UNITED STATES of CARE

COMPARISON OF HOSPITAL CONSOLIDATION POLICIES

The chart below summarizes policy options states have implemented to curtail health care cost growth and other adverse consequences of consolidation in health care facilities. These policies are designed to increase affordability for patients and curb growing health care expenses for employers and, in some cases, government payers, while also protecting access to high-quality care.

Policy	Review And Oversight Of Hospital Mergers And Acquisitions	Prohibit Anti-Competitive Contracting	Enhance The Corporate Practice Of Medicine (CPOM) Doctrine
Policy Goals	Create an opportunity for states to assess for and/or block adverse consequences of health system mergers and acquisitions to avoid increased costs or other harmful consequences for people, the state, and the health care system.	Eliminate the ability of powerful provider groups and health systems to exploit their market power by demanding terms that unfairly extract higher payments or other benefits in their contracts with health insurance plans.	Protect care delivery from undue influence and cost increases by profit-maximizing entities.
Policy Summary	Policy approaches can range from requiring health care entities to provide additional notice and review of pending transactions to providing the state with authority to block certain types of mergers. States can require health care entities to provide the state advanced notice and additional information about pending mergers and acquisitions, which increases transparency and provides the ability to assess the impact of the merger. These can also involve public hearings on the potential impact of the transaction. Can grant states the ability to deny certain mergers or to place conditions on mergers they approve in order to limit adverse consequences.	Prohibits contracting practices that unfairly advantage large hospital systems and provider groups including (1) all-or-nothing contracting; (2) anti-tiering or anti-steering clauses; and/or (3) gag clauses. All-or-nothing provisions require a health plan to contract with all providers or facilities in a system and if they do not, they cannot contract with any of them. Anti-tiering clauses limit an insurer's ability to group or assign health care providers into specific "tiers" based on price, quality, or efficiency, and anti-steering provisions prohibit an insurer from using financial incentives or educational tools to encourage ("steer") patients toward specific, competing providers offering more efficient and cost-effective alternatives. Gag clauses prevent either insurers or hospitals in a contract from disclosing prices to a third party, including to patients, employers, or regulators.	CPOM provisions can include a variety of approaches, including but not limited to: Closing loopholes in current CPOM regulations to prohibit corporate ownership of facilities and address imbalanced financial incentives that benefit corporate actors; Prohibiting entities and corporations that lack health care licensure from exerting profit-driven influence on patient care by limiting the ways in which physician practices contract with third-party vendors, such as Management Services Organizations (MSOs); and/or Requiring ownership transparency of medical practices and facilities through mandatory disclosure of any affiliated corporate interests, including private equity, as well as any third-party vendors, such as MSOs.

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Benefits and Cost Savings	Slows the growth of hospital consolidation and protects consumers. Price increases following hospital mergers and acquisitions are widely documented. Increased oversight of mergers and acquisitions can decrease or eliminate the resulting 3% to 65% hike in hospital prices. Additionally, this policy can prevent the closure of key service lines, like labor and delivery, which are sometimes eliminated due to lack of profitability following a merger or acquisition.	Banning anti-steering, anti-tiering, and all-or-nothing contracting is estimated to reduce hospital and affiliated-physician prices by 18 percent (with a plausible range of 11 to 26 percent), averaging ~$4,100 per inpatient admission. This is predicted to result in a 6.5% decrease in premiums for employer-sponsored insurance.	CPOM laws help prevent the approximately 30 percent increase in hospital prices that occurs after private equity investment in hospitals. These policies also protect quality of care by ensuring that provider decisions and not corporate/financial decisions are the primary force behind clinical decisionmaking.
Interaction with Other Policies	This is a direct approach to preventing consolidation and resulting price increases. Its effectiveness can be enhanced by combining it with other policies to address hospital pricing and consolidation.	These are very specific policy approaches that effectively prevent discrete hospital practices that increase consolidation. States do not have to adopt all 3 of the policies for them to be effective or worthwhile. Their effectiveness can be enhanced by combining it with other policies to address hospital pricing and consolidation.	This is a policy that can be customized to address a variety of issues that arise from corporate acquisition in health care in a state's market. Its effectiveness can be enhanced by combining it with other policies to address hospital pricing and consolidation.
Strengths	Can prevent cost and other consequences before they occur, rather than trying to correct harms after the fact, which can be especially challenging and burdensome when litigation is required. Fills a gap in federal oversight, allowing states to take action on transactions that are of a lower dollar value than applies to federal review requirements, but can still impactfully increase health care costs if not mitigated.	Can prevent cost and other consequences before they occur rather than trying to correct harms after the fact, which can be especially challenging and burdensome when litigation is required.	Removes incentive for greater consolidation of health care facilities by limiting corporate ability to oversee medical care practices. Multi-prong approach that can be adapted based on a state's health care market, existing laws, and political climate.

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Additional Considerations	States may include conditions or ongoing impact monitoring for a period of years after an approved merger or acquisition. States can customize the factors considered in an assessment of merger and acquisition impact to the local conditions of their health care market and needs.	To ensure compliance, states can grant authority to their attorney general, insurance department, or other entity to monitor contract language between hospitals and insurers.	States can also increase authority for enforcement, for example giving their Attorneys General explicit authority to investigate CPOM violations under existing state antitrust or deceptive trade practices statutes. States can also clarify and strengthen state medical boards' ability to investigate, review, and discipline corporate actors that violate state CPOM doctrines.
Public and Stakeholder Opinion	A bipartisan poll found that 74% of voters support limiting mergers and acquisitions to lower hospital prices. Hospitals generally oppose increased regulatory scrutiny of mergers and acquisitions, oppose caps, arguing that mergers and acquisitions often produce benefits for costs and care. Health care providers, such as nurses, have come out in support of increased state scrutiny of mergers and acquisitions. USofCare public opinion research from April 2026 demonstrates widespread support for policies to target hospital consolidation, including restricting anti-competitive mergers and acquisitions.	A bipartisan poll found that 75% of voters support banning anti-competitive hospital practices. Hospitals oppose anticompetitive contracting restrictions and argue they violate beneficial free market principles and threaten the benefits of vertically integrated care. Groups representing employers are in favor of bans on anticompetitive contracts, and labor unions have also supported these policies. USofCare public opinion research from April 2026 demonstrates widespread support for policies to target hospital consolidation.	A bipartisan poll found that 80% of voters support ownership transparency and requiring hospitals and physician groups to disclose entities (such as private equity firms or other corporate entities) that own them or have a controlling stake. Physicians are widely supportive of efforts to curb corporate involvement in medicine. USofCare public opinion research from April 2026 demonstrates widespread support for policies to target hospital consolidation.
State Examples and Other Research	State Examples (for more, see CHIR's Hospital Transaction Oversight state action chart): • Indiana • New Mexico • Oregon Other Research: • USofCare Overview • CAP Overview • Millbank Overview	State Examples (for more, see CHIR's Anti-Competitive Contraction state action chart): • Nevada • Texas Other Research: • USofCare Overview • NASHP Toolkit • NASHP Model Act	State Examples (for more, see CPOM state action): • Massachusetts • New York • Oregon • Texas Other Research: • USofCare Overview • Millbank MSO Explainer