



Department
of Health

Material Transactions Program

Public Health Law Article 45-A

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BACKGROUND ON THE MATERIAL TRANSACTIONS LAW & PROGRAM



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Public Health Law Article 45-A

When

Effective August 1, 2023

What

Requires “health care entities” to provide notice to the Department of “material transactions” at least 30 days prior to the transaction’s closing

Why

- Understand impacts of transactions not subject to review through other processes on **access, quality, cost, health equity, and competition**
- Identify trends
- **Allow for public comment**

KEY CONSIDERATIONS

Parties Involved

Must involve a “health care entity”: Includes:

- Entities explicitly enumerated in the statute;
- Entities interpreted by DOH to fit statutory criteria

Type of Transaction

- Wide range of transaction types covered.
- Excludes certain transactions already subject to review under PHL (e.g., CON process and insurance entity approval processes)
- Excludes certain clinical affiliations

Monetary Threshold

Must meet the *de minimis* threshold:

- I.e., must result in healthcare entity increasing total gross in-state revenues by \$25 million or more, either in single transaction or series of related transaction



EXAMPLES OF HEALTH CARE ENTITIES

- The Department considers the following "Health Care Entities"
 - Dental practices
 - Clinical laboratories
 - Pharmacies, including wholesale pharmacies and secondary wholesalers
 - Wholesale medical device distributor
 - Independent Practice Associations (IPAs)
 - Accountable Care Organizations (ACOs)

TRANSACTION TYPES: NON- COMPREHENSIVE LIST

- merger, including corporate reorganization in the form of a merger
- acquisition, including assignment, sale or other conveyance of assets, voting securities, membership or partnership interests or transfer of control, such as a management or administrative services agreement
- affiliation agreement
- formation of a partnership, joint venture, ACO, PSO, or MSO for the purposes of administering contracts with health plans, third-party administrators, pharmacy benefit managers, or healthcare providers

THE REPORTING PROCESS



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PHL ARTICLE 45-A REPORTING REQUIREMENTS

- Parties are required to report:
 - Names of all parties to the Material Transaction
 - Pre- and post-transaction financial documents
 - Locations
 - Closing date
 - Impacts on services
 - Description of the Material Transaction

MATERIAL TRANSACTIONS REPORTING FORM

-  Initially, parties were required to notify via E-Mail
-  Launched electronic reporting form in May 2025
-  Electronic reporting form emails the MT team and parties when a notice is completed
-  Parties can upload additional information directly within the electronic reporting form

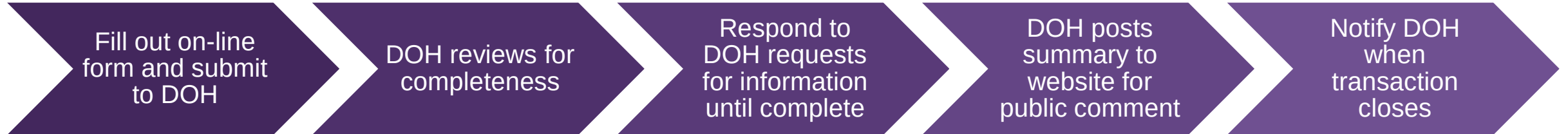


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NOTIFICATION PROCESS



Upon receipt, DOH submits copy to Office of the Attorney General (+ updates as received)



30-day clock starts upon DOH determination of completeness

TRANSACTION IMPACTS



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MATERIAL TRANSACTION IMPACTS

- Material Transactions can impact services provided
- One of the most important measurements on the form
- Impacts measured
 - Impacts on the quality of care
 - Impacts on access to care
 - Impacts on health equity
 - Impacts on competition

EXAMPLE ELECTRONIC REPORTING FOR QUESTION

B (b) (ii). Have any public stakeholders expressed concerns about the impact of this Material Transaction on the quality of services provided?

☒ Yes

☐ No

B (b) (iii). If the answer to b.i or b.ii is 'yes', describe any potential impacts on quality as well as any concerns expressed by public stakeholders in detail (including any specific locations or services that are most likely to be impacted).

INFORMATION GATHERED BY IMPACTS SECTION

- Impacts on access to care
 - Closures of facilities
 - Reduction or addition of services
 - Reduction of plan networks
 - Layoffs and availability of appointments
- Impacts on health equity
 - Reduction of Medicaid and uninsured patients
 - Reductions to services disproportionately impacting historically underserved groups
 - Reductions to services provided in rural areas
- Impacts on quality of care
 - Negative effects on services
 - Stakeholders expressed concern about the impact on services
- Impacts on competition
 - Increased consolidation of services
 - Projected cost-savings, and efficiencies



WHY ARE IMPACTS IMPORTANT?

- Study by Joseph Brunch published in JAMA Internal Medicine
 - Compared 532 control hospitals to 204 hospitals acquired by private equity
 - This study offers an initial national assessment of changes in hospital-level economic and quality measures associated with private equity acquisition
- The New York Department of Health reporting form goes beyond just required reporting of financial details
 - Want to follow transactions to determine how New Yorkers are impacted
 - Vertical integration of health care entities and sale-leaseback could impact costs





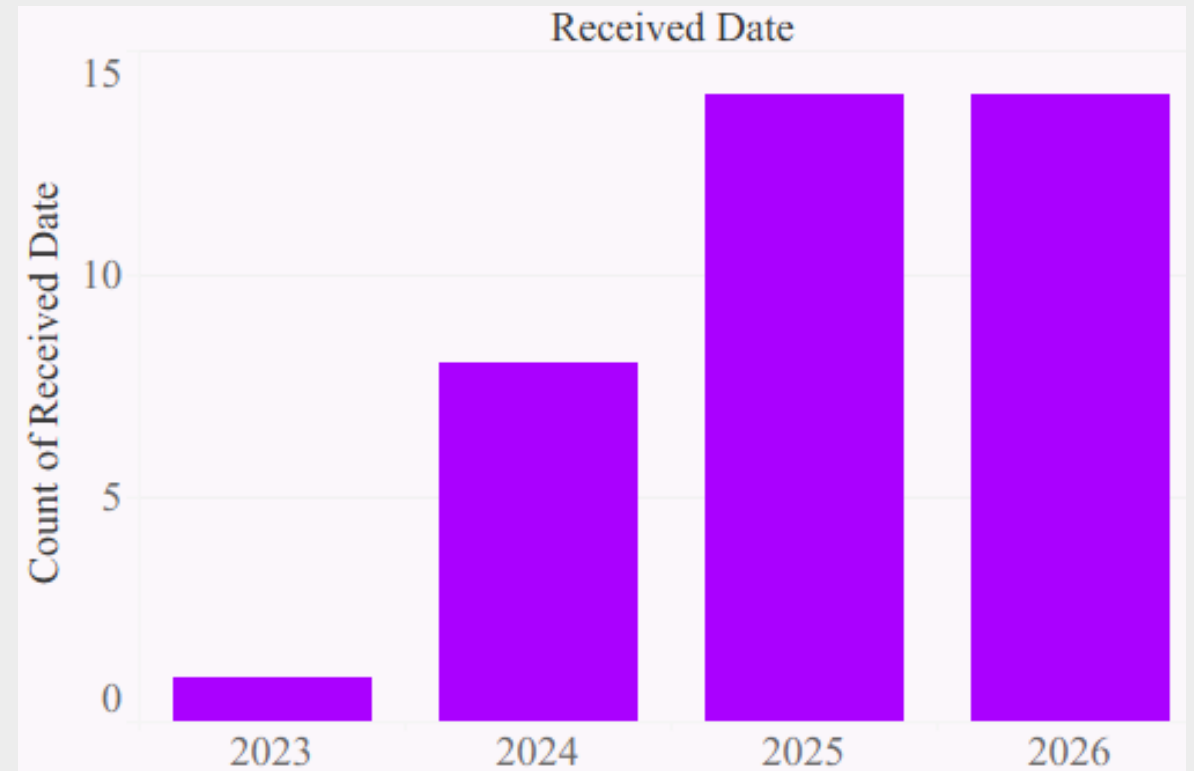
MATERIAL TRANSACTION DATA



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TRANSACTIONS BY YEAR

- Since the launch of the form in May 2025, there have been 30 reported transactions, and 37 transactions overall.
- 2025: 14 transactions were reported
- 2026: 14 transactions reported to date



TYPES OF PROVIDERS REPORTED

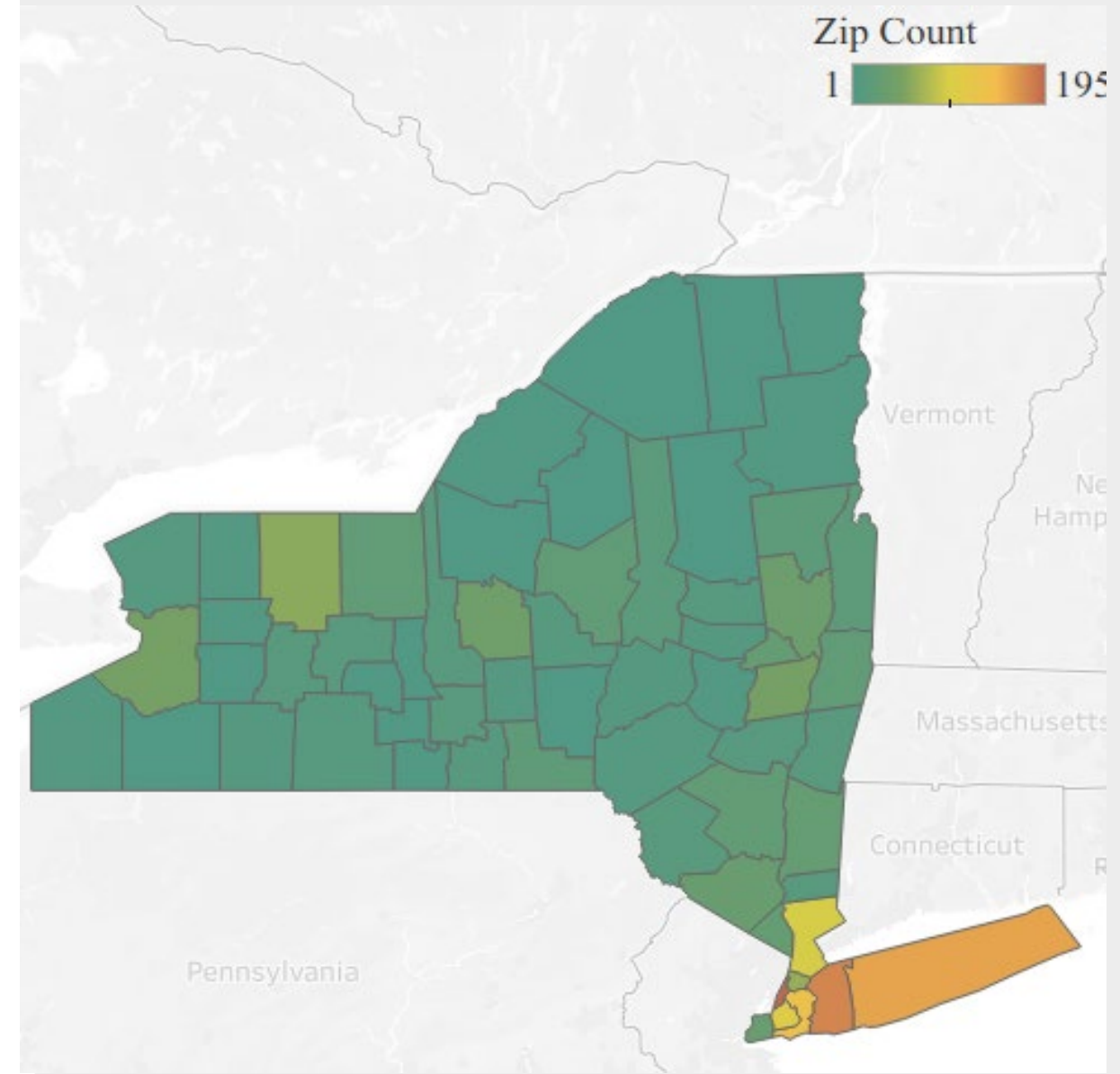
Counts of Provider Types

- 11** Physician Practice
- 7** Pharmacy
- 6** Laboratory
- 4** Management Services Organization
- 4** Medical Equipment
- 1** Dental Practice
- 1** Health Insurance
- 1** In-Home Services



COUNTIES AFFECTED BY MATERIAL TRANSACTIONS

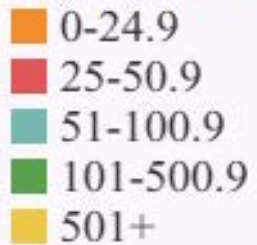
- Every county in New York has been affected by a Material Transaction
- New York City has been the most heavily affected
 - Almost 200 locations



MATERIAL TRANSACTIONS BY PURCHASE PRICE

Percentage of Transactions by Purchase Price

Transaction Price (in \$M)



- Most transactions are above \$101M
 - Nearly 2/3rds

MATERIAL TRANSACTION LAWS IN OTHER STATES

MASSACHUSETTS

- Initial review of notices similar to NY
- Might subject parties to improvement plan

OREGON

- 1,2, and 5-year follow-up reviews
- Yearly reports released for public's awareness
- Oregon Health Authority must complete a review every 4 years to monitor changes to healthcare landscape

CALIFORNIA

- Can issue a Cost Market Impact Review (CMIR) request
- Very similar to NY's process



FUTURE OF NEW YORK MATERIAL TRANSACTIONS

SFY 27 Executive Budget Proposal

- Did not pass
- Required additional post-transaction reporting
- Cost Market and Impact Review (CMIR) authority

Interactive website updates

Interactive Webpage Dashboard

- Transaction information
- Summary of all transactions
- New survey to gather public comments on impacts caused by material transactions



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