PUBLICATION

New Transaction Notice Requirements for Medical Groups Enacted in Rhode Island

Authors: Kenneth Scott Newman, Alexander S. Lewis, Noah D. Lipshie
February 04, 2026

As of January 28, 2026, Rhode Island "medical-practice groups" must now provide advance notice to the state Attorney General (AG) before completing certain transactions. The AG adopted the Pre-merger Notification Rule for Medical Practice Groups (the Rule) on January 8, 2026, following its initial proposal in May 2025. Below is a brief overview of the key provisions of the Rule and takeaways for providers.

Key Provisions of the Rule

Who Must Comply. The Rule applies to "medical-practice groups," which are broadly defined as "a single legal entity formed primarily for the purpose of being a physician group practice in any organizational form recognized by the state in which the group practice achieves its legal status, including, but not limited to, a partnership, professional corporation, limited-liability company, limited liability partnership, foundation, not-for-profit corporation, faculty practice plan, or similar association." Medical-practice groups must notify the AG at least 60 days before closing any of the following "material changes":

1. Mergers, consolidations, affiliations, or acquisitions with (i) another medical-practice group resulting in a combined entity of eight or more physicians, physician assistants, and/or nurse practitioners; or (ii) a hospital, hospital system, captive professional entity, or hospital-controlled entity;
2. Employment arrangements where a hospital, hospital system, or another medical-practice group hires all or substantially all of the medical-practice group's physicians (with the eight-provider threshold applying to combinations with other medical-practice groups);
3. Formation of partnerships, joint ventures, accountable care organizations, parent corporations, management service organizations (MSOs), or other entities designed to administer contracts with health insurers or third-party administrators on behalf of medical-practice groups; and
4. Transactions involving a "significant equity investor" that result in a change of ownership or control. A "significant equity investor" includes (i) any private equity (PE) firm with a financial interest in a medical-practice group or MSO, or (ii) investors, a group of investors, or other entity holding more than ten percent of the direct or indirect equity in a medical-practice group or MSO.

Required Information. The AG has made a notification form available on its website. At minimum, submissions must identify the transaction parties and their contact information, describe the transaction and its anticipated closing date, current locations where services are provided by each party to the transaction, and any new services and locations contemplated following the finalization of the transaction. The AG encourages parties to submit supplementary materials such as contracts or memoranda of understanding to assist in its review.[1]

Consequences for Non-Compliance. Parties that fail to provide the required notice face penalties of up to $200 per day, beginning 59 days before the anticipated closing date. Total penalties are capped at $100,000.

Scope of AG Review. Under the Rule, there is no specific review period or consent right. However, the AG may invoke its antitrust authority to challenge transactions that appear anti-competitive.[2] In that context, the AG

may also examine notices to evaluate potential effects on market concentration and access to affordable, quality care.

Confidential Treatment of Submitted Information. Notices will be kept confidential except as needed for law enforcement purposes. Unlike some other states with similar frameworks (e.g., California, Oregon, New York, and Massachusetts), Rhode Island is not expected to publish submitted notices online.

Practical Implications

Planning for Compliance. Parties contemplating applicable transactions involving Rhode Island-based medical-practice groups must now account for the 60-day notice period in their deal timelines. Failure to do so may result in closing delays and financial penalties. Investors and health care entities should work with counsel to evaluate whether their transactions trigger filing obligations.

Private Equity and MSO Transactions Under Scrutiny. The Rule expressly targets transactions involving PE firms and MSOs, requiring notice for transactions involving "significant equity investors," reflecting broader concerns that PE investment has contributed to health care market consolidation. Transactions in which (1) a significant equity investor (including a PE investor) is "involved," and (2) a medical-practice group experiences a change of ownership (e.g., PE investment in an MSO that results in ownership changes at affiliated practices) will require notice and may draw AG attention.

Private equity investors, MSOs, and other investors should consult with counsel regarding filing requirements and structuring alternatives. It is worth noting, however, that the Rule does not require reporting for MSO ownership changes or PE-involved transactions that do not result in a change of ownership of a medical-practice group. Because some states have recently amended their laws to more directly capture MSO transactions, investors should monitor for potential future changes to Rhode Island's framework.

For more information, please contact Scott Newman, Alex S. Lewis, Noah Lipshie, or any member of Baker Donelson's Health Law group.

[1] *See* R.I. Att'y Gen., *Rulemaking Analysis: Pre-merger Notification Rule for Medical-Practice Groups* 11 (May 27, 2025), https://risos-apa-production-public.s3.amazonaws.com/AG/13312/ADDDOC_13312_20250527160440672.pdf ("Additionally, the parties to the transaction are encouraged to submit any voluntary documentation that might help the Attorney General review it (e.g., contracts, memoranda of understanding, etc.)").

[2] *Id.* at 1-2 ("Challenging anticompetitive transactions before they are consummated is crucial, as 'unwinding' those transactions – or, as it's frequently described, 'unscrambling the egg' – is notoriously difficult, as well as costly. That is why a pre-merger notification rule is essential for effectuating the RIAG's antitrust power to investigate combinations that threaten to restrain or monopolize trade, and which pose a high risk of raising costs for patients and payers. This rule therefore serves to narrow the gap by ensuring that the RIAG has notice of potentially anticompetitive mergers with sufficient lead time to intervene before consolidation is consummated.").