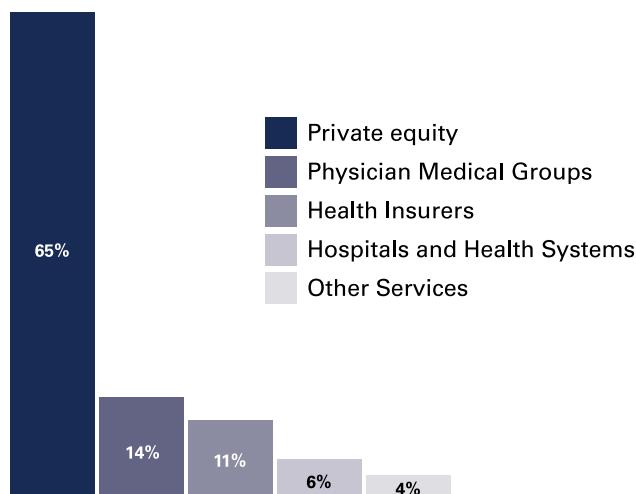


Setting the Record Straight: Private Equity and Health Insurers Acquire More Physicians than Hospitals

Hospitals not among the three largest drivers of physician acquisitions

Percentage of acquired physicians by type, 2019 - 2023



Source: AHA analysis of LevinPro HG, Levin Associates, 2023, June, levinassociates.com. Only includes values for deals where the number of acquired physicians was reported. Certain acquirer types were also modified to more closely align with the services provided by the acquirer.

Private equity, physician groups and health insurers have acquired the vast majority of physician practices during the last five years. As physician polling data has shown, most physicians are choosing to become employed rather than operate their own practice due to increased costs and burden from policies like commercial insurer prior authorizations. However, the data show that hospitals are not the primary acquirers of physicians. In fact, other entities have acquired far more individual physicians and physician practices than hospitals, and those acquisition deals have total dollar values that are far greater than those for hospitals.

For example, private equity entities account for the vast majority of physician practice acquisition deals, as well as the largest number of individual providers that are a part of the deal, according to an AHA analysis of Levin Associates data. Moreover, in deals where health insurers acquire physician practices, the average number of acquired physicians per deal was more than **10 times higher for health insurers** than for any other acquirer type, including hospitals and health systems.

In fact, hospitals aren't even the largest employer of doctors.

- With over 70,000 employed or affiliated physicians, UnitedHealth and its subsidiary Optum, is the largest employer of physicians nationwide.¹
- Health insurance plans and their subsidiaries have spent billions acquiring physician practices over the last five years.
 - » In 2023 alone, CVS Health acquired Oak Street Health and Signify Health in deals that were valued at nearly \$20 billion.^{2,3}
 - » UnitedHealth and Optum's recent acquisitions include Crystal Run Healthcare⁴, Kelsey-Seybold⁵, and Atrius Health⁶.

¹ <https://www.beckerspayer.com/payer/meet-americas-largest-employer-of-physicians-unitedhealth-group.html>

² <https://www.cvshealth.com/news/company-news/cvs-health-completes-acquisition-of-oak-street-health.html>

³ <https://www.cvshealth.com/news/company-news/cvs-health-to-close-acquisition-of-signify-health.html>

⁴ <https://midhudsonnews.com/2023/02/25/crystal-run-healthcare-under-new-ownership/>

⁵ <https://www.medpagetoday.com/special-reports/exclusives/100531>

⁶ <https://www.healthcarefinancenews.com/news/massachusetts-ag-agrees-236-million-optum-and-atrius-health-merger>