

**HB605 ENGROSSED**



1 HB605  
2 AR46WQ7-2  
3 By Representative Kiel  
4 RFD: Judiciary  
5 First Read: 10-Mar-26



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A BILL  
TO BE ENTITLED  
AN ACT

Relating to rural healthcare; to authorize regulated collaboration among rural healthcare providers and related entities; to establish a certification and active supervision framework administered by the state; to articulate a state policy displacing competition where necessary to preserve rural healthcare access and quality; to provide limited immunity from state and federal antitrust laws consistent with the state action doctrine; to prescribe application, review, monitoring, renewal, and enforcement procedures; to limit immunity to approved and supervised conduct; and to provide related protections and safeguards.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

Section 2. The Legislature finds and declares the following:

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



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29           (2) Rural healthcare facilities are closing and losing  
30 important specialty services due to declining populations,  
31 diminishing health literacy and nutrition awareness,  
32 increasing costs, and the inability to recruit and retain  
33 qualified physicians and other healthcare professionals.

34           (3) The One Big Beautiful Bill Act, signed into law on  
35 July 4, 2025, by President Donald J. Trump, established the  
36 Rural Health Transformation Program, which authorizes states  
37 to submit plans to strengthen rural communities by improving  
38 healthcare access, quality, and outcomes by transforming the  
39 healthcare delivery system. On November 5, 2025, the state  
40 submitted its plan, known as the Alabama Rural Health  
41 Transformation Program, to the Centers for Medicare & Medicaid  
42 Services, which includes policy reforms, innovative care  
43 models, shared-service infrastructure, and workforce  
44 initiatives.

45           (4) On December 18, 2025, Governor Kay Ivey issued  
46 Executive Order No. 741 which established the Alabama Rural  
47 Health Transformation Advisory Group to coordinate policy  
48 development, stakeholder engagement, and intergovernmental  
49 collaboration.

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

53           (6) It is the policy of this state to improve  
54 healthcare access, healthcare quality, and health outcomes for  
55 Alabama citizens who live in one of the state's rural counties  
56 through the Alabama Rural Health Transformation Program's



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57 initiatives, and, where necessary, to substitute regulated  
58 collaboration and coordination for unfettered competition  
59 under active state supervision. The Legislature further  
60 articulates a state policy to displace competition in rural  
61 healthcare markets, when reasonably necessary to advance the  
62 purposes of this Act, including authorization of conduct that  
63 may otherwise restrain trade, affect prices, markets, or  
64 output.

65 (7) It is the intent of the legislature to exempt from  
66 state anti-trust laws, and provide immunity from federal  
67 anti-trust laws through the state action doctrine, to entities  
68 and individuals carrying out the state's policy provided in  
69 this Act.

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

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

77 (1) Joint purchasing and contracting;

78 (2) Shared clinical, administrative, and support  
79 services;

80 (3) Coordinated staffing arrangements;

81 (4) Joint quality improvement initiatives;

82 (5) Shared technology platforms;

83 (6) Joint negotiations with payors, suppliers, and  
84 vendors;



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85 (7) Coordinated service line development; and  
86 (8) Shared facilities, equipment, and infrastructure.

87 (b) Notwithstanding any language or provision to the  
88 contrary, joint negotiations with a Health Benefit Plan or  
89 Health Insurer, as those terms are defined in Alabama Code  
90 Section 27-45A-3(4) and 27-45A-3(5), respectively; an employee  
91 welfare benefit plan, as defined in 29 U.S.C. 1002(1); a plan  
92 that pays or reimburses for health care services pursuant to  
93 Chapter 25A of Title 16, Code of Alabama 1975, Chapter 29 of  
94 Title 36, Code of Alabama 1975, or Chapter 91A of Title 11,  
95 Code of Alabama; or the administrator of any such plan is not  
96 included and is hereby expressly prohibited from approval by  
97 the Agency as an allowed activity pursuant to this Act.

98 (c) Prior to engaging in activities provided in  
99 subsection (a), an entity or individual shall obtain a valid  
100 certificate authorizing such activities issued by the State  
101 Health Planning and Development Agency, acting through its  
102 Executive Director.

103 (d) An applicant shall describe with reasonable  
104 particularity:

105 (1) The parties to the engagement;  
106 (2) The nature and scope of the proposed activities;  
107 (3) The anticipated effects of engagement, including  
108 any expected impact on competition; and

109 (4) Any other information requested by the State Health  
110 Planning and Development Agency.

111 (e) In addition, to the requirements of subsection (c),  
112 the applicant shall certify that the engagement is in good



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113 faith and is reasonably necessary to further the state's  
114 policy set forth in this Act.

115 (f) The State Health Planning and Development Agency  
116 may issue a certificate if it determines that the activities  
117 are reasonably necessary to further the state's policy set  
118 forth in this Act and the benefits of the proposed activities  
119 outweigh foreseeable anticompetitive effects. In making this  
120 determination, the State Health Planning and Development  
121 Agency may consider the effects of the proposed engagement on:

122 (1) The quality of hospital and related care provided  
123 to rural Alabama citizens;

124 (2) The continued availability of hospital facilities  
125 in close geographical proximity to the rural communities they  
126 serve;

127 (3) Potential cost efficiencies in the services  
128 provided by the applicant and other individuals and entities  
129 involved in the proposed engagement;

130 (4) The efficient use of rural healthcare resources and  
131 equipment, including the avoidance of duplication of resources  
132 and equipment;

133 (5) Improvements in health outcomes in the region  
134 impacted by the proposed engagement;

135 (6) Access to care for medically underserved rural  
136 populations and the extent to which these populations are  
137 likely to benefit from the proposed activities;

138 (7) The ability of rural healthcare payors to negotiate  
139 appropriate payment and service arrangements with rural  
140 healthcare providers;



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141 (8) Competition among rural healthcare providers and  
142 others providing goods or services to, or competing with, such  
143 providers;

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

146 (10) Whether other alternatives could reasonably  
147 achieve the same or greater public health benefits with fewer  
148 anticompetitive effects.

149 (g) A certificate issued under this section shall not  
150 become effective unless and until it is reviewed and approved  
151 in writing by the Governor or the Governor's designee. The  
152 Governor may approve, in whole or in part, disapprove, or  
153 return the certificate for further consideration, and may  
154 impose conditions consistent with the purposes of this Act.

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

159 (1) A certification that the engagement has continued  
160 and will continue in good faith and continues to be reasonably  
161 necessary to further the state's policy set forth in this Act;

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

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

166 (b) The State Health Planning and Development Agency  
167 may approve the renewal, in whole or in part, or on an amended  
168 basis, if it determines that the activities continue to be



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169 reasonably necessary to further the state's policy set forth  
170 in this Act and the benefits of the proposed activities  
171 outweigh foreseeable anticompetitive effects.

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

176           (b) Notwithstanding Section 4., the State Health  
177 Planning and Development Agency shall amend or revoke a  
178 certificate at any time if it determines that the activities  
179 conducted pursuant to a certificate are not reasonably  
180 necessary to further the state's policy set forth in this Act  
181 or the benefits of the proposed activities do not outweigh  
182 foreseeable anticompetitive effects.

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

185           Section 7. This act shall become effective immediately.

