



**UNDER EMBARGO UNTIL MAY 18, 2021, 6:00 AM EDT**

**STUDY FINDS PRIVATE EQUITY INVESTMENT  
ACCELERATES CONCENTRATION AND UNDERMINES  
A STABLE, COMPETITIVE HEALTHCARE INDUSTRY**

A decade's worth of evidence supports troubling findings that private equity business practices have a negative impact on competition in healthcare and on patients. A new white paper, produced by experts at UC Berkeley and the American Antitrust Institute (AAI), calls for immediate attention to the role that private equity investment plays in harming patients and impairing the functioning of the healthcare industry. In this groundbreaking new white paper, [\*Soaring Private Equity Investment in the Healthcare Sector: Consolidation Accelerated, Competition Undermined, and Patients at Risk\*](#), AAI's Laura Alexander and Professor Richard Scheffler of [The Nicholas C. Petris Center on Health Care Markets and Consumer Welfare in the School of Public Health at UC Berkeley](#) detail the emerging threat posed by private equity investment in healthcare markets.

“The report documents the astronomical growth of private equity’s investment in healthcare, which focuses on short-term profits and not the wellbeing of patients, and its consequences” says UC Berkeley School of Public Health [Professor and Petris Center Director Richard Scheffler](#).

The paper’s major conclusions include:

1. Private equity investment in healthcare has grown dramatically—to nearly \$750 billion in the last decade—and is poised to increase even further due to the COVID-19 pandemic’s impact on the healthcare sector and its projected growth.
2. The private equity business model is fundamentally incompatible with a stable, competitive healthcare system that serves patients and promotes the health and wellbeing of the population.
3. Private equity’s focus on short-term revenue generation and consolidation undermines competition and destabilizes healthcare markets.
4. Private equity acts as an anticompetitive catalyst in healthcare markets, amplifying and accelerating concentration and anticompetitive practices.
5. Private equity funds operate under the public and regulatory “radar,” leaving the vast majority of private equity deals in healthcare unreported, unreviewed, and unregulated.

6. Urgent action is needed to oversee, investigate, and understand the impact of private equity on patients and healthcare markets, including changes to antitrust reporting requirements, withdrawal of the Department of Justice's guidance on remedies, and study of additional oversight of healthcare mergers by the Department of Health and Human Services.

“The ramifications of private equity investment in healthcare are still unfolding,” says study co-author and AAI Vice President of Policy [Laura Alexander](#). “But given the speed with which private equity is transforming healthcare markets and the implications for competition, patients, and public health, the time to act is now.”

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#### **About The Nicholas C. Petris Center on Health Care Markets and Consumer Welfare**

The Nicholas C. Petris Center is a health economics research center that focuses on empirical research on important health policy topics. Our mission is to guide public policy by creating the data and conducting the research needed to understand today's complex healthcare market. The Petris Center focuses on consumer protection, affordability, and access to health care, especially for low and middle-income individuals. Our current research is centered around concentration, regulation, and competition within healthcare markets, as well as topical issues in mental health, the health workforce, integrated care, and universal healthcare initiatives, particularly in California.

#### **About the American Antitrust Institute**

The American Antitrust Institute is an independent Washington-based non-profit education, research, and advocacy organization. Our mission is to increase the role of competition, assure that competition works in the interests of consumers, and challenge abuses of concentrated economic power in the American and world economy. To learn more about the AAI, please visit [www.antitrustinstitute.org](http://www.antitrustinstitute.org).

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