

# States move to rein in private equity's growing control of healthcare, new report finds

*Private Equity Stakeholder Project report tracks 2025 legislative wave targeting financial risks and ownership opacity in healthcare*

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EINPresswire.com/ -- State lawmakers across the country advanced an unprecedented wave of legislation this year to curb private equity's influence in healthcare, according to a new report and tracker from the Private Equity Stakeholder Project (PESP).



The [2025 State Healthcare Policy Review: Tracking Private Equity Oversight and Reform](#) details more than a dozen state proposals that seek to increase transparency, strengthen oversight, and protect clinical independence from corporate control. The [accompanying online legislation tracker](#) provides a state-by-state view of how policymakers are responding to growing concern over financialization in healthcare.

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*Michael Fenne, PESP policy researcher*

Private equity's expanding role in hospitals, nursing homes, and physician practices continues to raise alarms. Recent bankruptcies at Prospect Medical Holdings and Genesis HealthCare, along with the closure of Chicago's Weiss Memorial Hospital—formerly owned by a private equity-backed hospital chain—illustrate how leveraged buyouts and extractive financial strategies can destabilize

essential healthcare providers. At the same time, [Walgreen's highly leveraged buyout](#) has drawn scrutiny with its unusually high level of debt, more than the average in most private equity buyouts. These examples highlight why states are prioritizing greater visibility and accountability in healthcare ownership.

“From Massachusetts to Oregon, states are moving to close the gaps that have allowed private

equity to reshape healthcare with little scrutiny,” said Michael Fenne, Senior Policy Researcher at PESP. “Lawmakers are beginning to connect opaque ownership structures and profit extraction to real-world impacts on patients, workers, and their communities.”

PESP’s analysis shows that 2025 marked a turning point in the state-level policy landscape. Several states—including Massachusetts, California, Oregon, Indiana, New Mexico, and Maine—enacted laws to increase ownership transparency, prohibit risky financial maneuvers like hospital sale-leasebacks, and reinforce corporate practice of medicine restrictions that protect clinical decision-making from investor interference.

Other states, including Pennsylvania and Illinois, advanced bills granting attorneys general new powers to review and block private equity-backed healthcare deals deemed contrary to the public interest. Even in states where proposals failed, such as Colorado and Connecticut, legislative debates reflected mounting bipartisan concern about the consequences of Wall Street consolidation and financial engineering.

“These reforms show a growing recognition that healthcare must serve patients, not investors,” Fenne added. “States are developing the oversight frameworks needed to bring accountability, transparency, and continuous access to the healthcare system.”

The 2025 State Healthcare Policy Review underscores the momentum behind efforts to align healthcare ownership and financing with the public interest. It also highlights the obstacles ahead, including industry lobbying and uneven enforcement capacity among state agencies.

Read the full report and explore the interactive legislation tracker at:  
[pestakeholder.org/reports/2025-state-healthcare-policy-review](https://pestakeholder.org/reports/2025-state-healthcare-policy-review).

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