Connecticut Strategies to
Address Consolidation and Promote Competition

Consolidation Oversight

Consolidation oversight refers to the processes by which state regulators review mergers and acquisitions of health care entities to ensure they do not harm competition or increase consumer costs. This section examines whether state law or statutes require increased oversight of hospital consolidation transactions that exceed federal notification requirements, such as whether the state has the authority to approve, reject, or impose conditions on health care transactions to protect affordability and competition or if the state review standards require regulators to assess the impact of a consolidation on health care prices and affordability, not just market concentration. Specific strategies examined include:

Transaction Notification Requirements

Authority to Modify or Reject Consolidation Transactions

Affordability Criteria Included in Transaction Review

Facility Fee Limits

Facility fees are charges for services provided in outpatient and physician office settings that hospitals own. These fees are becoming increasingly more common as the rate of health system consolidation has accelerated. As hospitals acquire more outpatient practices, these fees are increasingly applied, raising patient costs and disproportionately affecting communities already facing financial challenges, such as rural and minority populations. States may prohibit facility fees outright, or impose other regulatory mechanisms such as facility transparency laws, requiring hospitals to disclose facility fees separately from professional service charges, or establishing limits on patient cost-sharing for facility fees. The strategies examined in this section include:

Prohibitions on Facility Fees

Facility Fee Transparency Laws

Limits on Facility Fee Cost-Sharing

Anti-Competitive Contract Provisions

Anti-competitive contracting is a pattern of contracting between health care providers and insurers where one party gains unfair advantages over potential competitors. States can enact regulations that limit dominant health systems from abusing their market power in ways that increase prices. This section evaluates whether states prohibit four types of anti-competitive contracting practices in the health system, including:

Restrictions on All-or-Nothing Contract Provisions: These clauses require plans to contract with all providers in a health system or none of them, even if those providers are low-value or high-cost.

Restrictions on Anti-Tiering and Anti-Steering Contract Provisions: These clauses require insurers to place favored providers in higher tiers regardless of cost or quality (anti-tiering) and restrict directing patients to higher value care from competitors (anti-steering).

Restrictions on Most Favored Nation Clauses: These clauses require health systems to agree to not to offer lower prices to competing insurers, preventing them from providing services at a lower price. These provisions may allow insurers and providers to collude to raise prices.

Restrictions on Physician Non-Competes: Physicians noncompete clauses restrict providers ability to work at other health systems in an area, minimizing providers ability to practice medicine.

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Consolidation Oversight

Policy	Status as of June 2025	Summary
Transaction Notification Required	Requires health systems or providers to notify the state of consolidation transactions	Connecticut law requires entities notify the Attorney General (and Office of Health Strategy in transactions involving nonprofit hospitals) of any material changes to group practices, hospitals, and other health care entities at least 30 days prior to the transaction. The state Certificate of Need program must also be notified of transfers of ownership of health care facilities.
Authority to Modify or Reject Consolidation Transactions	Has authority to approve, set conditions, or disapprove consolidation transactions	The Attorney General has authority to approve, apply conditions, or disapprove transactions for nonprofit hospitals, alongside the Executive Director of the Office of Health Strategy (OHS) in transactions involving nonprofit hospitals transfers of assets to for-profit hospitals. The Certificate of Need program also has authority to approve, set conditions, or disapprove transfers of ownership of certain health care providers.
Affordability Criteria included in Transaction Review	Includes consumer affordability or price growth in review criteria, approval conditions, or both	The Connecticut Certificate of Need program evaluates whether transactions involving a health care system or provider may negatively impact affordability. The Attorney General does not have authority to block or modify transactions beyond existing state antitrust law.

State Has Active Policy or Program | Policy or Program Partially Implemented | State Does Not Have an Active Policy or Program | * No Source, or Limited Information Found

Address Consolidation and Promote Competition

Facility Fees

Policy	Status as of June 2025	Summary
Prohibits Facility Fees	State prohibits provider from charging a facility fee for specified procedures, care settings, or both	Connecticut prohibits facility fees for evaluation and management services and for telehealth services, with the exception of emergency departments and certain observation stays.
Facility Fee Transparency Laws	State requires providers to disclose facility fees to consumers and/or requires off-campus outpatient departments to identify the physical location where care was provided on claims forms	Connecticut requires that a hospital or health system that charges a facility fee must provide written notice to the patient that details the facility fee charge, an estimate of the charge, patient liability, and more. Connecticut also requires the reporting of facility fee data from hospital and health systems to the Office of Health Strategy annually.
Limits Cost-Sharing for Facility Fees	State has enacted legislation that prohibits balance billing for facility fees, requiring a separate copayment for facility fees, or both	Connecticut prohibits a separate copayment for off-campus outpatient facility fees.

State Has Active Policy or Program | Policy or Program Partially Implemented | State Does Not Have an Active Policy or Program | * No Source, or Limited Information Found

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Anti-Competitive Contract Provisions

Policy	Status as of June 2025	Summary
Restricts All-or-Nothing Contract Provisions	Law restricts All-or-Nothing contract provisions	Connecticut prohibits All-or-Nothing clauses in contracts between health organizations and health care providers.
Restricts Anti-Tiering and Anti-Steering Contract Provisions	Law restricts Anti-Tiering or Anti-Steering contract provisions	Connecticut prohibits including Anti-Tiering and Anti-Steering clauses in contracts between health organizations and health care providers.
Restricts Physician Noncompete Clauses	Non-competes for physicians limited by statute	Connecticut limits physician noncompete agreements to one year and within 15 miles of the physician's primary practice. They are unenforceable if the employer terminates the physician (unless for cause), fails to renew the agreement, or does not provide a material pay increase upon renewal.
Restricts Most-Favored Nation Contract Provisions	Law restricts Most Favored Nation contract provisions	Connecticut bans Most Favored Nation clauses in contracts between health organizations and providers, prohibiting guaranteed best rates, rate certification, or disclosure of other insurers' rates.

State Has Active Policy or Program | Policy or Program Partially Implemented | State Does Not Have an Active Policy or Program | * No Source, or Limited Information Found

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With support from Arnold Ventures, the Healthcare Value Hub provides free, timely information about the policies and practices that address high health care costs and poor quality, bringing better value to consumers. The Hub is part of Altarum, a nonprofit organization with the mission of creating a better, more sustainable future for all by applying research-based and field-tested solutions that transform our systems of health and health care.