



# Coalition for Patient-Centered Care

March 26, 2025

Assemblymember Mia Bonta  
1020 N Street, LOB  
Suite 390  
P.O. Box 942849  
Sacramento, CA 94249-0018

## **RE: CPCC Support for AB 1415**

Dear Assemblymember Bonta:

The Coalition for Patient-Centered Care (CPCC) writes in strong support for AB 1415. CPCC represents a diverse group of healthcare industry stakeholders who stand together in opposition to private equity's acquisition and influence over independent physicians that can result in an emphasis on profits and revenue growth over patient interests. CPCC advocates for a world where physicians have control over the management and delivery of care and can work directly with their patients to make medical decisions and deliver patient-centered, cost-efficient care without corporate hindrance. Our membership has observed that after a private equity firm takes over an independent physician group, the quality of care for patients goes down, the cost of care to public and private payors goes up, and employee working conditions worsen. We support AB 1415 because it improves the tools California's Office of Health Care Affordability has to review the impact of private equity ownership of medical providers.

### Impact of Private Equity Acquisitions on Independent Healthcare Providers

We believe that everyone benefits when physicians have control over the delivery of care and can work directly with their patients to make medical decisions and deliver patient-centered care. Private equity firms do not share this ideal. Private equity is focused on maximizing investor profits rather than advocating for patients. Private equity firms have been particularly active in acquiring independent physician groups. As *The New York Times* summarized, a study found that “[i]n more than a quarter of local markets — in places like Tucson, Ariz.; Columbus, Ohio; and Providence, R.I. — a single private equity firm owned more than 30 percent of practices in a given specialty in 2021.”<sup>1</sup> The article added, “In 13

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<sup>1</sup> Reed Abelson & Margot Sanger-Katz, *Who Employs Your Doctor? Increasingly, a Private Equity Firm.*, *The New York Times* (July 10, 2023), <https://www.nytimes.com/2023/07/10/upshot/private-equity-doctors-offices.html?auth=login-google1tap>.



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percent of the markets, the firms owned groups employing more than half the local specialists.”<sup>2</sup>

CPCC’s experience—consistent with independent research, public reports, and even a recent investigation by the Federal Trade Commission (FTC)<sup>3</sup>—is that, after a private equity firm takes over an independent physician group there are generally adverse effects. These effects often include decreased quality of care for patients, increased cost of care for public and private payors, and deteriorating working conditions for employees.

There is significant evidence that private equity acquisitions of healthcare providers result in higher prices without any evidence of an increase in quality or access to care. For example, a recent study concluded that, after hospital outpatient departments and ambulatory surgery centers contracted with a physician management company (PMC), prices paid to anesthesiologists increased and were substantially higher if the PMC received private equity investment.<sup>4</sup>

As for decreased quality and access to care, according to the Journal of the American Medical Association, in an analysis of 73 private equity-acquired hospitals and 293 matched control hospitals, measures of patient care experience worsened after private equity acquisition of hospitals, as did patient-reported staff responsiveness.<sup>5</sup> These issues are particularly important as lower quality of care and increased costs have a direct and significant negative impact on federal government spending and, in turn, all American taxpayers. In 2022, 18.7% of Americans were covered by Medicare.<sup>6</sup> When private equity-owned healthcare providers offer lower quality care for higher prices, this contributes to

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<sup>2</sup> *Id.*

<sup>3</sup> Press Release, Federal Trade Commission, FTC Challenges Private Equity Firm’s Scheme to Suppress Competition in Anesthesiology Practices Across Texas (Sept. 21, 2023), <https://www.ftc.gov/news-events/news/press-releases/2023/09/ftc-challenges-private-equity-firms-scheme-suppress-competition-anesthesiology-practices-across>.

<sup>4</sup> Ambar La Forgia et al., *Association of Physician Management Companies and Private Equity Investment With Commercial Health Care Prices Paid to Anesthesia Practitioners*, 182 JAMA Intern Med. 396, (2022), <https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/2789280>.

<sup>5</sup> Bhatla A, Bartlett VL, Liu M, Zheng Z, Wadhwa RK. *Changes in Patient Care Experience After Private Equity Acquisition of US Hospitals*. JAMA. 2025;333(6) (2025).

<https://jamanetwork.com/journals/jama/article-abstract/2829041>

<sup>6</sup> Preeti Vankar, *Percentage of U.S. Americans Covered By Medicare 1920-2022*, Statista (Sept. 20, 2023), <https://www.statista.com/statistics/200962/percentage-of-americans-covered-by-medicare/#:~:text=Medicare%20is%20an%20important%20public%20health%20insurance%20scheme,by%20Medicare%2C%20an%20increase%20from%20the%20previous%20year.>



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significant increases in the overall cost of care for Medicare patients, putting additional and unnecessary strain on the federal budget. We agree with this assessment. Furthermore, these practices also result in job losses and increase stress for healthcare sector workers, contributing to burnout, among other negative impacts.

## AB 1415 Gives California's Office of Health Care Affordability More Information

Existing law requires healthcare entities to provide the Office of Health Care Affordability with written notice of agreements or transactions that do specified actions, including sell or transfer, among other things, a material amount of its assets to one or more entities. AB 1415 would make that requirement apply to private equity groups or hedge funds. This minor change will allow the Office of Health Care Affordability to be able to look more closely at the impact of private equity ownership on the provision of healthcare and to look at related cost trends. We believe this is a commonsense measure to help control healthcare costs and ensure consumers are getting good care for their money. For these reasons, CPCC applauds your leadership and work on AB 1415.

Sincerely,

*Stephen McCollam*

Stephen McCollam, M.D.  
Chair

The Coalition for Patient-Centered Care