Just Published: Research Report on State-imposed Conditions on Healthcare Provider Transactions

In a new research paper published in <u>Frontiers in Public Health Volume 11</u>, The Source's Alex Montague, Robin Davison, Katie Gudiksen, and Jaime King examine the use of conditional approvals by state officials on hospital and health system mergers, acquisitions, and other consolidating transactions.

While federal antitrust enforcers play an important role in overseeing large mergers, acquisitions, and other consolidating transactions of major healthcare providers, state oversight over healthcare markets is essential to slow consolidation more broadly and address market failures across the country. One method states have used to address healthcare consolidation and its potential harm is to impose conditions on the transaction, such as restrictions on post-transaction behavior. Applying conditions to transactions may allow state officials to oversee and govern the behavior of providers post-transaction while states pursue other legislative fixes.

With support from <u>Arnold Ventures</u>, The Source conducted a 50-state survey that examines decisions from state officials imposing conditions intended to address the impacts of transactions on healthcare price, access, and quality. The paper provides an overview of state healthcare transaction conditional approval authority, a taxonomy of state-imposed conditions, and considerations and recommendations for states in imposing conditions for the effective use of conditions moving forward.

Additional research findings and analyses are available on the "Conditional Approval" key issue page on The Source on Healthcare Price and Competition. The key issue page provides a map overview of state legal authority to impose conditions, a menu of six common categories of conditions imposed, and a collection of conditional approvals states have imposed in a searchable resource table with downloads of the full decision and detailed conditions.

Read the complete report <u>here</u>. Check out the interactive key issue page <u>here</u>.