



Office of the Health Care Advocate  
264 North Winooski Ave., Burlington VT 05401  
Toll Free Hotline: 800-917-7787  
www.vtlawhelp.org/health Fax: 802-863-7152

May 1<sup>st</sup>, 2026

**To: Chair Lyons and Members of the Senate Health and Welfare Committee:**

**Re:** Support for H.583

**From:** VT Office of the Health Care Advocate (HCA)

Over the last several years, our office began to become increasingly concerned about the growing evidence of the negative impact of private equity on state healthcare systems across the country. As is custom, the HCA identified and reached out to the top non-partisan experts in the field to better understand the issue, assess how it could impact Vermonters, and evaluate whether legislation was needed. We also connected directly with providers who worked in both non-private equity and private equity owned facilities to hear their firsthand lived experiences. The HCA believes that the best legislation is informed by pairing high quality quantitative and qualitative data with stories of lived experience. Our work concluded the following:

- 1) Private equity ownership and control of health care providers and facilities is consistently linked with higher costs and prices for patients, lower quality, reduced access to care, increased provider burnout and moral injury, worse health outcomes, workforce disruption, service line and hospital closures, and the elimination of essential services such as maternity wards and intensive care.<sup>1,2,3</sup>
- 2) Vermont lacks sufficient statutory protections to prevent the corporate practice of medicine and private equity exploitation of our health care system.<sup>4</sup>

Our office therefore successfully engaged the following top national non-partisan experts to develop legislation that would protect Vermont patients and providers from the corporate practice of medicine:

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<sup>1</sup> "Private Equity in Health Care: A State-Based Policy Perspective", Health Affairs Forefront, November 8, 2024

<sup>2</sup> Kannan S, Bruch JD, Song Z. Changes in Hospital Adverse Events and Patient Outcomes Associated with Private Equity Acquisition. *JAMA*. 2023;330(24):2365–2375. doi:10.1001/jama.2023.23147

<sup>3</sup> Singh Y. How Should We Stop Private Equity Firms From Exploiting Public Health Insurance? *AMA J Ethics*. 2025 May 1;27(5): E346-353. doi: 10.1001/amajethics.2025.346. PMID: 40315109.

<sup>4</sup> "The Corporate Practice of Medicine 50-State Guide." *Permit Health*.

<https://www.permithealth.com/post/the-corporate-practice-of-medicine-50-state-guide>.

- **Brown University Center for Advancing Health Policy Through Research**
  - Erin Fuse Brown (JD)
  - Hayden Rooke-Ley (JD)
  - Dr. Yashaswini Singh (PhD)
- **Harvard T.H. Chan School of Public Health**
  - Dr. Nancy Kane (MBA, DBA)
  - Dr. John McDonough (DrPH, MPA)
- **Harvard Medical School**
  - Dr. Zirui Song (MD, PhD)
- **National Association for State Health Policy (NASHP)**
  - Maureen Hensley-Quinn (MPA)

The prohibition against the corporate practice of medicine is long-established and widely supported doctrine in the field of medicine that goes back nearly a century. It prohibits non-physician-owned corporations from controlling medical decisions. The American Medical Association - and their ethics body - explicitly supports a prohibition on the corporate practice of medicine.<sup>5</sup> If passed, this H.583 would do the following:

- Protect the ability of providers to treat patients as they see fit without interference from corporations or executives.
- Require health care entities to report whether they are owned by a private equity firm or hedge fund. This would provide important transparency on an issue that is of great interest and importance to patients, providers, and policymakers.
- Create an enforcement mechanism for providers to seek damages if they were unfairly controlled or manipulated by a private equity firm or hedge fund.

Vermont is not alone in considering legislation to protect patients and providers from the potential harms of private equity firms. Many neighboring states have already adopted similar bills or are in the process of adopting them. The bill as passed by the House was the result of significant work and compromise between our office, the Vermont Medical Society, Vermont Association of Hospitals and Health Systems, and other provider groups. Much of the language in H.583 comes directly from already adopted legislation in California and Oregon. This effort is also supported by tens of thousands of providers nationwide represented by organizations that have formed out of concern of the negative impact of private equity in health care, such as the Committee to Protect Healthcare (represents 36,000 physicians), Coalition for Patient Centered Care (represents 5,000

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<sup>5</sup> American Medical Association Council on Ethical and Judicial Affairs: “11.2.3 Contracts to Deliver Health Care Services.” <https://policysearch.ama-assn.org/policyfinder/detail/Contracts%20to%20Deliver%20Health%20Care%20Services?uri=%2FAMADoc%2FEthics.xml-E-11.2.3.xml>

physicians), Association for Independent Medicine (national non-profit physician organization), and the Moral Injury of Healthcare (national provider advocacy non-profit organization). This effort is also supported by Dr. Eliot Fisher (Dartmouth), Professor John McDonough (Harvard), Nancy Kane (Harvard), Vermont Free and Referral Clinics (*represents 8 clinics across Vermont*), Vermont Physicians for a National Health Program (*represents 159 physicians*), Vermont National Education Association (VT-NEA) (*13,000+ members*), Vermont League of Women Voters, and the United States of Care (national non-partisan advocacy organization).

This bill passed the House Health Care Committee 9-2 with two Republicans and all 7 Democrats / Progressives in support. That committee received a significant amount of testimony from national experts and providers about the need to regulate private equity in health care. We urge you to pass the version of H.583 as passed by the House to protect Vermont patients and providers.

Thank you for your important work in this area.

Best,

Sam Peisch, MPH  
Health Policy Analyst  
Office of the Health Care Advocate

Mike Fisher  
Chief Health Care Advocate  
Office of the Health Care Advocate