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## **OLR Bill Analysis**

### **sSB 238**

#### ***AN ACT INCREASING OVERSIGHT OF MERGERS AND ACQUISITIONS OF GROUP PRACTICES.***

#### **SUMMARY**

This bill makes various changes concerning physician group practices.

By law, certain health care entity transactions require certificate of need (CON) approval from the Office of Health Strategy's (OHS) Health Systems Planning Unit. The bill lowers the threshold, from eight physicians to two, for the minimum group practice size requiring CON approval for certain ownership transfers (§§ 3 & 4). As under current law, CON approval for these transfers is not required if the other transacting party is a (1) physician or (2) physician group not affiliated with a hospital, medical foundation, insurer, or similar entity.

The bill eliminates the current presumption in favor of CON approval for voluntary transfers of ownership of group practices with eight or more physicians (§ 2). It retains certain other existing variations from the standard CON process for physician group voluntary transfers of ownership, and applies them to group practices of any size, not just those with eight or more physicians as under current law (§ 5). These variations include:

1. a 60-day review period for the application (instead of the standard 90-day review period), subject to allowable extensions, and
2. a public hearing requirement if 25 or more people, or someone representing that many people, request it in writing (for other CON applications, these thresholds are lower).

The bill also requires group practices with two or more physicians,

rather than just those with 30 or more, to annually report certain information to the attorney general and OHS (§ 1). As under current law, this requirement applies to group practices that are not affiliated with a hospital (hospitals must report separately on their affiliated practices). These group practice reports must include the:

1. name and specialties of each physician in the practice;
2. names of the business entities that provide services as part of the practice and the service locations; and
3. primary service area and service description for each location.

The bill also makes conforming changes.

EFFECTIVE DATE: July 1, 2021

**COMMITTEE ACTION**

Public Health Committee

Joint Favorable Substitute

Yea 21 Nay 12 (03/31/2021)