

July 22, 2025

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

By email to ffuquea@riag.ri.gov

Re: Proposed Rulemaking, 110-RICR-30-00-5 (Pre-Merger Notification Rule for Medical-Practice Groups)

Dear Ms. Fuquea:

Thank you for the opportunity to provide these comments in response to the Attorney General's proposed rulemaking related to pre-merger notification for medical practice groups, 110-RICR-30-00-5. RIPIN is supportive of stronger oversight of and insight into the growing consolidation of healthcare providers, and into the acquisition of healthcare providers by profit-driven entities including private equity. We see the proposed regulation as a step towards building a more complete toolkit for government to have improved understanding of changes in medical practice ownership and the impact that these changes have on the stability of the healthcare industry in Rhode Island and on Rhode Islanders' access to necessary healthcare. RIPIN offers these comments in support of the change, along with some general and specific recommendations for further action in this space.

Provider consolidation, particularly in the context of private equity acquisition, frequently leads to higher prices for consumers.¹ Private equity ownership of medical practices can also result in increased overall system spending as a result of profit-driven pressure to increase revenue through practices like upcoding; it can cause financial and physical harm to patients when practices provide unnecessary care, leave insurance networks, or engage in more aggressive billing tactics; and in some cases it can even destabilize healthcare providers and patient access to care when highly-leveraged transactions result in bankruptcy or the closure of unprofitable locations or the termination of unprofitable lines of business or services.² And while Rhode Island has existing oversight authority over hospital system transactions, authority to review and challenge acquisitions and transactions involving physician practices has been identified as a current gap that would allow for more meaningful consumer protection.³

Current policy gives government – and the community – very little oversight into transactions involving medical practices, including “roll-ups” – where a single investor or group of investors acquires a significant market share through a series of transactions, each one individually falling below existing oversight thresholds – including by private equity. And there is no existing, official, government-administered data consolidating information about practice ownership, either by specific ownership or by class of owner (including integrated health systems and private equity). The proposed rulemaking would begin to give State

¹ See Erin C. Fuse Brown & Mark A. Hall, *Private Equity and the Corporatization of Health Care*, 76 STAN. L. REV. 527, 543 (March 2024).

² Id. at 543–546; Christopher Whaley, Yashaswini Singh, Erin C. Fuse Brown, et al., *Addressing Healthcare Consolidation in the U.S.: Potential Policy Options for a Competitive and Transparent Future*, Policy Brief, CAHPR. Brown Univ. Sch. of Pub. Health. Accessed July 22, 2025.
https://cahpr.sph.brown.edu/sites/default/files/documents/CAHPR_Health%20Care%20Consolidation_Policy%20Brief.pdf

³ Erin Fuse Brown, Loren Adler, Erin Duffy, et al., *Private Equity Investment As a Divining Rod for Market Failure: Policy Responses to Harmful Physician Practice Acquisitions*, USC-Brookings Schaeffer Initiative for Health Policy 18–20 (October 2021). <https://www.brookings.edu/wp-content/uploads/2021/10/Private-Equity-Investment-As-A-Divining-Rod-For-Market-Failure-14.pdf>





government a window into transactions on the ground, allowing for a better understanding of where consolidation is happening and where additional attention should be focused. This is a laudable goal and one that RIPIN supports.

RIPIN offers the following additional specific comments regarding the proposed rule:

- Antitrust is only one lens to addressing provider consolidation, and while it's an important one, it's not sufficient by itself to address negative impacts to consumers. There will likely need to be further grants of authority and exercises of regulatory oversight, including by the Attorney General, by EOHHS, by RIDOH, by OHIC, and potentially by others – as well as thoughtful and organized information-sharing and systems planning across State government.
- We are appreciative that the regulation includes, in its list of triggering events, the creation of Management Service Organizations (MSOs) or other similar entities with the intent to administer health insurance contracts. RIPIN would encourage that this be broadened to include the decision by a MSO (or a provider group) to enter or leave a particular market (e.g. to stop serving Medicaid enrollees) – or potentially even to contract or cease contracting with a particular plan or carrier – as a “material change” subject to review.
- Within the list of potential acquirers triggering transaction review under the proposed rule are “another medical practice group that results in a medical practice group comprised of eight or more [practitioners]; a hospital, hospital system, captive professional entity, medical foundation or other entity organized or controlled by such hospital or hospital system;” the aforementioned formation of entities for administering health insurance contracts; and “transactions involving a significant equity investor.” RIPIN would strongly encourage this list of triggering acquirers to be broadened to include the many other types of profit-driven entities driving practice consolidation, including large health systems (like Optum).
- While some aspects of the pre-merger communications to the Attorney General will include sensitive business confidential information, RIPIN strongly encourages that the Attorney General balance the need to protect this confidential information with the public's interest in having information about potential and completed transactions and broader information about the ownership structures of the Rhode Island healthcare system. RIPIN encourages the Attorney General to provide for information sharing within government and with the public, including (at least) the existence of a pending and/or approved transaction, information about previous transactions by the same party, and any other information not reasonably protected as business confidential information that would be in the public interest to make available publicly.

Thank you for the opportunity to provide these comments. RIPIN looks forward to continuing to work with the Attorney General to advance this important work, and to partnering to explore other ways to improve State understanding and oversight of health care provider consolidation and its impact on price, quality, and system stability.

Sincerely,

/s/

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