Health
185 Planning and Development Agency shall amend or revoke a
186 certificate at any time if it determines that the activities
187 conducted pursuant to a certificate are not reasonably
188 necessary to further the state's policy set forth in this Act
189 or the benefits of the proposed activities do not outweigh
190 foreseeable anticompetitive effects.

191 Section 6. The State Health Planning and Development
192 Agency shall adopt rules to implement this act.

193 Section 7. This act shall become effective immediately.