Anti-competitive Business Practices

Undermine Health Care Markets and Raise Prices

The Problem:

Provider consolidation leads to higher health care prices for private insurance, with no evidence of improved quality. Anti-competitive practices stifle employers' ability to negotiate for the best health care value for their workers because large health care systems use their size to leverage higher payments in contract negotiations with insurers.

The overall health care market has continued to become increasingly consolidated. Consolidation among provider organizations is likely to gain momentum as larger hospitals and health systems continue to acquire smaller entities weakened by the pandemic.

Consolidation
in the hospital industry
drives up costs
in some cases by as much as
50 percent.

The Solution:

Where markets have failed entirely or where there is no market, federal policymakers have a responsibility to directly manage prices with an emphasis on strengthening competition.

Employers must work together to advocate for stronger health care anti-trust enforcement, including prohibitions on anti-competitive practices, to address the problems of industry consolidation, market power and high prices by:

- **Urging the FTC to scrutinize any proposed health care provider mergers to ensure they are in the best interest of the community in which the providers operate.**
- **Urging Congress to ban anti-competitive contracting terms in negotiations between hospital systems and health plans.**

The Fair Health Costs Initiative is an Arnold Ventures-backed effort by the Purchaser Business Group on Health and National Alliance of Healthcare Coalitions to mobilize employer purchasers, educate policymakers and advocate for public policies to reduce health care prices.