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February 20, 2026

To: The Honorable Pamela Beidle, Chair
Finance Committee

From: Irnise F. Williams, Deputy Director, Health Education and Advocacy Unit
Schonette Walker, Division Chief, Antitrust Division

Re: Senate Bill 0494 - Public Health - Maryland Health Care Commission -
Certificates of Need and Material Change Transactions –
SUPPORT IN CONCEPT

The Office of the Attorney General supports SB494 in concept, as it introduces important measures to enhance transparency and regulatory oversight of significant healthcare transactions in Maryland and the impact of those transactions on the quality of healthcare.

SB494 removes certain existing exemptions from the Certificate of Need (CON) review and strengthens the Maryland Health Care Commission's (MHCC) authority to review material change transactions such as mergers, acquisitions, or other significant structural changes, allowing the MHCC to exercise greater oversight and advance patient quality of care.

This bill requires (1) entities to notify the MHCC and the public at least 90 days before completing a material change transaction; (2) the MHCC to publicly post details about the transaction; (3) the MHCC Executive Director to review transactions based on criteria such as cost, quality, access, equity, staffing, competition, and market power, including whether any party holds 30% or more market share in a line of service in the relevant geographic area; and (4) for the MHCC Executive Director to approve, approve with conditions, or deny transactions.

In September 2025, the U.S. Government Accountability Office published, [*Health Care Consolidation: Published Estimates of the Extent and Effects of Physician Consolidation*](#), highlighting the increase in physician practices being acquired by hospital systems, insurance companies, private equity firms, and other entities. In 2024, 47% of physicians were consolidated compared to 30% in 2012, a trend that continues to accelerate. This consolidation drives higher

prices and overall healthcare spending without improving quality or efficiency, threatening affordability for consumers and limiting patient choice. As physician practices continue to consolidate, robust state-level oversight is essential to safeguard access, affordability, and competition in Maryland's health care market.

Currently, the FTC and DOJ only review certain mergers and acquisitions of physician practices that fall under the [Hart-Scott-Rodino Antitrust Improvements Act of 1976](#) and are valued at \$133.9 million or greater. In March, 2024, the FTC, HHS, and DOJ gathered stakeholder input and published a [report](#) examining how corporate ownership trends in healthcare contribute to consolidation and its consequences. The report found that certain market transactions not only increase consolidation but also compromise patient health, quality of care, and affordability, while negatively impacting worker safety, satisfaction, and wages. The [Biden administration](#) was working through the FTC to help lower costs, increase care quality for consumers and promote competition across the health care market by directly addressing anticompetitive acquisitions and practices, but that has not continued into this current administration leaving, states to take action on their own.

Similar concerns were evaluated in [MHCC's 2025 Study on Insurer and Provider Market Concentration](#), conducted by the Hilltop Institute for MHCC, which concluded that "the state faces high insurer concentration and shifting ownership patterns that may pose long-term risks to competition and affordability."

Though Maryland reviews nonprofit hospital, HMO, and nursing home acquisitions, other acquisitions are not subject to prior notice and pre-transaction review. This bill would provide prior notice and review for broader healthcare transactions. It would establish a process that not only offers transparency and collects critical data, but also provides the tools needed for state officials and legislators to preserve competition, protect consumer access and affordability, maintain quality of care, and prevent anti-competitive behavior.

We fully support these goals, but recommend continuing dialogue on implementation details, including:

- Concern that the MHCC Executive Director is vested with full decision making when determining whether a public interest review will be conducted;
- The MHCC Executive Director can approve, approve with conditions, or deny a material change transaction without required input. The Executive Director is authorized to seek consultation from other governmental entities but is not required to do so.
- Requiring that notice of the material change transaction be provided to the Attorney General, particularly because of potential antitrust and consumer protection implications (page 12, lines 9-14).

Because defining the relevant market is paramount to understanding the impact transactions have on stakeholders, guidance for determining relevant geographic markets should be included in the regulations that define the public interest consideration.

The Nursing Home Acquisition Act requires the Executive Director to consult with the Secretary or the Secretary's designee when making the ultimate approval decision and allows the Executive

Director to refer the request to the Commission for a final decision. We support a parallel structure for this bill.

Thank you for considering this information as you review this important consumer protection bill.