New insights from economics for practitioners and enforcers of health care and biopharmaceutical competition

Academic research in health care and pharmaceutical economics can provide insights relevant to antitrust and competition enforcers and practitioners. High-profile litigation may also motivate topics for academic research. Focusing on the intersection of academic research and litigation matters, **Daniel Shack** and **Annabelle Fowler** highlight key research developments and discussion topics showcased at the 2025 Annual Conference of the American Society of Health Economists (ASHEcon), held in Nashville.

The role of private equity in health care

The role and effects of private equity (PE) in health care have sparked substantial interest among US competition regulators. For example:

- In March 2025, the Federal Trade Commission (FTC) sued to block the PE firm GTCR BC Holdings, LLC's (GTCR) acquisition of Surmodics, Inc., alleging that the combined company would control more than half of the market for outsourced hydrophilic coatings used in medical devices.[1]
- In March 2024, the FTC, the Department of Justice's (DOJ) Antitrust Division, and the US Department of Health and Human Services began a public inquiry into PE and other corporations' "increasing control over health care."[2] Relatedly, in May 2025, the FTC and DOJ launched a concurrent public inquiry "to identify serial acquisitions and roll-up strategies"; in the associated press release, the FTC asserted that data is limited because many of these acquisitions do not meet the threshold for reporting requirements.[3]
- In September 2023, the FTC filed a lawsuit against the PE firm Welsh, Carson, Anderson & Stowe and the firm United States Anesthesiology Partners, alleging a roll-up scheme involving anesthesia practices in Texas.[4]

This year's ASHEcon featured research exploring the impact of PE acquisitions on outcomes such as the quality and price of care. While this area of research is still nascent, it provides an overview of the methodologies economists are using to study PE and its impact, which, in turn, can provide valuable insights to enforcers and practitioners in health care antitrust and competition. For example, estimating the impact of an alleged PE roll-up scheme requires a methodology that links acquisitions and outcomes. Additionally, as the FTC and DOJ found, a common hurdle identified in the papers presented at ASHEcon concerned data availability, particularly around PE acquisitions. To address this issue, authors reported having to manually construct a dataset of acquisitions over time.

Biosimilars

Biosimilars—lower-cost alternatives to biologics that launch following the expiry of patent and exclusivity protection—have received renewed attention from antitrust enforcers and policymakers, perhaps due to the relatively high cost of biologics and limited take-up of biosimilars compared to traditional generic drug uptake. The FTC has held a listening session titled "Anticompetitive Conduct by Pharmaceutical Companies Impeding Generic or Biosimilar Competition";[5] submitted a comment on proposed Food and Drug Administration (FDA) changes regarding biosimilar interchangeability, stating that increasing the number of biosimilars with an "interchangeable" designation would lower the prices patients pay;[6] and published its Interim Staff Report that highlighted the growing practice by pharmacy benefit managers (PBMs) of establishing their own private label to produce biosimilars.[7] The report also alleged that the use of manufacturer rebates "may impede and impair competition and patient access to affordable medicines," such as generics and biosimilars.[8]

Biosimilars were a recurring theme at this year's ASHEcon, including at a panel discussion provocatively titled "Where Are the Biosimilars?" The discussion, moderated by CRA senior consultant Kirsten Axelsen, touched on the incentives caused by manufacturer rebates, the use of private labels by PBMs, regulatory requirements including the standard for interchangeability and auto-substitution, and the economics of bringing biologics and biosimilars to market.

Among the academic papers on biosimilars, one, motivated by the observation that many injectables are purchased directly by and administered in medical clinics, examined whether clinic purchases of injectables are correlated with the share of the other products it purchases that are attributable to a specific manufacturer. Another paper aimed to assess the extent to which hospital affiliation with a group purchasing organization led to steering or restrictions on biosimilar product choice. Finally, a study examining the experience of one biosimilar that had achieved interchangeability status suggests that interchangeability may lead to higher penetration, primarily through improved formulary coverage but also through pharmacist substitution.

Taken together, the panels and research on biosimilars presented at ASHEcon demonstrate the complexity of the market for biosimilars and significant differences and dynamics from those of "small molecule" generic pharmaceuticals. For enforcers and practitioners in health care antitrust and competition, the discussions and insights at ASHEcon underscore the importance of understanding and incorporating the economics of biosimilars in potential analyses, particularly related to biosimilar entry and adoption.

Pharmaceutical innovation

Innovation is one of the factors antitrust enforcers consider when evaluating mergers and acquisitions; the health care sector is no exception. For example:

- On GTCR's proposed acquisition of Surmodics, the FTC alleged that the acquisition would remove "a key driver of quality, competitive pricing, and innovation."[9]
- In January 2024, the FTC sued to block Novant Health, Inc.'s acquisition of two North Carolina hospitals, claiming the merger would reduce the "incentive to invest in innovation and quality of care."[10]

- In December 2023, the FTC sued to block Sanofi's acquisition of an exclusive license to Maze Therapeutics, Inc.'s glycogen synthase 1 products, arguing that the proposed transaction would deprive "patients, doctors, and payers of the benefits of competition, including greater innovation."[11]

The importance of innovation has been a consistent motivator of research in health economics and was once again reflected at this year's ASHEcon, with presentations providing insights on both the empirical measures and drivers of innovation, particularly around drug development. In addition, a panel discussion titled "Evidence to Inform Policymakers: Evaluating Financial Returns and Drug Development," also moderated by CRA senior consultant Kirsten Axelsen, discussed methodologies for evaluating the impact of policy changes on drug development and how current research might update these estimates.

Such research and discussions provide obvious complementarities to enforcers and practitioners in health care antitrust and competition, for whom innovation may be a key outcome of interest or an area of dispute.

Conclusion

This CRA Insights overviewed recent research agendas in health economics which address questions and outcomes that are relevant to enforcers and practitioners in health care antitrust and competition. As demonstrated at ASHEcon, the intersection of the cutting edge of academic research and antitrust and competition litigation in health care continues to evolve. Understanding the former can provide unique insights to the latter.

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[1] In the Matter of GTCR BC Holdings, LLC, a corporation, and Surmodics, Inc., a corporation, Before the Federal Trade Commission, Docket No. 9440, Complaint (Public Version), March 6, 2025 (GTCR-Surmodics Complaint), ¶¶ 1, 6.

[2] "Federal Trade Commission, the Department of Justice and the Department of Health and Human Services Launch Cross-Government Inquiry on Impact of Corporate Greed in Health Care," FTC Press Release, March 5, 2024, https://www.ftc.gov/news-events/news/press-releases/2024/03/federal-trade-commission-department-justice-department-health-human-services-launch-cross-government

[3] "FTC and DOJ Seek Info on Serial Acquisitions, Roll-Up Strategies Across U.S. Economy," FTC Press Release, May 23, 2024, https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-doj-seek-info-serial-acquisitions-roll-strategies-across-us-economy

[4] Federal Trade Commission v. U.S. Anesthesia Partners, Inc. et al., In the United States District Court for the Southern District of Texas (Houston Division), Complaint for Injunctive and Other Equitable Relief, September 21, 2023, ¶¶ 1-4. The case ultimately was split up, with the FTC launching a sole action against Welsh, Carson, Anderson & Stowe in January 2025.

[5] "Listening Session: Anticompetitive Conduct by Pharmaceutical Companies Impeding Generic or Biosimilar Competition," FTC, June 30, 2025, https://www.ftc.gov/news-events/events/2025/06/listening-session-anticompetitive-conduct-pharmaceutical-companies-impeding-generic-or-biosimilar.

[6] "FTC Submits Comment Supporting Proposed FDA Guidance on Interchangeable Biosimilar Drugs," FTC Press Release, August 20, 2024, https://www.ftc.gov/news-events/news/press-releases/2024/08/ftc-submits-comment-supporting-proposed-fda-guidance-interchangeable-biosimilar-drugs.

[7] "Pharmacy Benefit Managers: The Powerful Middlemen Inflating Drug Costs and Squeezing Main Street Pharmacies," FTC Interim Staff Report, July 2024, pp. 27–28.

[8] *Id*. at 66.

[9] GTCR-Surmodics Complaint, ¶ 53.

[10] In the Matter of Novant Health, Inc., a corporation, and Community Health Systems, Inc., a corporation, Before the Federal Trade Commission, Docket No. 9425, Complaint (Public Version), January 25, 2024, ¶¶ 1, 50.

[11] In the Matter of Sanofi, a corporation; Genzyme Corporation, a corporation; and Maze Therapeutics, Inc., a corporation, Before the Federal Trade Commission, Docket No. 9422, Complaint (Public Version), December 11, 2023, ¶¶ 24, 61.