



Howard Dulude
Interim President

July 23, 2025

Farren Fuquea
Office of the Rhode Island Attorney General
150 South Main Street
Providence, RI 02903

Re: Comments on Proposed Rule – 110-RICR-30-00-5: Pre-merger Notification Rule for Medical-Practice Groups

Dear Ms. Fuquea,

On behalf of the Hospital Association of Rhode Island (HARI) and our member hospitals and health systems, we appreciate the opportunity to submit comments on the proposed rule titled *Pre-merger Notification Rule for Medical-Practice Groups* (110-RICR-30-00-5). While we support efforts to promote transparency and maintain competitive healthcare markets, we believe the proposed rule exceeds the statutory authority of the Office of the Attorney General (RIAG), imposes unnecessary and overly broad burdens on health systems, and risks undermining access to care during a time of ongoing health system fragility.

1. Statutory Authority Exceeded

The proposed rule would establish a pre-merger notification framework under the Rhode Island Antitrust Act (R.I. Gen. Laws § 6-36-1 et seq.). While we understand the intent, we are concerned that the statutory provisions cited—specifically §§ 6-36-1 and 6-36-22—may not clearly authorize a notification requirement of this scope. In other states, such as Massachusetts and Connecticut, similar requirements have been adopted through legislative action, typically within public health or healthcare facility statutes rather than under antitrust law.

Furthermore, the stated purpose of the Antitrust Act is to prevent anti-competitive conduct. Requiring notification of any transaction involving a hospital and even a single provider, regardless of the competitive impact, is not narrowly tailored to further that objective. The scope of the proposed rule exceeds what is necessary to detect or prevent anti-competitive activity.

2. Unlawful Penalty Provisions

The penalties outlined in § 5.5.6 of the proposed rule—\$200 per day for pre-effective notification violations and up to \$100,000 post-transaction—raise questions about their alignment with the statutory framework. The Rhode Island Antitrust Act includes specific criminal (§ 6-36-16) and civil (§ 6-36-10(c)) penalties for violations of the Act, but does not contemplate penalties for failure to provide pre-merger notification. As such, we believe it would be more appropriate for the rule to rely on injunctive relief, as already provided for, unless additional penalty authority is established through legislation.

3. Procedural Overreach on Required Information

The proposed rule permits the Attorney General to request additional information at their discretion beyond the fields listed in the compliance form (§ 5.5.5). This is inconsistent with the rulemaking

process and opens the door to arbitrary or burdensome requests. Any expansion of information requirements should be subject to formal rulemaking and public comment.

4. Arbitrary and Overbroad Scope for Hospital Transactions

As currently written, any transaction involving a hospital and a single provider triggers the notification requirement. This threshold is inconsistent with the stated 8-provider trigger applied to other medical group consolidations. At minimum, the same threshold should apply to transactions involving hospitals. Alternatively, the rule could apply when a series of hospital-affiliated acquisition within one-year results in a consolidation of 8 or more providers within a specialty or subspecialty, with those terms clearly defined.

5. Lack of Emergency Exceptions

The rule provides no flexibility for distressed provider acquisitions or time-sensitive transactions, such as the recent situation involving Anchor Medical. The absence of an emergency exception could delay or derail transactions intended to preserve access to care for vulnerable populations. We strongly urge the inclusion of an exception process for acquisitions involving insolvent, at-risk, or safety net providers.

6. Technical and Definition Concerns

We respectfully request that the following issues be addressed to ensure clarity and alignment with existing state law and policy:

- The term "Investigative Demand" is defined but never used in the body of the regulation.
- The definition of "Hospital" should match existing definitions used in Rhode Island law (e.g., § 23-17).
- The definition of "Health Insurance Carrier" includes a reference to a "director," but the term is not defined. Clarification is needed.
- Section 5.5.7 expands the statutory language on confidentiality from "antitrust enforcement purposes" to "law enforcement purposes," which is a material change and should be reverted to match R.I. Gen. Laws § 6-36-9(i)(3).

We appreciate your consideration of these comments and look forward to continued dialogue on this important issue.

Sincerely,



Howard M. Dulude
Interim President