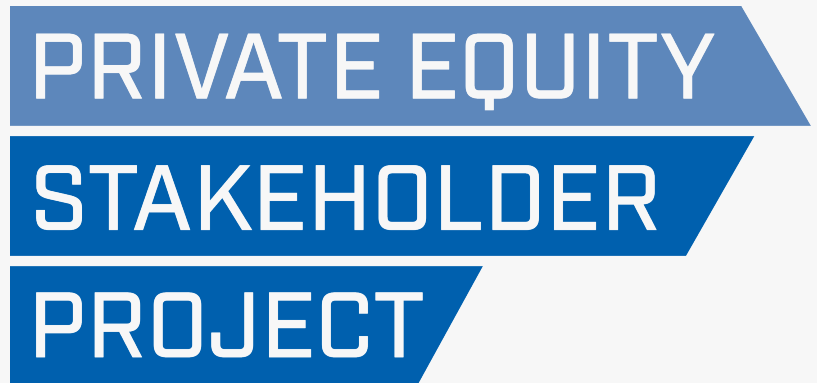


Nonprofit joint ventures emerge as private equity's next healthcare expansion strategy

PESP research documents hundreds of nonprofit-private equity joint ventures, raises questions about existing federal and state oversight frameworks

CHICAGO, IL, UNITED STATES, July 7, 2026 /EINPresswire.com/ -- [A new report from](#) the Private Equity Stakeholder Project (PESP) finds that

nonprofit joint ventures have become an increasingly important strategy for private equity-backed healthcare companies seeking to expand across hospitals, rehabilitation facilities, ambulatory surgery centers, hospice, home health, behavioral health, and other sectors.



Logo of the Private Equity Stakeholder Project

PESP documents [hundreds of healthcare facilities](#) tied to private equity-nonprofit joint ventures,

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Private equity's healthcare playbook is evolving.”

*Jim Baker, executive director,
PESP*

a business model that has received far less public attention than traditional private equity acquisitions despite its growing role across healthcare.

"Private equity's healthcare playbook is evolving," said Jim Baker, executive director of PESP. "Our research documents how private equity has increasingly relied on

joint ventures with nonprofits to expand its presence in healthcare. These arrangements have received far less attention than traditional private equity buyouts, even as they become more common across hospitals and other healthcare sectors."

The PESP research explores why nonprofit-private equity joint ventures have become increasingly common. For private equity-backed healthcare companies, joint ventures can provide opportunities to expand into new markets, gain access to established referral networks and patient populations, share financial risk with nonprofit partners, and pursue growth through partnerships that may face different regulatory considerations than traditional acquisitions.

Among the report's findings:

-- Private equity-backed healthcare companies are increasingly using joint ventures with nonprofit health systems to expand across multiple healthcare sectors.

-- Existing IRS guidance governing nonprofit-for-profit healthcare joint ventures largely dates to 1998 and 2004, before the emergence of many of today's large private equity-backed healthcare platforms.

-- As states increasingly scrutinize private equity ownership through legislation focused on acquisitions, control, and disclosure, the report raises questions about whether existing oversight frameworks adequately account for joint ventures that may transfer significant management authority or operational control without a traditional change in ownership.

The report more closely examines joint ventures involving companies including Lifepoint Health, Compassus, Ardent Health Services, and Ascension. For example, LifePoint Health owns the majority (61%) of its hospitals through joint ventures with nonprofit and other healthcare providers. Its largest partnership, Duke LifePoint, owns 16 hospitals across four states and is 97% owned by Apollo-owned LifePoint Health despite carrying Duke name. These examples illustrate how nonprofit-private equity partnerships have become a significant part of healthcare expansion strategies while also showing how financial practices more commonly associated with traditional private equity ownership—including sale-leasebacks, management agreements, and other financial arrangements—can extend into nonprofit health systems.

The findings come as policymakers continue examining private equity's growing role in healthcare following the financial distress and bankruptcies of hospital systems including Steward Health Care, Prospect Medical Holdings, and Pipeline Health. While those cases involved traditional acquisition models, the report explores how nonprofit joint ventures represent another avenue through which private equity firms can siphon profits from health systems and critical healthcare infrastructure

PESP also notes that much of the federal guidance governing nonprofit-for-profit joint ventures predates today's healthcare investment landscape. Those questions take on added significance as [recent staffing reductions](#) have reduced IRS enforcement capacity, particularly in divisions responsible for overseeing complex corporate structures.

The report's findings are echoed by healthcare workers represented by SEIU 1199NW and employed in nonprofit-private equity joint ventures. One hospice nurse at the Providence at Home with Compassus joint venture recently told a Washington State board, "Constantly having to fight to give complete and dignified care should not be a regular part of my job."

"Healthcare business models don't stand still, and oversight frameworks shouldn't either," Baker said. "Policymakers should have a clear understanding of how these partnerships are structured, how they operate, and whether current oversight reflects the current realities of private equity's healthcare acquisition strategies."

The full report is available at: pestakeholder.org/reports/private-equity-nonprofit-healthcare-joint-ventures

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