



The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

October 2, 2026

Re: Request for Information: Health Coverage That Works For Everyone

To whom it may concern:

Americans for Financial Reform Education Fund (AFREF) commends your office for its concern about the effects of corporate greed on the affordability, availability, and quality of healthcare and is pleased to offer our comments on this request for information. AFREF was founded by a nonpartisan and nonprofit coalition of more than 200 civil rights, consumer, labor, investor, faith-based, and civic and community groups dedicated to advocating for policies that shape a financial sector that serves workers, communities and the real economy, and provides a foundation for advancing economic and racial justice.

AFREF's response to the RFI focuses on Section 3 of this RFI and underscores how prohibiting financial engineering and extraction by financial entities must be a key part of taking on corporate greed in healthcare. In particular, our comments and the supplemental resources address:

- Prohibiting or disincentivizing stock buybacks and placing limits on executive compensation;
- Curtailing private equity profiteering in the healthcare sector, with attached sector-specific studies of harms and solutions in the long-term care sector such as nursing homes, home health care, and home and community based services; and
- Examination of private equity's consolidation strategy in healthcare and how it interacts and enables vertical integration by health insurance companies

1. Stock buybacks and executive compensation

Curbing stock buybacks would push companies, including healthcare companies, to invest in their workers, productive capacity, and technological innovation. One study found that even

though approximately 70 percent of healthcare spending in 2020 was financed by taxes, healthcare companies spent 95 percent of their net income on shareholder payouts, largely in the form of stock buybacks, between 2001 and 2022. The researchers concluded that this spending “may be associated with higher prices and may not be reinvested in improving access, delivery, or research and development.”¹

Government contracts with healthcare entities and Medicare and Medicaid Conditions of Participation and Conditions of Coverage should include enforceable provisions prohibiting stock buybacks, so that public money is directed to patient care. These provisions should also be explicitly imposed on health insurance companies. Long term, the focus should be on the prohibition of stock buybacks—largely considered illegal stock market manipulation until 1982—across the economy by reversing the Securities and Exchange Commission safe harbor for this practice, or through an outright ban by Congress. Short of prohibitions, the tax on stock buybacks should be increased from one percent to four percent.

Stock buybacks and executive compensation are closely linked. These financial engineering practices inflate the value of equity-based compensation — which makes up over 80 percent of CEO pay² — by artificially raising share price. Executives can even benefit from the short-term bump in share price that results from a buybacks announcement.³ Lastly, CEO pay plans often include incentives to hit earnings per share targets, which stock buybacks can help companies meet.⁴

Several healthcare executives, including those at the helm of for-profit hospital chains and private equity-owned healthcare service providers, appear on the American Federation of Labor and Congress of Industrial Organizations’ list of highest-paid corporate CEOs.⁵ Between 2018 and 2022, CEO pay for non-profit hospital executives soared over 23 percent.⁶ Mandating an average CEO-to-worker pay ratio for healthcare providers receiving public dollars or otherwise limiting executive compensation as well as strengthening disclosure requirements related to executive pay should all be considered to direct more healthcare spending to worker pay and patient care.

2. Private equity-backed profiteering

The private equity industry is an increasingly powerful yet lightly regulated part of the U.S. economy. Private equity firms are Wall Street investment companies that pool large volumes of

¹ Victor Roy et al. “[Shareholder payouts among large publicly traded health care companies](#),” *JAMA Internal Medicine* 85, no. 4 (2025): 466-468.

² Josh Bivens et al. “[CEO Pay Slightly Declined in 2022](#),” *Economic Policy Institute*. September 2023 at 2.

³ Commissioner Robert K. Jackson, Jr. “[Stock Buybacks and Corporate Cashouts](#),” Speech delivered June 11th, 2018 to the Center for American Progress, Washington, D.C.

⁴ Christopher Armstrong et al. “[Earnings per share targets and CEO incentives](#),” *Review of Accounting Studies*. 2025. Vol. 30. 156–201.

⁵ American Federation of Labor and Congress of Industrial Organizations. “[Executive paywatch](#),” 2026.

⁶ Saipale, Landon et al. “[Dollars and disparities: Unraveling executive compensation patterns in American non-profit healthcare](#),” *Cureus* vol. 16,10 e70911. 5 Oct. 2024, doi:10.7759/cureus.70911

private capital to buy companies, including healthcare facilities, service providers, and administrative companies. The private funds market grew sixteen fold from \$1 trillion in 2004 to over \$16 trillion in 2025.⁷ Today, private equity-owned companies control the livelihoods of over 13 million workers.⁸

Private equity investments in healthcare facilities and networks lower quality and accessible care. Private equity firms have siphoned money from healthcare facilities, reduced the quality of care, lowered staffing levels as well as worker wages and benefits, and worsened health outcomes for patients. Private equity firms have aggressively acquired health care entities because of the sector's reliable revenue streams that are insulated from economic downturns. The fragmentation of the U.S. healthcare system attracts private equity investors as does opaque payment systems where the price of services and cost of care are disconnected. This coupled with growing demand for care creates ample opportunity for investment and profiteering.⁹

Private equity has been a major force in the healthcare industry for nearly two decades,¹⁰ and the pace of takeovers continues to grow.¹¹ Private equity firms spent more than \$1 trillion between 2013 and 2023 buying up healthcare companies.¹² Private equity firms own hospitals, ambulances, surgery centers, physician practices, dialysis, cancer care, nursing homes, autism treatment, drug and alcohol rehabilitation, home healthcare firms, fertility clinics and more.¹³ Abundant evidence shows that health care consolidation causes prices to rise, putting pressure on patients and on payers.¹⁴ Higher prices can hinder access to care for patients of limited means, and increase their levels of medical debt.¹⁵ This can be especially damaging in rural areas, where hospital roll-ups have been common and there are often no alternative providers.¹⁶

⁷ McKinsey & Company. "[A routinely exceptional year: McKinsey Global Private Markets Review](#)." February 2017; McKinsey & Company. "[Global Private Markets Report 2026: Clearer view, tougher terrain](#)." February 10, 2026.

⁸ Ernst and Young. [Economic contribution of the US private equity sector in 2024](#). Prepared for the American Investment Council. March 2025.

⁹ Robert Seifert. "[Doctored by Wall Street: Private Equity Bodes Ill for Healthcare](#)." *Americans for Financial Reform Education Fund*. June 2023 at 2.

¹⁰ Robbins, Catherine J., Todd Rudsenske, and James S. Vaughan. "[Private equity investment in health care services](#)." *Health Affairs*. Vol. 28, No. 5. September/October 2008 at 1391.

¹¹ Nirad Jain et al. "[Navigating uncertainty: Healthcare private equity 2026 midyear update](#)." *Bain and Company*. August 2026.

¹² David Blumenthal. "[Private Equity's Role in Health Care](#)." Commonwealth Fund. November 17, 2023

¹³ Bain & Company. "[Global Healthcare Private Equity and Corporate M&A Report 2019](#)." 2019 at 17, 29, and 30; Whoriskey, Peter and Dan Keating. "[Overdoses, bedsores, broken bones: What happened when a private equity firm sought to care for society's most vulnerable](#)." *Washington Post*. November 25, 2018; Whalen, Jeanne and Laura Cooper. "[Private-Equity pours cash into opioid treatment sector](#)." *Wall Street Journal*. September 2, 2017; Liss, Samantha. "[Private equity sees ripe opportunity in health care this year](#)." *HealthcareDive*. March 25, 2019; Objective Capital Partners. "[M&A in fertility outpatient care remains strong](#)." *Healthcare Insights*. June 11, 2019; RegionalCare Hospital Partners. [Press release]. "[RegionalCare Hospital Partners to be acquired by funds affiliated with Apollo Global Management](#)." November 12, 2015; BainCapital. [Press release]. "[U.S. Renal Care to be acquired by investor group](#)." February 13, 2019.

¹⁴ Karyn Schwarz et al. KFF "[What We Know About Provider Consolidation](#)." September 2, 2020

¹⁵ Americans for Financial Reform Education Fund. [Comment letter on Merger Guidelines 2023 of U.S. Department of Justice and the Federal Trade Commission](#). September 18, 2023.

¹⁶ Appelbaum, Eileen and Rosemary Batt. Center for Economic and Policy Research. "[Private Equity Buyouts in Healthcare: Who Wins, Who Loses?](#)" Working Paper No. 118. March 15, 2020

The private equity industry uses financial engineering and severe cost cutting to extract value from target firms that compromises the quality of care, undermines access to care, and harms health care workers. These strategies include debt-fueled takeovers known as leveraged buyouts, the extraction of fees and dividends, stripping out assets like real estate and forcing healthcare firms to pay rent on facilities they had previously owned, and cutting expenditures on care and staff. These strategies are extremely profitable for the private equity firms but come at the expense of patients.

Federal policy strategies can seek to shrink or eliminate these harmful effects in several ways, including those laid out in this request for proposals. For more detail on the approaches listed below, please see the attached resources.

Requiring full transparency and reporting of ownership and corporate structures

Private equity-owned health care providers often structure themselves to limit their legal liability, and providers with common owners can obscure this overlap with complex corporate structures. Understanding who or what entity owns a health care provider and what related businesses they also own is important for accountability, for monitoring financial stability and health care quality, for better understanding motives and strategies of owners and investors, and for enforcing antifraud laws. Lack of transparency, vital to a well-functioning market, is another weakness in the health care system that PE exploits for financial gain.

CMS should restore the beneficial ownership reporting requirement that was indefinitely suspended before it was to take effect on January 1, 2026,¹⁷ and expand its coverage beyond skilled nursing facilities to all providers participating with Medicare, as well as home and community based service providers and other intermediaries that receive funding through Medicaid, or Congress should explicitly require such disclosures in law.

Requiring that any health care investments made by private equity be reported to a centralized, publicly-available database along with information about the ownership and structure of the companies undertaking these investments

A national ownership database available to the public would allow policymakers, the public, and researchers to monitor the effect of private equity ownership on price, quality, patient experience, and utilization. The database should cover all forms of institutional investor ownership, including private equity, venture capital, and insurance companies, as the types of financial actors active in controlling healthcare businesses continue to expand. For example, a venture capital firm, General Catalyst, purchased an Ohio hospital system—the first direct purchase of this kind—in 2024 in part to test out technologies developed by its other portfolio companies.¹⁸

¹⁷ Center for Medicare Advocacy. “[CMS indefinitely suspends off-cycle Medicare revalidation process for nursing homes](#)”. January 2026.

¹⁸ Hemant Taneja et al. “[Our acquisition of Summa Health](#).” *General Catalyst*. January 2024.

Establishing restrictions on the types of investments that private equity-backed health care entities can make using profits generated from the American health care system

The federal government is slow to review ownership changes and does not have specific standards for approving changes of ownership. In the interest of health system integrity and the safety of often very vulnerable patients, policymakers should establish specific minimum criteria for purchase, change of ownership, or management, to prevent ownership by entities with a history of low staffing, inadequate wages, bankruptcy and poor financial management, poor quality, or past fraud settlements.¹⁹

In addition to establishing ownership criteria, the most common extractive financial engineering practices—which typify private equity or financialized ownership—should be prohibited for any entity receiving payments through Medicare, Medicaid, the Veterans Administration, or other publicly administered healthcare funding, with the requisite reporting to enable enforcement. These should include but not be limited to bans on:

- Sale lease-backs, where a facility like a nursing home, hospital, or clinic has its real property sold off—often, though not always, to a related party of the private equity owner—and then is forced to pay rent to that entity going forward;
- Dividend recapitalizations, where a private equity owner takes out loans on the books of a healthcare provider to pay themselves and investors a one-time cash payout;
- Management, monitoring, retainer, franchise or other extractive fees, which the institutional owner often charges a healthcare provider or facility; and
- Stock buybacks, in the case of publicly traded firms, as discussed in section 1.

Limiting corporate and private equity entry into health care that disrupts clinical decision-making and patient care, such as the prohibitions on the corporate practice of medicine

A federal corporate practice of medicine prohibition would help prevent private equity firms, insurance companies, and other corporate owners from taking over physicians practices and physicians staffing services within hospitals and health systems. In addition to harming patients through an increased likelihood of upcharging,²⁰ private equity ownership has a deleterious effect on the well-being of practicing physicians and on their future in the profession. A 2024 survey of physician perspectives found that private equity-employed physicians were less likely to report high professional satisfaction and autonomy compared with their non-PE counterparts, and fewer PE-employed physicians said they were likely to remain with their employer.²¹

¹⁹ Harrington et al., “[These administrative actions would improve nursing home ownership and financial transparency in the post COVID-19 period.](#)” *Health Affairs*. February 11, 2021.

²⁰ Alexander Philips et al. “[Hospital- and private equity-affiliated specialty physicians negotiate higher prices than independent physicians.](#)” *Health Affairs*. Oct 6 2025. Vol 44 No 10.

²¹ Jane M. Zhu et al. “[Physician perspectives on private equity investment in health care.](#)” *JAMA Internal Medicine* 184, no. 5 (May 1, 2024): 579–80.

3. Private equity consolidation and the road to vertical integration

Health care is attractive to corporate actors for a number of reasons. The system is complex and fragmented, with payment loopholes and operating inefficiencies that can be exploited by actors seeking a quick profit. Prices for services are distorted by asymmetric information, the presence of third-party payers, and prices being divorced from underlying costs and quality. Demand for services is growing because of an aging population and expansion of insurance coverage. Many practices and providers are small, undercapitalized, and disconnected, and as much as one-quarter of spending in the health care system is waste,²² presenting opportunities for streamlining and revenue enhancement that private equity firms and other investors seize on to produce financial returns— but not necessarily improvements in systems or outcomes.

Private equity firms often seek to consolidate markets using the tactic of sequential “roll-up” transactions, acquiring a platform or company and then buying up other companies in the same market segment. This strategy enables a private equity firm to accumulate market power while evading antitrust regulatory scrutiny because each individual transaction falls below the Hart-Scott-Rodino Antitrust Improvements Act (HSR) notification threshold.²³ Because a private equity firm typically takes operational control of its companies, there is a great opportunity for a high degree of coordination across markets. The Department of Justice and Federal Trade Commission 2023 Merger Guidelines identify the potentially anticompetitive impact of serial acquisitions that substantially lessen competition or tend to create monopoly and can be unlawful under the Clayton Antitrust Act.²⁴

An important feature of private equity-driven consolidation is that it is one-directional and engenders further consolidation. The roll-up strategy and the short-term exit strategy typical of private equity virtually ensure that subsequent buyers will be other private equity firms or large corporations executing their own consolidation strategies. Oak Street Health, a primary care company that serves Medicare and Medicare Advantage beneficiaries, is a case in point. Founded in 2012, Oak Street attracted private equity investors to fuel growth and went public in 2020, with PE firms still holding a majority of shares. Finally, in 2023, CVS Health acquired Oak Street Health in a \$10.6 billion transaction, which, following CVS Health’s acquisition of Aetna in 2018, added to CVS Health’s national dominance as a vertically integrated “payvider.”²⁵ In home healthcare, private equity and major insurance companies have worked together to drive market consolidation. For example, in 2018, Humana and private equity firms Welsh, Carson, Anderson and Stowe (WCAS) and TPG Capital (TPG) together purchased the hospital and healthcare

²² William H. Shrank et al. “[Waste in the US health care system: Estimated costs and potential for savings.](#)” *JAMA* 322, no. 15 (October 15, 2019): 1501–9.

²³ The Federal Trade Commission made changes to the HSR notification process that addresses the unique problems of serial roll-up acquisition that would require pre-notification of smaller transactions that are in the same industry as prior transactions. See Federal Trade Commission (FTC). “FTC 16 CFR Parts 801 and 803 Premerger Notification; Reporting and Waiting Period Requirements.” 88 Fed. Reg. 124, June 29, 2023 at 42178 et seq.

²⁴ U.S. Department of Justice and Federal Trade Commission. “[2023 Merger Guidelines.](#)” December 18, 2023 at 23.

²⁵ Andrew Grant. “[CVS Health’s acquisition of Oak Street Health reconfirms market viability of private equity investment in value-based payment models for primary care.](#)” *American Journal of Law & Medicine* 49, no. 1 (March 2023): 120–27.

chain Kindred Healthcare.²⁶ They rebranded the home health, hospice, and community portions of the company Kindred at Home, with WCAS and TPG controlling 60 percent and Humana 40 percent. The physical facilities (long-term acute care hospitals and rehab sites) were entirely bought by the two private equity firms. Then, in 2021, Humana bought out TPG and WCAS to wholly own Kindred at Home,²⁷ incorporating it into its Centerwell brand. It spun off the home care and hospice portions of Kindred at Home to yet another private equity firm, Clayton, Dubilier & Rice (CD&R), in a 2022 leveraged buyout.²⁸ In that transaction, Humana kept a 40 percent minority share in the newly resurrected Gentiva Health Services while CD&R²⁹ took majority control (Kindred had previously retired the brand after a 2015 acquisition). In December 2024, Humana announced that it had sold Gentiva's personal care operations to publicly-traded Addus HomeCare for \$350 million.³⁰

Pricing distortions in Medicare Advantage are attracting profit seekers like private equity firms, who are looking for opportunities to exploit through vertical integration of physician practices and Medicare Advantage plans, joint ventures, and consolidation of other Medicare Advantage-related businesses. The most popular of these businesses in recent years are marketing and brokerage companies, to which private equity firms are attracted because of increasing Medicare enrollment, regulatory rollbacks during the first Trump administration, and loopholes in maximum commission rules that allow companies to generate excessive profits. Another private equity target has been in-home assessment companies, which can help Medicare Advantage plans take advantage of Medicare Advantage's favorable risk adjustment mechanics to increase capitation payment and then share in the windfall.³¹

Vertical mergers of upstream suppliers and downstream buyers are another form of consolidation. Private equity firms or health insurance companies frequently have portfolio companies or subsidiaries that include such configurations that have the capacity and incentive to offer services to their related entities on more favorable terms than they offer to their rivals or foreclose access in ways that disadvantage potential rivals. These vertical combinations allow private equity firms to incentivize their portfolio companies to purchase services or products from other companies in their portfolio.³² This can raise concerns that self-referrals or

²⁶ Humana. [Press release]. "[Humana, Together with TPG Capital and Welsh, Carson, Anderson & Stowe, Announce Completion of the Acquisition of Kindred Healthcare, Inc.](#)" July 2, 2018.

²⁷ Humana. [Press release]. "[Humana Completes Acquisition of Kindred at Home.](#)" August 17, 2021.

²⁸ Donlan, Andrew. "[Gentiva' Formed As Humana Closes Personal Care Divestiture.](#)" Home Health Care News. August 11, 2022.

²⁹ *ibid.*

³⁰ Landi, Heather. "[Addus HomeCare completes \\$350M acquisition of Gentiva.](#)" Fierce Healthcare. December 4, 2024.

³¹ Mary Bugbee. [How private equity gets its cut from Medicare Advantage.](#) Private Equity Stakeholder Project. January 2024.

³² Mills, Ryan and Melanie Payne. "[Neglected: Florida's largest nursing home owner represents a trend toward corporate control.](#)" *Naples (FL) Daily News*. May 31, 2018; Rau, Jordan. "[Care suffers as more nursing homes feed money into corporate webs.](#)" *New York Times*. January 2, 2018.

transactions between affiliated entities can inflate prices or otherwise overbill for public programs like Medicare and Medicaid.

Policymakers and regulators should use their investigative, enforcement and regulatory powers to minimize the damage that vertical integration and related party transactions can inflict on the healthcare system by using the beneficial ownership reporting described above to analyze instances of gaming, tunneling, and related party transactions. Enforcing fraud and anti-kickback statutes, eliminating for-profit administrative middle-men (or at least ending CMS overpayments) for Medicare and Medicaid would begin to curtail these rent-seeking practices.

Thank you for your consideration to this important matter,

Americans for Financial Reform Education Fund

Resources

Factsheet: [Curbing Stock Buybacks Would Strengthen the Economy](#). Americans for Financial Reform and Institute for Policy Studies.

Reports: [Doctored by Wall Street: Policy Solutions for Private Equity in Healthcare](#), [Doctored by Wall Street: Private Equity Bodes Ill for Health Care](#). Americans for Financial Reform Education Fund.

Report: [The Deadly Combination Of Private Equity And Nursing Homes During A Pandemic](#). Americans for Financial Reform Education Fund.

Related regulatory comments: [Medicare and Medicaid Programs; Disclosures of Ownership and Additional Discloseable Parties Information for Skilled Nursing Facilities and Nursing Facilities \[CMS-6084-P\]](#).

Americans for Financial Reform Education Fund; [Medicare and Medicaid Programs; Minimum Staffing Standards for Long-Term Care Facilities \(CMS-3442-P\)](#). Americans for Financial Reform Education Fund; [Medicare and Medicaid Programs; Minimum Staffing Standards for Long-Term Care Facilities \(CMS-3442-P\)](#). Coalition comment.

Report: [Wall Street on Your Doorstep: Protecting Home Care from Private Equity Abuses](#). Americans for Financial Reform Education Fund; [Mother with cerebral palsy struggles to hire aides after private equity takeover](#). NBC News investigation.

Report: [The Growth of Private Equity Ownership in the Home Healthcare Market](#). American Antitrust Institute and Americans for Financial Reform Education Fund.

Regulatory comments on consolidation and vertical integration: [Request for Information on Consolidation in Healthcare Markets, Docket No.: ATR-102; Re: Request for Information on Serial Acquisitions, Roll-Up Strategies Across U.S. Economy Docket No. FTC-2024-0028](#). Both Americans for Financial Reform Education Fund.