

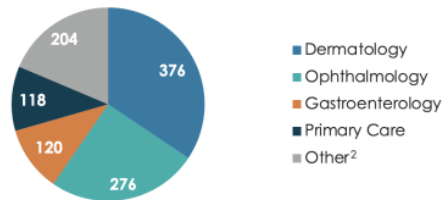
## Private equity-backed practices flexing market share muscle

This week we showcase data from a recent [American Antitrust Institute](#) study on the growth of private equity (PE)-backed physician practices, and the impact of this growth on market competition and healthcare prices. **From 2012 to 2021, the annual number of practice acquisitions by private equity groups increased six-fold, especially in high-margin specialties.** During this same time period, **the number of metropolitan areas in which a single PE-backed practice held over 30 percent market share rose to cover over one quarter of the country.** These “hyper-concentrated” markets are especially prevalent in less-regulated states with fast-growing senior populations, like Arizona, Texas, and Florida. The study also found an association between PE practice acquisitions and higher healthcare prices. **In highly concentrated markets, certain specialties, like gastroenterology, were able to raise prices rise by as much as 18 percent.** While new Federal Trade Commission [proposals](#) demonstrate the government's renewed interest in antitrust enforcement, **it may be too little, too late to mitigate the impact of specialist concentration in many states.**

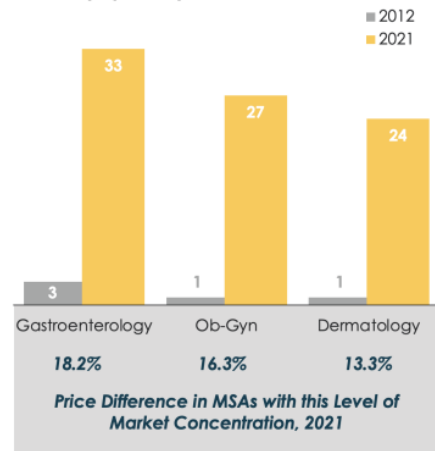
### Private Equity-Backed Physician Practices Capturing Greater Market Share

Market Concentration Associated with Significant Price Increases

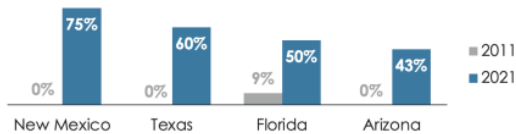
Number of PE<sup>1</sup> Physician Practice Acquisitions between 2012 and 2021, by Specialty



Number of MSAs in which a Single PE Firm Holds at Least 30 Percent Market Share of a Physician Market, by Specialty and Year



Percentage of MSAs<sup>3</sup> in which a Single PE Firm Holds at Least 30 Percent Market Share of One or More Physician Specialties, by State and Year



1. Private equity.  
2. Includes cardiology, oncology, ob-gyn, orthopedics, radiology, and urology.  
3. Metropolitan statistical area.

Source: Scheffler, R. et. Al. "Monetizing Medicine: Private Equity and Competition in Physician Practice Markets", American Antitrust Institute, 10 Jul. 2023; Gisi Healthcare analysis.