Press Release

FTC Warns That Monopoly Hospitals Use State COPA Laws to Evade Antitrust Enforcement

PAULINA ENCK | SEPTEMBER 27, 2022

The Federal Trade Commission (FTC) recently warned states against the use of Certificate of Public Advantage (COPA) laws, which allow hospitals in concentrated markets to merge if the state believes the likely benefits outweigh the potential harms. In a new insight, Competition Economics Analyst Fred Ashton examines the results of studies that look into the impact of COPA and the potential results of eliminating these laws.

Key points:

- Currently, 19 states have some version of COPA laws, and FTC research found that nine states have approved hospital mergers using them.
- A lack of resources, regulatory fatigue, and the repeal of COPA laws post-merger prevents states from ensuring hospital monopolies cannot leverage market power in the form of higher prices and reduced quality of care over the long term.
- Several COPA case studies showed that inpatient prices in the years immediately following COPA increased at least 20 percent, and between 39 percent and 51 percent after the repeal or expiration of the state regulation.

Read the analysis