

Maryland 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	An entity seeking to acquire a nonprofit health entity in Maryland must submit an application to the appropriate regulatory entity or entities. These may include the Attorney General and Maryland Department of Health in cases involving the acquisition of a nonprofit hospital or the Maryland Insurance Administration in transactions involving the acquisition of a nonprofit health service plan or nonprofit health maintenance organization.
Authority to Modify or Reject Consolidation Transactions	 Has authority to approve, set conditions, or disapprove consolidation transactions	The regulatory entity has authority to approve, set conditions for, or disapprove transactions.
Affordability Criteria included in Transaction Review	 Includes consumer affordability or price growth in review criteria, approval conditions, or both	In his or her review of a proposed nonprofit health facility acquisition, the Attorney General must consider whether the acquisition has the likelihood of creating a significant adverse effect on the availability or accessibility of health care services in the affected community.



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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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	Maryland prohibits facility fees for telehealth services unless the provider is not authorized to bill a professional fee separately for the service.
Facility Fee Transparency Laws	 State requires providers to disclose facility fees to consumers, requires off-campus outpatient departments to identify the physical location where care was provided on claims forms, or both	Maryland requires that facilities provide written notice to patients about facility fees including the amount and that the cost may be greater at that facility compared to others. Patients must acknowledge the notice before services are provided.
Limits Cost-Sharing for Facility Fees	 The state has no laws that limit the amount a patient may be billed out-of-pocket for facility fees	



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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	 No law restricting All-or-Nothing contract provisions	
Restricts Anti-Tiering and Anti-Steering Contract Provisions	 No law restricting Anti-Tiering or Anti-Steering contract provisions	
Restricts Physician Noncompete Clauses	 No statutes limiting physician non-competes	Effective July 1, 2025, Maryland will ban noncompetes for health care professionals providing direct patient care who earn \$350,000 or less and limit them to one year and 10 miles for those earning more. Under the law, employers will also be required to notify patients when a restricted provider relocates.
Restricts Most-Favored Nation Contract Provisions	 Law restricts Most Favored Nation contract provisions	Maryland prohibits Most Favored Nation clauses in insurer-provider contracts, including with hospitals and surgical centers, barring provisions that ensure one plan receives better reimbursement terms than others.



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No Source, or Limited Information Found

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healthcarevaluehub.org



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