

MEDCHI, THE MARYLAND STATE MEDICAL SOCIETY  
HOUSE OF DELEGATES

Resolution:

INTRODUCED BY: Montgomery County Medical Society

SUBJECT: Diminishing/Eliminating Private Equity Acquisition of Medical Practices in  
Maryland

1 Whereas, the independent practice of medicine is challenged by the ever increasing regulations  
2 and/or legislation, decreasing third-party payments and rising costs; and  
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4 Whereas, there is increasing acquisition of medical practices by for-profit entities, which seek to  
5 control the medical delivery market; and  
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7 Whereas, these entities' interests is often greed to enhance profits by decreasing expenses and  
8 reducing quality of care and access to patient care and decreasing affordability of care; and  
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10 Whereas, the private equity companies create new corporate structures to circumvent the laws which  
11 ban the corporate practice of medicine, like in Maryland; and  
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13 Whereas, earlier this year, the Federal Trade Commission and Department of Health & Human  
14 Services launched a cross-government inquiry on the impact of corporate greed in health care<sup>1</sup>; and  
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16 Whereas, according to the Millbank Memorial Fund<sup>2</sup>, many states are enacting laws which require  
17 private equity to adhere to regulations which require notification to be given to the states' attorneys  
18 general before acquisitions can be made, and  
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20 Whereas, according to the Wall Street Journal<sup>3</sup>, more than a dozen states are pushing back against  
21 private equity backed consolidation of medical businesses; and  
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23 Whereas, California, New York, Oregon and Colorado have enacted laws which significantly  
24 diminish the ability of private equity corporations in the areas of transparency, governance, and  
25 transition of control, therefore be it  
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27 RESOLVED, that MedChi seek and/or support legislation or regulation which diminishes and/or  
28 eliminates the ability of private equity companies to acquire medical practices in Maryland.  
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31 Sources:

- 32 1) Federal Trade Commission: <https://www.ftc.gov/news-events/news/press-releases/2024/03/federal-trade-commission-department-justice-department-health-human-services-launch-cross-government#:~:text=The%20Federal%20Trade%20Commission%2C%20the,care%20for%20patients%20and%20taxpayers.>  
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37 2) Milbank Memorial Fund: <https://www.milbank.org/quarterly/opinions/private-equity-impacts-on-health-care-federal-and-state-legislative-and-regulatory-actions-will-it-matter/>  
38  
39 3) Wall Street Journal: <https://www.wsj.com/articles/state-private-equity-healthcare-takeovers-cb43f70b>  
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