

Private Sector Ownership of Health Care Practices and Health Care Facilities: Request for Comment

[Chapter 378 \(House Bill 1388\) an ACT concerning Labor and Employment-Noncompete and Conflict of Interest Clauses-Clauses for Veterinary and Health Care Professionals and Study of Health Care Markets](#) directs the Maryland Health Care Commission (MHCC) to study how acquisitions of physician practices and health care facilities by private equity (P.E) firms, health systems and health care payers impact Maryland's health care system. MHCC is contracting with the Brown University School of Public Health to study the impact of private equity and separately contracting with The Hilltop Institute of the University of Maryland Baltimore County (UMBC) to study the dynamics and consequences of insurer market concentration as well as the impact of health systems' and health care plans' ownership of physician practices and health care facilities.

All stakeholders — including patients, consumer advocates, doctors, nurses, health care providers, health plan and health system administrators, and employers are invited to share their comments in this Request For Comment (RFC). The questions are broad and cover different types of purchasers including private equity firms, health plans, and health systems. MHCC seeks comments on acquisitions in particular of physician practices and ambulatory surgery centers. We also seek comment on a broader range of health care organization acquisitions including nursing homes, hospice providers, home health agencies, home- and community-based services providers, behavioral health providers, pharmacy benefit managers, and health information technology firms involved in clinical and administrative functions.

Comment: respondents have two options to provide comments: respond to questions below in a text document and email to mhcc.rfc_acquisitions@maryland.gov or complete this [Google Form](#). In either case, a commenter is invited to respond to all or some of the questions. If a respondent emails comments in an attachment, MHCC prefers that the attachment be a Word or PDF document.

The MHCC is accepting comments through November 26, 2024. If you have any questions, please contact dee.stephens1@maryland.gov .

Introductory Question

1. Provide information on your role, the company you work for, and/or what you do (e.g., consumer, patient, physician, physician practice owners, employed physician, medical staff, health system, payer-affiliated practice, etc.)

General Questions on External Investment in the Maryland Health Care Market

2. MHCC is examining trends in private sector investment in the Maryland health care market. How do you define or understand the following ownership arrangements:
 - a. Private equity
 - b. Venture capital
 - c. Practice management services organizations
 - d. Health insurers

- e. Hospitals and health systems
 - f. Other retail investors
3. How has access to health care services in vulnerable communities been impacted by external investment?
 4. In your experience, what factors attract investors (including PE firms, private investors, health plans, and health systems) to the Maryland health care market?
 5. Are specific health care sectors (long-term care facilities, hospitals, physician practices) particularly attractive to certain types of investors?
 - a. If yes, which sectors are particularly attractive to which types of investors?
 - b. If no, please elaborate.
 6. What do you think are the key challenges associated with external investment (including private equity, private individuals, health plans, and health systems) in health care in Maryland?
 - a. Key challenges for physicians?
 - b. Key challenges for patients?
 7. What do you think are the key benefits associated with external investment (including private equity, private individuals, health plans, and health systems) in health care in Maryland?
 - a. Key benefits for physicians?
 - b. Key benefits for patients?

Questions Specific to Private Equity

8. What is your experience with participation in PE-affiliated practices across payer networks? (e.g., commercial, Medicare Advantage, Medicaid, Medicare)
9. What is your understanding of and/or experience with participation of PE-affiliated practices in value-based payment programs? (e.g., Maryland Primary Care Program, Episode Quality Improvement Program, commercial insurer alternative payment models)
10. How do private equity investments in health care affect the following stakeholders:
 - a. Consumers and patients
 - b. Physician workforce (practice owners and employed physicians)
 - c. Advanced practice providers
 - d. Hospitals and health systems
 - e. Payers and payer-affiliated organizations
 - f. State agencies