

Vermont Joins Growing Trend to Oversee Private Equity Investment in Clinical Care

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On June 15, 2026, Vermont Governor Phil Scott signed H.583 (“[Act 133](#)”) into law, making Vermont the most recent state to reinforce their Corporate Practice of Medicine doctrine by restricting private equity and hedge fund influence over clinical decision-making. The legislation follows a flurry of interest from states inspired by similar legislative action in both [Oregon](#) and California. This blog post provides a general overview of Vermont’s new restrictions and places them in the context of the broader national trend toward scrutiny of private investment in health care.



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Act 133 has three operative sections: § 9772 codifies Vermont’s common-law prohibition on corporate involvement in clinical decision-making as it relates to private equity and hedge fund investments; § 9773 requires disclosure of private equity and hedge fund ownership and control interests in certain health care entities; and § 9774 provides for public transparency and sharing of such ownership information.

Restrictions on Private Equity Influence Over Clinical Decision-Making

Section 9772 is the substantive heart of Act 133. It establishes that clinical decision-making and other core functions affecting patient care must remain under the control of licensed health care professionals, effectively codifying, at least in part, Vermont’s Corporate Practice of Medicine doctrine.

This section specifically prohibits private equity groups or hedge funds from:

- interfering with providers’ clinical judgment, including by determining appropriate

diagnostic tests, referrals to other providers, patient treatment options, work schedules, and patient loads; and

- exercising control over, or being delegated the power to set: (i) clinical standards or policies; (ii) access to and control of patient medical records; (iii) hiring or firing of medical professionals based on clinical competency or proficiency; (iv) parameters for contracting with third-party payers or other providers; (v) prices or rates for a provider's services; (vi) coding and billing decisions; and (vii) selection or approval of medical equipment and supplies.

Section 9772 does not prohibit private equity firms and hedge funds from investing in health care entities. Nor does it ban unlicensed individuals or entities from providing non-clinical management, administrative, or business services, so long as a licensed health care professional retains ultimate responsibility for or approval of any decisions affecting patient care.

Finally, § 9772 creates a private right of action for health care providers to seek equitable relief, actual damages, costs, and attorney's fees against a private equity group or hedge fund (or entity controlled directly, in whole or part, by one).

New Ownership and Control Disclosure Requirements



Section 9773 establishes a mandatory disclosure and data sharing regime to ensure transparency around private equity and hedge fund involvement in health care. It requires defined health care entities and management services organizations (“MSO”), which are owned at least in part by private equity groups or hedge funds

(“Applicable Entities”), to report specific ownership and control information (enumerated below) to Vermont’s state health regulatory board, the Green Mountain Care Board (the “State Board”). Certain entities are exempted, including nursing homes, health care staffing companies, organizations whose services are delivered exclusively through telehealth, and federally qualified health centers. Notably, health care entities and MSOs with no private equity or hedge fund ownership or investment must still attest to no such ownership or investment.

Under this section, Applicable Entities must report to the State Board:

- the name, business address, and business identification numbers for each person that has an ownership, investment, or controlling interest, has a significant equity investment, or is an MSO of a health care entity;
- a current organizational chart showing the business structure of the health care entity or MSO, including affiliates and subsidiaries; and
- the health care entity’s or MSO’s most recent fiscal year’s profit and loss statement

and balance sheet.

Additionally, the State Board must work with the Agency of Human Services and relevant stakeholders to develop data reporting processes pursuant to these requirements. Information shared pursuant to this section shall be public information and not considered confidential, proprietary, or a trade secret, except for specified personal identifying information and certain confidential financial information.

Lastly, § 9773 institutes financial penalties of up to \$10,000 per year for failing to report required information and up to \$25,000 for each material misrepresentation reported.

Public Reporting and Transparency Requirements

Section 9774 promotes transparency by requiring the State Board to report all ownership and control disclosures made under § 9773. It authorizes interagency sharing of that information for oversight and enforcement and provides that, except for specified personal identifiers, the information is public.

Lastly, the section permits the State Board to share reported information with the Attorney General, Secretary of State, and other state agencies and officials to prevent duplicative reporting requirements and facilitate oversight and enforcement pursuant to Vermont law.

The Big Picture

Act 133 is one example of the larger national trend toward increased scrutiny of health care ownership and control. While Vermont's new law appears to specifically focus on control over clinical decision-making by private equity and hedge funds, numerous other states, including Oregon, Massachusetts, Indiana, New Mexico, and Washington, passed broader ownership transparency-related laws in 2025 and 2026 (with other additional states at least considering such bills). Collectively, these measures reflect a broad national movement toward increased scrutiny of lay-investor influence in the health care sector.

Please contact the authors or your regular Dorsey attorney with any questions about how these restrictions could affect your current business model or any contemplated transactions.