

June 5, 2024

Assistant Attorney General Jonathan Kanter
Antitrust Division
Department of Justice

Secretary Xavier Becerra
Department of Health and Human Services

Chair Lina M. Khan
Federal Trade Commission

Re: Request for Information on Consolidation in Health Care Markets [Docket No. ATR 102]

Dear Assistant Attorney General Kanter, Secretary Becerra, and Chair Khan:

Thank you for the opportunity to respond to your Request for Information on Consolidation in Health Care Markets. Our response addresses your questions about whether there is a need to expand transparency about the ownership structure of health care entities and, if so, how your agencies could help achieve that.^{1,2} We believe that greater ownership transparency would facilitate research on several of the topics highlighted in your request including the effects of private equity, hospital, and payer acquisitions of physician practices, as well as allow researchers and government agencies to more easily track consolidation in health care markets.

To that end, we recommend that your agencies collect and make available systematic, high-quality data on the ownership structures of health care entities, with a particular focus on improving the data available on physician practices. While the Centers for Medicare and Medicaid Services

¹ The views expressed in this letter are our own and do not necessarily reflect the views of the Brookings Institution or anyone affiliated with the Brookings Institution other than ourselves.

² The comments in this letter are adapted from a previous analysis and Congressional testimony. See: Loren Adler, Matthew Fiedler, and Benedic Ippolito, “Assessing recent health care proposals from the House Committee on Energy and Commerce” (Brookings Institution, 2023) <https://www.brookings.edu/articles/assessing-recent-health-care-proposals-from-the-house-committee-on-energy-and-commerce/>; and Loren Adler, Congressional testimony, “Lowering unaffordable costs: Legislative solutions to increase transparency and competition in health care” (Brookings Institution, 2023) <https://www.brookings.edu/wp-content/uploads/2023/04/2023-04-26-EC-Competition-Transparency-Testimony-Final.pdf>.

(CMS) collects data on the ownership structure of payers and most types of providers, it does not always release those data to the public, and the data released are often not of high quality.³

Moreover, it is difficult for individual researchers to fill this information gap. In our experience, it typically requires a large financial outlay to purchase restricted-access CMS data and/or private-sector data plus time-consuming and somewhat error-prone manual processing. For example, when we have collected this type of information on physician practices, we have often started by accessing CMS' Medicare Data on Provider Practice and Specialty (MD-PPAS) file, which requires obtaining approval from CMS and paying a fee. The MD-PPAS file can be used to connect national provider identifiers to group-level names, addresses, and tax identification numbers (TINs). But many large parent companies own and operate many distinct groups. For instance, Envision, owned by private equity firm Kohlberg Kravis Roberts, operates more than 100 groups (as defined by TINs) in its emergency medicine staffing business. Because there is no off-the-shelf data source that matches these groups to their ultimate parents, making these matches involves piecing together ownership information from a range of public and private sources.

We recommend two specific steps to improve the availability of ownership data. First, CMS should release all the provider ownership data it collects as part of the Medicare enrollment process. Notably, CMS should release data for physician practices, as it has for many types of institutional providers. Second, in light of the evidence of data quality problems noted above, CMS should take steps to improve the quality of entity-reported data (e.g., by imposing penalties for misreporting, conducting audits, and performing data quality reviews to identify and correct problems).

Thank you for the opportunity to comment on these issues. We hope that this information is helpful to you. If we can provide any additional information, we would be happy to do so.

Sincerely,

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³ See Chen et al., "New CMS Nursing Home Ownership Data: Major Gaps And Discrepancies" (Health Affairs, 2024) <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2023.01110>.