PRIVATE EQUITY IN HEALTHCARE: TRENDS, EVIDENCE, AND STATE ANTITRUST ENFORCEMENT

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May 2026

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This article provides a comprehensive overview of private equity's expanding role in healthcare and the evolving enforcement landscape surrounding it. The authors' analysis captures the tension between the potential efficiencies generated by private equity investment and the risks associated with consolidation, cost-cutting, and impacts on care quality. Importantly, they trace the shifting stance of U.S. federal enforcers — from heightened scrutiny of roll-up strategies to a renewed emphasis on case-specific analysis — while highlighting the growing importance of state-level enforcement and "mini-HSR" regimes. The result is a nuanced account of how ownership structures, financial incentives, and market fragmentation intersect in shaping competitive outcomes in healthcare.

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I. INTRODUCTION

Private equity-backed entities contributed more than $2 trillion to U.S. gross domestic product ("GDP") in 2024. This reflects the economic output of private-equity owned companies and accounts for roughly 7 percent of the GDP.[2] Over the past two decades, from 2000 to 2022, assets managed by private equity have expanded more than fifteen-fold, reaching $8 trillion.[3] Private equity investment now spans virtually all sectors of the economy including energy, manufacturing, retail, technology, and healthcare. Healthcare represents a significant share of this investment activity at around 15 percent.[4] Measured by number of acquisitions, private equity in healthcare has focused primarily on dental care, healthcare information technology, medical devices and technology, outpatient services, pharmaceutical services, and home health and hospice care.[5]

As a result of this growing footprint, private equity is playing an increasingly substantial role in healthcare markets, reinforcing broader trends toward consolidation. The combined impact has raised concerns among policymakers regarding market competition, price increases, effects on patient care quality and access, and potential job losses. At the same time, the economic evidence on the effects of private equity ownership and growth remains mixed. Some empirical findings suggest that private equity has the potential to generate efficiency gains and operational improvements in some settings, while other findings point to reductions in care quality, staffing levels, and potentially worse healthcare outcomes.

Federal antitrust enforcement perspectives on private equity also appear to be evolving over time, varying across antitrust regimes. Prior to 2021, private equity involvement in transactions was largely treated as passive, with limited interest in assessing private equity firms as competitive actors. During the Biden administration (2021–2025), federal agencies began signaling greater attention to private equity's role in consolidation, particularly in healthcare markets. Both the Department of Justice ("DOJ") and the Federal Trade Commission ("FTC") emphasized the need to assess private equity roll-up strategies and serial acquisitions that may fall below HSR reporting thresholds. The FTC Chair, among others, raised concerns about private equity ownership of healthcare facilities leading to staff reductions, cost-cutting, and potential reduction in care quality.[6] More recent statements from the FTC and the DOJ leadership suggest at least a partial shift toward a more traditional or neutral view of private equity, emphasizing case-specific analysis rather than scrutiny based on private equity involvement.[7]

States, meanwhile, have begun taking an increasingly active role in oversight of consolidation activity generally and of private equity's role in that consolidation in particular. Several states have enacted, or proposed enacting, statutes that will expand their authority to investigate transactions involving private equity investors. State attorneys general ("AGs") are also more willing to pursue enforcement actions under state antitrust and consumer protection laws, often citing concerns about consolidation, price increases, and access to care.[8] The growing state-level involvement suggests that even if the federal enforcement perspective toward private equity shifts to a more neutral stance, transactions involving private equity are likely to continue to receive heightened attention at the local level.

This paper examines the current state of private equity and ongoing consolidation in healthcare, the main concerns raised by regulators and policymakers, emerging empirical evidence of the impact of private equity, and the evolving enforcement landscape.

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2 "Economic Contribution of the US Private Equity Sector in 2024" Prepared for the American Investment Council, March 2025, https://www.investmentcouncil.org/wp-content/uploads/2025/03/EY-AIC-2024-Economic-contribution-of-the-US-private-equity-sector.pdf.

3 Ruulke Bagijn, "What the Evolution of Private Equity Means for Investors," https://www.carlyle.com/up-close-with-carlyle/evolution-of-private-equity-means-for-investors.

4 Statista, "Private Equity in the U.S. – Statistics & Facts," https://www.statista.com/topics/12166/private-equity-in-the-us/#statisticChapter.

5 Mary Bugbee, Eileen O'Grady & Michael Fenne, "Private Equity Healthcare Deals: 2024 in Review", Private Equity Stakeholder Project, https://pestakeholder.org/wp-content/uploads/2025/02/PESP_Report_HC-Acquisitions_2025.pdf.

6 "Justice Department, Federal Trade Commission and Department of Health and Human Services Issue Request for Public Input as Part of Inquiry into Impacts of Corporate Ownership Trend in Health Care," Department of Justice Office of Public Affairs, March 5, 2024, https://www.justice.gov/archives/opa/pr/justice-department-federal-trade-commission-and-department-health-and-human-services-issue.

7 "Concurring Statement of Commissioner Andrew N. Ferguson Joined by Commissioner Melissa Holyoak In the Matter of US Anesthesia Partners/Guardian Anesthesia Matter Number 2010031," January 17, 2025, https://www.ftc.gov/system/files/ftc_gov/pdf/welsh-carson-ferguson-statement-final.pdf.

8 See, for instance, Colorado AG's complaint against USAP and the ensuing settlement. (https://assets.law360news.com/1807000/1807314/2024-02-26-13-57-23-final-usap-complaint-1.pdf; https://assets.law360news.com/1807000/1807314/2024-02-26-13-58-48-final-signed-usap-consent-judgment-usap-2.23.2024-1.pdf.) Welsh Carson settled the Colorado AG's claims that it had monopolized the anesthesia market in the Denver Metro area by backing out of its anesthesia deals with several hospitals.

II. PRIVATE EQUITY IN THE HEALTHCARE INDUSTRY: AN OVERVIEW

In 2025, U.S. private equity investments surpassed $1 trillion in value. These investments spanned several industries, with the technology, media, and telecommunications industry receiving the largest share, valued at over $400 billion. Other industries that attracted significant private equity investment included manufacturing, energy, retail, financial services, transportation, and healthcare.[9]

In what follows, we first summarize the current status of private equity investment in healthcare against the backdrop of ongoing consolidation. Next, we discuss both the potential concerns regarding private equity investments raised by policymakers and the existing empirical evidence on the impact of such investment on healthcare outcomes.

A. Status Quo and Contributing Factors

Healthcare has been one of the leading recipients of growing private equity investments over time, with annual investments increasing from $5 billion in 2000 to nearly $110 billion in 2025.[10] Between 2010 and 2020, healthcare's share of private equity transactions increased from 12 percent to 20 percent.[11] This growth spanned multiple healthcare entity types, ranging from physician practices and hospitals to senior living and behavioral health facilities. As of 2024, approximately 65 percent of physicians in practices that changed ownership were under private equity ownership.[12] In the same year, private equity-backed entities owned about 8 percent of private hospitals and 22 percent of for-profit hospitals.[13]

Several structural features of the healthcare sector align well with private equity's business model, likely contributing to the growth of private equity involvement in the sector. On the demand side, healthcare spending is driven by an aging population and characterized by a relatively stable demand, even during periods of economic slowdown, creating a predictable revenue stream for providers. Coupled with the persistence of fee-for-service reimbursement models, these features make healthcare an attractive target for leveraged buyout strategies.

On the supply side, healthcare remains highly fragmented, particularly in certain provider specialties and settings. This fragmented landscape creates opportunities for private equity funds to purchase and consolidate smaller providers through "roll-up" strategies, enabling scale efficiencies and benefits of centralization. Consistent with these incentives, largely fragmented specialties like dermatology, ophthalmology, and gastroenterology have been among the top specialties targeted by private equity in physician practice and outpatient clinic transactions.[14]

The growing role that private equity is playing in healthcare has coincided with broader consolidation trends across the industry, including both providers and insurers. In 2012, less than 30 percent of physicians were affiliated with a large hospital system. By 2024, this figure had increased to 47 percent. Similarly, in 2021, about 60 percent of physicians used to work in independent practices. This figure is now down to about 40 percent. By 2024, about 75 percent of health insurance markets were identified as highly concentrated.[15]

Private equity ownership represents an additional channel that has contributed to this consolidation. Private equity-backed entities now own over 30 percent of physicians across roughly one-quarter of all metropolitan statistical areas ("MSAs") and more than half of all physicians

9 "Pulse of Private Equity Q4'25, A KPMG Quarterly Analysis of Global Private Equity Activity," January 2026, https://assets.kpmg.com/content/dam/kpmgsites/xx/pdf/2026/01/pulse-of-private-equity-q4-25.pdf.

10 Brian Keyser, Alexandra Thornton & Claire Koyle, "Five Consequences of Private Equity's Expansion in Health Care Services," *Center for American Progress*, October 30, 2025, https://www.americanprogress.org/article/5-consequences-of-private-equitys-expansion-in-health-care-services/ .

11 Richard M. Scheffler, Laura M. Alexander & James R. Godwin, "Soaring Private Equity Investment in the Healthcare Sector: Consolidation Accelerated, Competition Undermined, and Patients at Risk," *American Antitrust Institute,* May 18, 2021, https://www.antitrustinstitute.org/wp-content/uploads/2021/05/Private-Equity-I-Healthcare-Report-FINAL-1.pdf.

12 "Health Care Consolidation: Published Estimates of the Extent and Effects of Physician Consolidation," September 2025, *U.S. Government Accountability Office*, GAO25107450, https://files.gao.gov/reports/GAO-25-107450/index.html.

13 Maya Brownstein, "Private Equity's Appetite for Hospitals May Put Patients at Risk," Harvard T.H. Chan School of Public Health, December 16, 2024, https://hsph.harvard.edu/news/private-equitys-appetite-for-hospitals-may-put-patients-at-risk/.

14 Richard M. Scheffler, Laura Alexander, Brent D. Fulton, Daniel R. Arnold & Ola A. Abdelhadi, "Monetizing Medicine: Private Equity and Competition in Physician Practice Markets," *American Antitrust Institute*, July 10, 2023, https://www.antitrustinstitute.org/wpcontent/uploads/2023/07/AAI-UCB-EG_Private-Equity-I-Physician-Practice-Report_FINAL.pdf.

15 Jose R. Guardado, Carol K. Kane, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets, 2025 Update," *American Medical Association*, https://www.ama-assn.org/system/files/competition-health-insurance-us-markets.pdf.

in about 13 percent of MSAs. In over one-third of MSAs, private equity-backed entities held more than 30 percent share in at least one specialty, and in about half of those MSAs, their share exceeded 50 percent.[16]

B. Policy Concerns and Emerging Empirical Evidence

Despite widespread evidence that some healthcare transactions can harm patients and healthcare workers through higher prices, lower wages, or reduced quality or access, the peer-reviewed literature on the effect of private equity ownership is in its early stages. Overall, the available evidence points to mixed outcomes.

Some studies report potential quality improvements in specific settings. Bruch et al. (2021) find improvements in some quality measures at private equity-owned hospitals,[17] and Cerullo et al. (2022) find that Medicare beneficiaries with acute myocardial infraction who received care at private equity-owned short-term acute care hospitals had lower rates of mortality compared to similar patients at other hospitals.[18] Gandhi et al. (2026) offer a more nuanced view by providing evidence that the impact of private equity ownership of nursing homes depends on the existing state of competition in the local market.[19] Other studies have reported adverse effects. Singh et al. (2022) find that physician practices acquired by private equity firms experience prices increase in the range of 4 percent to 20 percent.[20] La Forgia et al. (2022) report that prices increased by over twice as much for private equity-backed anesthesiologist physician management companies compared to non-private equity-backed equivalents.[21] Braun et al. (2021) find that private equity ownership is associated with a higher hospitalization rate among nursing home residents.[22]

These mixed findings likely reflect both the varied ways in which private equity's operational strategies interact with healthcare delivery and the limited scope of existing empirical research. Private equity firms typically seek to improve operational efficiency, scale businesses, and ultimately exit the investment through sales to strategic buyers or IPOs.[23] In fragmented markets, these strategies may generate efficiencies that benefit patients. In other contexts, however, an emphasis on short-term returns may lead to excessive cost cutting and reduced services and staffing, which, in turn, can harm patients through higher prices and lower quality while amplifying existing consolidation trends.

Private equity investment may also produce benefits through selected channels, such as capital investments supporting infrastructure upgrades and increased staffing, access to market knowledge and managerial expertise enabling operational efficiencies, and, in some cases, avoiding closures due to bankruptcy or further consolidation due to acquisitions by existing in-market provider systems.[24]

From a competition perspective, many of the concerns related to private equity ownership extend beyond ownership labels to arrangements that centralize control and align financial incentives. Hedge fund ownership can also consolidate providers leading to similar effects in terms of increases in market concentration and enabling tacit (or explicit) coordination on pricing and network formation. Management service organizations (MSOs), which manage non-clinical administrative and operational support for healthcare providers, present another channel through which control can be exercised. Although MSOs typically do not hold equity ownership, they may earn revenue-based fees, creating incentives

16 Brian Keyser, Alexandra Thornton & Claire Koyle, "Five Consequences of Private Equity's Expansion in Health Care Services," *Center for American Progress*, October 30, 2025, https://www.americanprogress.org/article/5-consequences-of-private-equitys-expansion-in-health-care-services/ . Ola Abdelhadi, Brent D. Fulton, Laura Alexander & Richard M. Scheffler, "Private Equity-Acquired Physician Practices and Market Penetration Increased Substantially, 2012–21," *Health Affairs* 43, no. 3 (March 2024), 354-362.

17 Joseph Dov Bruch, Canyon Foot, Yashaswini Singh, Zirui Song, Daniel Polsky & Jane M. Zhu, "Workforce Composition in Private Equity-Acquired versus Non-Private Equity-Acquired Physician Practices," *Health Affairs* 42, no. 1 (January 2023), 121-129.

18 Marcelo Cerullo, Kelly Yang, Karen E. Joynt Maddox, Ryan C. McDevitt, and James W. Roberts, "Association Between Hospital Private Equity Acquisition and Outcomes of Acute Medical Conditions Among Medicare Beneficiaries," *JAMA Network Open* 5, no. 4: e229581.

19 Ashvin Gandhi, YoungJun Song & Prabhava Upadrashta, "Private Equity, Consumers, and Competition: Evidence from the Nursing Home Industry," NBER Working Paper 34306. Authors find evidence suggesting that private equity firms compete more aggressively when competitive incentives are strong and exercise market power more aggressively in the opposite scenario.

20 Yashaswini Singh, Zirui Song, Daniel Polsky, Joseph D. Bruch & Jane M. Zhu, "Association of Private Equity Acquisition of Physician Practices With Changes in Health Care Spending and Utilization," *JAMA Health Forum*, no. 3 (September 2022):e222886.

21 Ambar La Forgia, Amelia M. Bond, Robert Tyler Braun, Leah Z. Yao, Klaus Kjaer, Manyao Zhang, & Lawrence, "Association of Physician Management Companies and Private Equity Investment with Commercial Health Care Prices Paid to Anesthesia Practitioners," *JAMA Intern Med.* 182, no. 4 (April, 2022), 396–404.

22 Robert Tyler Braun, Hye-Young Jung, Lawrence P. Casalino, Zachary Myslinski & Mark Aaron Unruh, "Association of Private Equity Investment in US Nursing Homes with the Quality and Cost of Care for Long-Stay Residents," *JAMA Health Forum* 2, no. 11 (November 2021): e213817.

23 Erin C. Fuse Brown, Mark A. Hall, "Private Equity and the Corporatization of Health Care," *Stanford Law Review* 76 (2024), 527-596.

24 Rohan A. Joseph, MD, FACS, John Kelly, MD, FACS & Doug Lundy, MD, FACS, "*How Does Private Equity Affect the Delivery of Quality Care?"*American College of Surgeons, June 10, 2025, https://www.facs.org/for-medical-professionals/news-publications/news-and-articles/bulletin/2025/june-2025-volume-110-issue-6/how-does-private-equity-affect-the-delivery-of-quality-care/.

similar to those faced by private equity firms. Centralized contracting, billing, staffing, and performance targets can enable coordination across otherwise independent practices, increasing bargaining leverage and reducing competition.[25] Moreover, MSOs themselves may be acquired by private equity firms, aligning incentives while obscuring underlying ownership structures.[26]

III. EVOLVING FEDERAL ENFORCEMENT PERSPECTIVE

Prior to 2021, whether a transaction involved public or private equity ownership was largely a passive consideration in federal antitrust review. Federal agencies generally focused on the competitive effects of the transaction itself, rather than on the identity or business model of the acquirer. This approach changed during the Biden administration.

In his 2022 State of the Union address, President Biden raised concerns about private equity firms acquiring nursing homes, citing potential association with lower quality of care and higher costs.[27] Soon after, senior federal enforcers issued a number of public statements identifying specific competition concerns associated with private equity investment, particularly in healthcare markets.

These concerns included: (1) roll-up strategies that increase market consolidation through a series of acquisitions that individually fall below the HSR thresholds; (2) highly leveraged buyouts that could leave healthcare firms with significant debt, potentially undermining long-term stability; (3) short-term investment horizons that incentivize excessive cost-cutting, including reduced staffing that ultimately could impact quality; and (4) labor-market effects, including layoffs and wage suppression arising from aggressive restructuring.[28] Collectively, the concern was that these practices could lead to a more fragile healthcare system.

The revised Merger Guidelines, issued during the Biden administration, reflected these concerns. In particular, Guidelines 6, 7, 8 and 11 indicate that agencies will closely scrutinize mergers that may entrench or extend a dominant position, further a trend toward consolidation, involve a series of multiple acquisitions, or include partial ownership or minority interests that may affect competition.[29]

The federal stance appears to have evolved again under the new administration. This shift is perhaps best illustrated by the FTC enforcement action against Welsh, Carson, Anderson, & Stowe and U.S. Anesthesia Partners ("USAP"). In 2023, acting on its heightened concerns regarding private equity's role in healthcare consolidation, the FTC filed its first lawsuit directly against a private equity firm, alleging that Welsh Carson had executed a roll-up strategy to monopolize anesthesia services markets in Texas through its acquisition of independent anesthesia practices.[30] In May 2025, the FTC approved a consent order resolving the claims against Welsh Carson. Later, in April of this year, the FTC also reached an agreement in principle with USAP to settle its litigation.[31]

The settlement with Welsh Carson is consistent with a change in the federal enforcement stance toward the role of private equity. Recent public statements suggest greater emphasis on case-specific economic evidence and demonstrable competitive effects, rather than skepticism

25 Hayden Rooke-Ley, Megha Reddy, Neil Mehta, Yashswini Singh, and Erin C. Fuse Brown, "The Corporate Backdoor to Medicine: How MSOs are Reshaping Physician Practices," *Milbank Memorial Fund,* April 28, 2025, https://www.milbank.org/publications/the-corporate-backdoor-to-medicine-how-msos-are-reshaping-physician-practices/. For example, in 2018, a private equity firm invested in a gastroenterology practice that had 110 locations across several states to create and own a management MSO. From 2018 to 2022, the new MSO added 33 additional gastroenterology practices to its portfolio, resulting in a connected network of over 400 locations. See: Richard M. Scheffler, Laura Alexander, Brent D. Fulton, Daniel R. Arnold, and Ola A. Abdelhadi, "Monetizing Medicine: Private Equity and Competition in Physician Practice Markets," *American Antitrust Institute*, July 10, 2023, https://www.antitrustinstitute.org/wpcontent/uploads/2023/07/AAI-UCB-EG_Private-Equity-I-Physician-Practice-Report_FINAL.pdf.

26 "Health Care Consolidation: Published Estimates of the Extent and Effects of Physician Consolidation," September 2025, *U.S. Government Accountability Office*, GAO25107450, https://files.gao.gov/reports/GAO-25-107450/index.html.

27 "State of the Union Address Focuses on Private Equity's Impact on Nursing Homes," Private Equity Stakeholder Project, April 12, 2022, https://pestakeholder.org/news/state-of-the-union-address-focuses-on-private-equitys-impact-on-nursing-homes.

28 "Justice Department, Federal Trade Commission and Department of Health and Human Services Issue Request for Public Input as Part of Inquiry into Impacts of Corporate Ownership Trend in Health Care," Department of Justice Office of Public Affairs, March 5, 2024, https://www.justice.gov/archives/opa/pr/justice-department-federal-trade-commission-and-department-health-and-human-services-issue; "Statement of Chair Lina M. Khan Joined by Commissioner Rebecca Kelly Slaughter and Commissioner Alvaro M. Bedoya In the Matter of JAB Consumer Fund/SAGE Veterinary Partners Commission File No. 2110140," June 13, 2022, https://www.ftc.gov/system/files/ftc_gov/pdf/2022.06.13%20-%20Statement%20of%20Chair%20Lina%20M.%20Khan%20Regarding%20NVA-Sage%20-%20new.pdf.

29 "Merger Guidelines", U.S. Department of Justice and the Federal Trade Commission, https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf.

30 Complaint for Injunctive and Other Equitable Relief, https://www.ftc.gov/system/files/ftc_gov/pdf/2010031usapcomplaintpublic.pdf.

31 "FTC Approves Final Order with Welsh Carson," May 20, 2025, https://www.ftc.gov/news-events/news/press-releases/2025/05/ftc-approves-final-order-welsh-carson. "FTC Charts Path to Restore Competition in Texas Anesthesia Markets in USAP Litigation," April 23, 2026, https://www.ftc.gov/news-events/news/press-releases/2026/04/ftc-charts-path-restore-competition-texas-anesthesia-markets-usap-litigation.

toward ownership structure or business model. In his statement following the settlement, the incoming FTC Chairman Ferguson emphasized that "this case is an ordinary application of the most elementary antitrust principles. That Welsh Carson is a private equity firm is irrelevant; the antitrust analysis would be the same if Welsh Carson were, for example, an individual or institutional investor".[32] Taken together, the resolution of the Welsh-Carson matter and the accompanying public statements indicate a shift in stance relative to the prior administration.

This shift in federal view, however, does not indicate a return to the pre-2021 *status quo* for private equity actors. The uncertainty surrounding the competitive effects of the private equity business model increases the likelihood that state enforcement will play an important role. Additionally, because healthcare markets are inherently local, the state-level oversight is likely to continue to impose meaningful constraints on private equity firms and their ability to invest in healthcare.

IV. STATE LEVEL ENFORCEMENT IN RESPONSE TO GROWING PRIVATE EQUITY OWNERSHIP OF HEALTHCARE ENTITIES

Because consumers overwhelmingly prefer local providers, healthcare consumption is inherently local. Competition analysis of healthcare transactions has long recognized this feature. At the same time, only a small fraction of healthcare transactions is reportable under the HSR Act.[33] This combination of the local nature of healthcare competition and the limited reach of the federal merger review process helps explain why state antitrust enforcers have long prioritized healthcare transactions.[34] In addition to review by State AGs, certain states have established specialized healthcare transaction review bodies with broad oversight authority. For example, Massachusetts' Health Policy Commission ("HPC"), California's Office of Healthcare Affordability ("OHCA"), and Oregon's Health Care Market Oversight ("HCMO") are specifically charged with reviewing proposed healthcare deals and assessing their potential impact on healthcare costs, access, and competition.[35]

The growth in private equity ownership of healthcare entities and the continuing consolidation trends in healthcare, combined with federal enforces' evolving stance away from singling out private equity for potential anti-competitive or otherwise harmful conduct, are likely to further reinforce states' focus on healthcare transactions and their ownership structure. Over the last several years, states have increasingly sought to address the role of private equity in healthcare consolidation through two distinct but related legislative avenues: (1) laws specifically targeting private equity involvement and (2) laws more broadly expanding states' authority over transaction review through mini-HSR regimes.

State legislatures have pursued several private equity-targeted bills trying to expand transaction-notice requirements, increase AG authority to review healthcare transactions, specifically restrict MSOs, and, in some cases, outright prohibit private equity ownership of certain healthcare providers. The map below summarizes these efforts by grouping them into three categories: (i) states that have explicitly targeted private equity ownership or control of healthcare entities, (ii) states that have imposed additional restrictions on healthcare transactions requiring either advance notice or approval ("mini-HSR"), and (iii) states that have pursued both approaches.

The legislative outcomes have been somewhat uneven. Many proposals that would have imposed categorical ownership prohibitions or structural restrictions on private equity ownership have failed. For example, a 2024 legislation in California (AB 3129) that would have required private equity and hedge funds to provide a pre-closing notice and obtain consent from the AG, in addition to imposing restrictions on interfering with the professional judgment of physicians, failed. But another legislation in 2025 (AB 1415) that gives broader oversight authority to California's OHCA over certain healthcare transactions involving private equity, hedge funds, and MSOs, passed. Some other states that attempted but failed to pass legislation specifically targeting private equity ownership of healthcare entities include, among others, Connecticut, Minnesota, and Texas.[36]

32 "Concurring Statement of Commissioner Andrew N. Ferguson Joined by Commissioner Melissa Holyoak In the Matter of US Anesthesia Partners/Guardian Anesthesia Matter Number 2010031," January 17, 2025, https://www.ftc.gov/system/files/ftc_gov/pdf/welsh-carson-ferguson-statement-final.pdf.

33 There were 2,031 transactions reported under the HSR Act in 2024; 3.1 percent of these transactions, or 63, were in healthcare. According to LevinPro, a database tracking mergers and acquisitions, there were 1,991 healthcare transactions in 2024. See "Hart-Scott-Rodino Annual Report, Fiscal Year 2024, https://www.ftc.gov/system/files/ftc_gov/pdf/FY24-HSR-ANNUAL-REPORT-FOR-TRANSMITTAL-TO-CONGRESS.pdf; "Healthcare M&A Volume Drops in Q4:24, According to Acquisition Data from LevinPro HC," January 13, 2025, Levin Associates, https://www.levinassociates.com/healthcare-ma-volume-drops-in-q424-according-to-acquisition-data-from-levinpro-hc/; Brian Keyser, Alexandra Thornton & Claire Koyle, "Five Consequences of Private Equity's Expansion in Health Care Services," *Center for American Progress*, October 30, 2025, https://www.americanprogress.org/article/5-consequences-of-private-equitys-expansion-in-health-care-services/.

34 E.g., see the state AG brief in *FTC v. Hackensack* at https://www.naag.org/wp-content/uploads/2021/11/2021.11.05-Filed-States-Amicus-Brief-FTC-v.-Hackensack-Meridian-Health-and-Englewood-Healthcare-Foundation.pdf.

35 https://masshpc.gov/; https://hcai.ca.gov/affordability/ohca/; https://www.oregon.gov/oha/hpa/hp/pages/health-care-market-oversight.aspx.

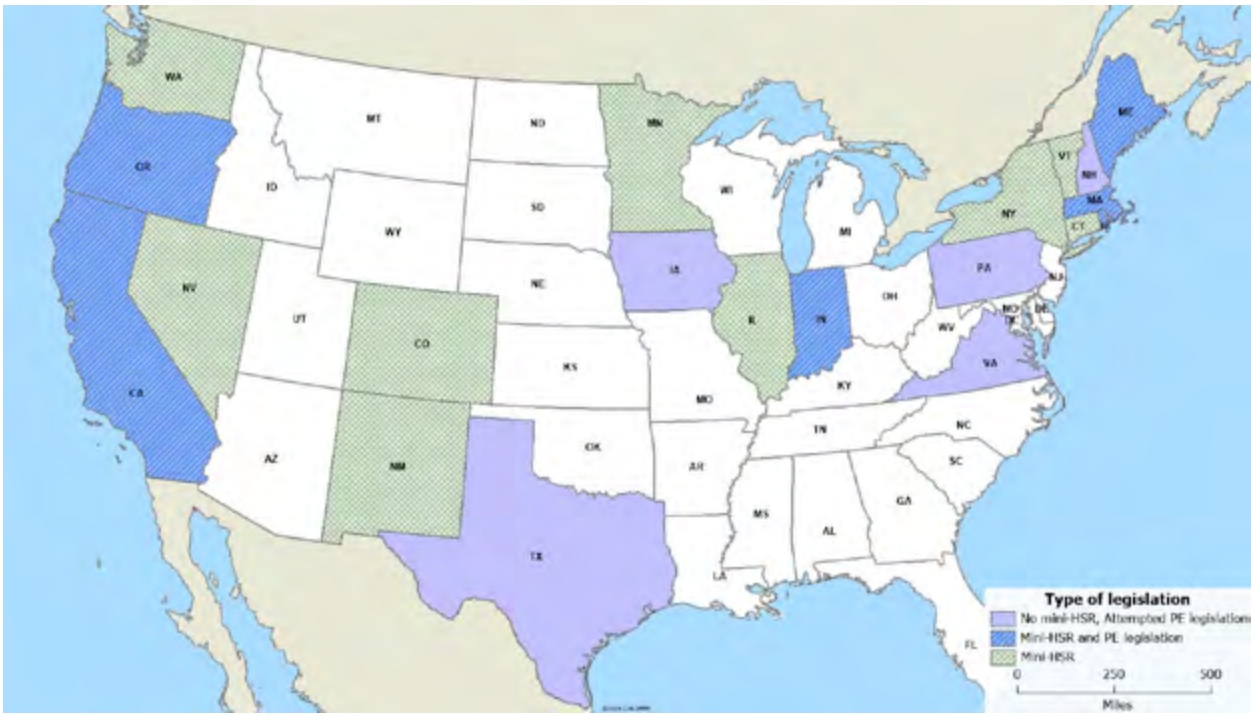
36 E.g., see https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB00261&which_year=2025; https://www.revisor.mn.gov/bills/93/2024/0/HF/4206/?body=house; https://legiscan.com/TX/bill/SB1595/2025.

In contrast, mini-HSR type laws that impose broad oversight on healthcare transactions without singling out any particular ownership type have received relatively broader support, and many are now in force. These laws typically impose notification requirements and initiate a review period, in the spirit of the federal HSR requirements. The onerousness of these requirements generally depends on the size of the transaction and the share of the parties' revenues generated within the state. For example, Washington requires notice of all healthcare transactions if the parties' main business is in-state and any healthcare transaction involving out-of-state entities that generate at least $10 million in revenues from Washington patients.[37]

In other states, legislation targeting private equity involvement in healthcare transactions has gone hand in hand with mini-HSR regimes. In addition to California, where OHCA's notification requirements resembling mini-HSR regimes have now expanded to target private equity involvement with AB 1415, Indiana's HB 1666 legislation requires disclosure of private equity ownership (but notably does not require Attorney General consent on such transactions as was originally proposed).[38] Other examples include Massachusetts' Bill H. 5159,[39] which strengthens existing notification requirements and authorizes HPC to collect more information on healthcare transactions involving private equity, and Oregon's SB 951, which imposes restrictions on MSOs' ownership of healthcare entities that they also manage.[40]

Despite the apparent differences in the pieces of legislation that states have passed, or attempted to pass, in response to growing private equity involvement in healthcare transactions, a common thread is discernible across legislative efforts: an attempt to address local concerns about healthcare prices, quality, and access that may be exacerbated by the private equity or similar business models. To the extent that federal enforcers continue to focus primarily on conduct and place less weight on parties' ownership structure in competitive assessments, state scrutiny of healthcare transactions is likely to become deeper and more widespread.

Figure 1: Legislative activity on healthcare transactions and private equity, by state



Notes: [1] Some states in the designated "Mini-HSR" category have also attempted to pass PE legislation. [2] Maine has a Certificate of Need program that requires notification of certain healthcare transactions, but this regulation is relatively less comprehensive than other states with mini-HSRs. We include it in the "mini-HSR" category for conciseness.

37 Washington State Office of the Attorney General, Premerger Notifications, https://www.atg.wa.gov/premerger-notifications.

38 https://legiscan.com/IN/bill/HB1666/2025.

39 https://malegislature.gov/Bills/193/H5159.

40 https://olis.oregonlegislature.gov/liz/2025R1/Measures/Overview/SB951.

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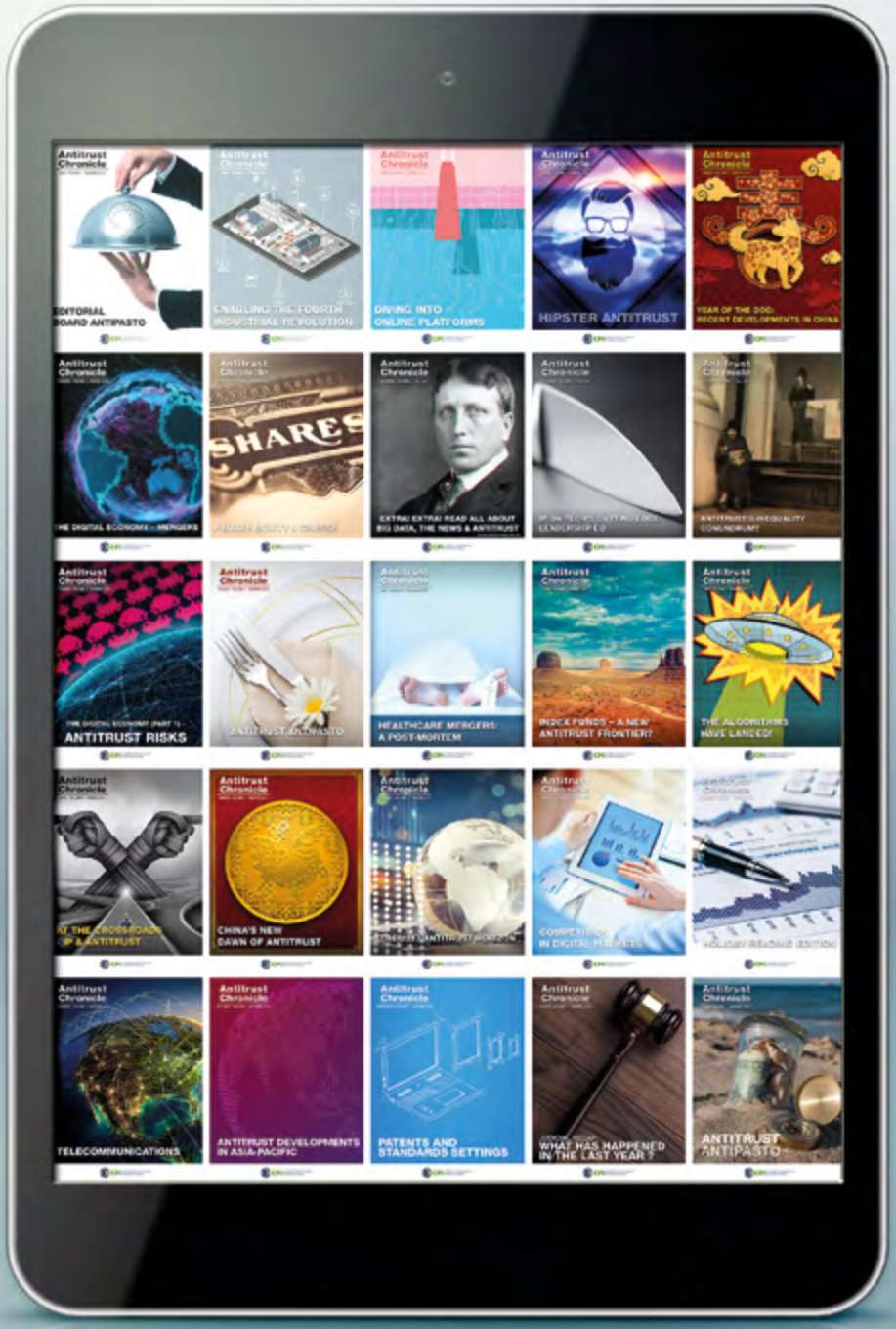
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