



July 21, 2025

Farren Fuquea  
Attorney General  
150 S Main Street  
Providence, RI 02903

Via Email

RE: Pre-Merger Notification Rule for Medical-Practice Groups

Ms. Fuquea:

I write on behalf of the State of Rhode Island Office of the Health Insurance Commissioner (OHIC) in support of proposed rule 110-RICR-30-00-5 concerning pre-merger notification for medical-practice groups. The proposed rule closes a significant gap in market oversight in Rhode Island and should advance the public's interest in affordable, accessible, high-quality health care.

Mergers and acquisition activity involving medical practice groups is difficult if not impossible for the state to track without formal pre-merger notification requirements. This opacity is concerning because these market transactions have potentially profound impacts on consumers and other health care purchasers. Without transparency, regulators have limited ability to perform cost and market impact reviews to determine whether transactions violate anti-trust laws or should be approved subject to regulatory conditions. Medical practice groups constitute a major part of the health care industry. Professional provider claims expenditures accounted for 24.5% of commercial health care spending in 2023, a significant share of total spending.<sup>1</sup> In addition to acquisitions by private equity firms, medical practice groups are increasingly integrating with large hospital-based health systems. As the Attorney General's Office noted in the supporting *Rulemaking Analysis*, "the quality of patient care may decline" and "consumers may also bear the burden of higher prices following integration."<sup>2</sup> As higher prices increase health care costs, the Attorney General's Office observed: **"employers are shown to 'pass through higher health-care costs dollar for dollar to workers, either by reducing wages or fringe benefits, or even dropping health insurance coverage entirely.'"**<sup>3</sup>

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<sup>1</sup> Chartbook, Rhode Island OHIC, 2025, p. 9. The 24.5% figure is based on total medical expenditures, gross of pharmacy rebates. <https://ohic.ri.gov/sites/g/files/xkgbur736/files/2025-05/OHIC%20Cost%20Trends%20Chartbook%20Final%2005.12.2025.pdf>

<sup>2</sup> Rulemaking Analysis: Pre-merger Notification Rule for Medical-Practice Groups, May 27, 2025, p. 6.

<sup>3</sup> Ibid., p. 7. The citation incorporates a quote from Gaynor et al. See footnote 42 of the Rulemaking Analysis.

Due to the centrality of employer-sponsored insurance in the provision of health benefit coverage in the United States and Rhode Island, this process of escalating health care costs eroding wage growth and crowding out non-health fringe benefits is a major public policy concern. Like anti-trust regulators, I believe insurance regulators must place significant weight on the structure and dynamics of markets and take necessary actions to solve for market outcomes that increase the burden of costs on consumers without compensating benefits. That is why my office exercises insurance regulation to cap hospital price growth and require commercial insurers to boost investments in primary care and prevention. Insurance regulation and anti-trust regulation, while enforced by separate agencies, can work in complementary ways to address rising health care costs and market failures that reduce consumer welfare.

For the past two years I've concluded OHIC's [Annual Report: Health Care Spending and Quality in Rhode Island](#) with a set of recommendations to improve the oversight and performance of Rhode Island's health care system. In each report I've called for greater oversight of mergers and acquisitions involving physician practices within the context of improved state oversight of the health care delivery system. I am pleased to see movement on this issue and commend the Attorney General for making this a priority. The proposed rule represents a positive step forward and will enhance the Attorney General's oversight of provider markets and transactions. This builds on a track record of exemplary work through the Hospital Conversions Act and Rhode Island's anti-trust statutes.

Sincerely,



Cory B. King  
Health Insurance Commissioner