



UNITED STATES of CARE

ENHANCING *State Oversight* OF HEALTH CARE MERGERS AND ACQUISITIONS

Health care consolidation is contributing to the rapid rise in health care costs nationwide. More than 90 percent of hospital markets are considered “highly concentrated,” with nearly half of all metro areas completely dominated by one or two health systems. As systems consolidate vertically or horizontally, they charge higher prices, limit choice, and restrict access to services needed by people, often with no improvement in health outcomes. Despite the documented downsides of these mergers and acquisitions and broad bipartisan support to limit these transactions, few limits exist to protect patients and stop hospitals and health systems from further consolidation. While Federal Trade Commission regulations allow for some health care mergers and acquisition oversight on the federal level, relatively few transactions are challenged on anti-trust grounds and many states don't have the authority to review or block these transactions.

A SOLUTION: MERGERS AND ACQUISITION REVIEW AND OVERSIGHT

Recognizing their lack of oversight, a growing number of states have pushed for a greater state role in the oversight of health care mergers and acquisitions as a way to ensure that people's care remains accessible and affordable. These laws build upon existing federal requirements by expanding the number of health care entities subject to review and provide more comprehensive protections for people regardless of where they receive their care. These policy solutions can be adapted to fit the unique needs of each state's health care landscape and serve as an effective tool to counter larger trends toward consolidation in communities across the country.

BENEFITS OF MERGERS AND ACQUISITION REVIEW AND OVERSIGHT

Actions taken by states have already shown how greater state oversight can promote a more competitive market, lower health care prices, and establish greater scrutiny of health care consolidation that has long been known to raise costs for consumers. For example, after thorough review by Oregon's Health Care Market Oversight (HCMO) Program, a proposed merger between two of the largest health systems in the state was abandoned given cost and equity concerns, and other potential mergers have withdrawn their applications.

In addition to promoting affordability, enhanced mergers and acquisition oversight can slow health care consolidation while, at the same time, protect consumers. These policies can be strengthened over time and complement other state policies, including hospital ownership transparency, to address harmful consolidation and sit alongside existing federal reporting requirements. In doing so, states can adopt a robust strategy to promote transparency, lower costs, and rein in out-of-control health care consolidation.



AFFORDABILITY

MARCH 2026

STATE APPROACHES TO MERGERS AND ACQUISITION REVIEW AND OVERSIGHT

States can advance mergers and acquisition oversight in ways that fit their own individual needs and reflect unique dynamics in-state:

- **Expanding transaction notice requirements:** To gain a better understanding of health care consolidation, states can require health care entities to notify state agencies or their Attorney General ahead of a proposed transaction. States should determine which health care entities are subject to these requirements and clearly define all transaction, financial, and operational data required from these entities. Taken together, this information can increase the percentage of transactions subject to review and improve agency understanding of the impacts of these transactions on consumers while also discouraging broader moves toward consolidation.
- **Granting state agencies authority to approve or deny transactions:** States can grant state agencies the authority to review, block, or place conditions on certain health care transactions – as identified by the state – using criteria such as their potential impact on access to care, consumer affordability, or competition. This legislation can allow state agencies the authority to impose consumer-protective conditions on approved transactions, such as prohibiting hospitals from charging facility fees or requiring health systems to keep certain service lines open. In order to ensure these review processes are fully funded, states can also require entities requesting approval to cover the cost of any resources and staff time needed for transaction review.
- **Ensuring provider compliance:** States can grant state agencies additional enforcement authority and provide resources to ensure health care entities are complying with their requirements. Non-compliant entities – such as those failing to provide adequate notice prior to a transaction or an entity not meeting agreed-upon conditions – can be subjected to financial penalties or state-led investigations.

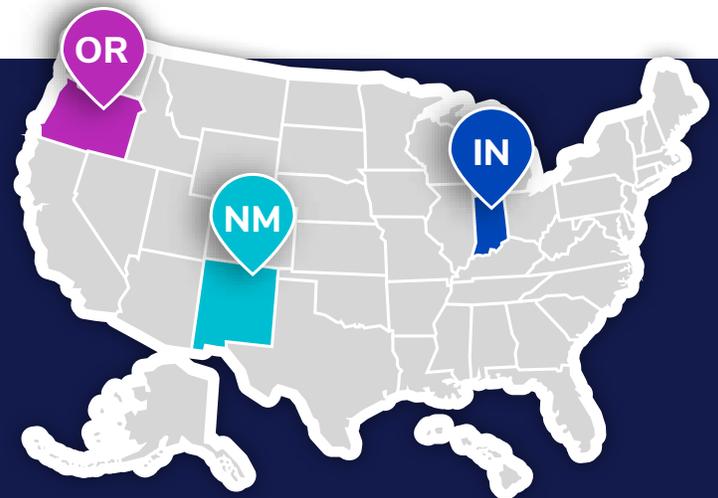
STATE SUCCESSES

The following states' policies all reflect the need for unique, tailored solutions that allow policymakers the tools needed to review and oversee health care transactions:

Indiana passed legislation requiring any proposed transaction involving a health care entity with combined assets of more than \$10 million to provide notice to the state Attorney General 90 days prior to the transaction.

New Mexico passed a law granting the New Mexico Health Care Authority (NMHCA) the power to approve or deny certain health care transactions and impose conditions on approved mergers. NMHCA may consider a transaction's anticipated impact on patient access, affordability, and health care competition more broadly when determining approval.

Oregon passed legislation establishing HCMO, which has the authority to block certain health care transactions, including between for-profit entities such as private equity. Should HCMO approve a transaction, it has the ability to impose conditions on involved entities to promote related health care affordability, equity, and access goals.



See [here](#) for a full list of states with similar policies

MOVING FORWARD

As consolidation threatens to further limit people's access to affordable health care, additional oversight of health care mergers and acquisitions is needed to ensure these transactions are serving patients' and communities' interests and needs. States have a wide range of policy options that can be paired with other solutions to increase affordability and maintain access. Thoughtful implementation of these protections can slow consolidation, empower policymakers, and put patients first in a rapidly changing health care landscape.

