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Private Equity and Healthcare Delivery

Physician Perspectives on Access, Capacity, and Innovation

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EXECUTIVE SUMMARY

Physicians across the United States continue to face rising operating costs, growing administrative demands, and persistent workforce shortages. These pressures threaten patient access and strain the viability of independent practices, especially in rural and underserved communities. Many clinicians have sought new sources of capital to stabilize operations and expand care delivery. Private equity (PE) investment represents one of these sources. Although policymakers and commentators often debate its role, the perspectives of practicing physicians rarely shape that discussion.

To bring those perspectives forward, an independent partner, SERMO conducted a nationwide survey of physicians in April 2026. Respondents represented 28 states and a mix of primary and specialty care providers. The survey captured the views of physicians who have worked in PE-backed practices and those who have not. Their responses reveal a clear divide between perception and lived experience.

Physicians without PE experience often expressed concerns that mirror common critiques, citing concerns about reduced autonomy, staffing cuts, and limits on operational capacity. In contrast, physicians with direct experience in PE-backed practices reported more favorable outcomes across every major category examined in the survey.

- Approximately two-thirds of PE-backed physicians reported that PE investment improved patient access to care in their communities. Respondents most often pointed to better care coordination, shorter wait times, and more efficient scheduling.
- More than two-thirds also reported that PE investment had a positive impact or no effect on their ability to interact with patients. A similar share reported stable or improved discretion to make independent clinical decisions.

Survey results also show that PE investment supported the expansion of clinical offerings.

- More than three-quarters of PE-backed physicians reported that their practices added new service lines or expanded existing ones. Many of these expansions occurred in communities that face persistent shortages of maternal health, behavioral health, and other essential clinical services.
- Operational capacity improved as well. Among PE-backed physicians, four-fifths reported new capital investments that strengthened staffing, facilities, and technology capacity. Respondents cited new clinical and nonclinical hires, upgraded electronic health records (EHR), expanded telehealth capabilities, and improved workflow systems. These investments helped to reduce administrative burdens and supported the transition to value-based care models.

Staffing trends followed a similar pattern.

- Most PE-backed physicians reported stable or increased staffing levels. Fewer than one in five reported significant reductions.
- In a national environment defined by workforce shortages, these findings suggest that access to capital may help practices recruit and retain the personnel needed to meet patient demand.

Finally, PE-backed physicians reported broad improvements in innovation.

- Respondents described greater access to new technologies, expanded digital tools, and enhanced data capabilities.
- Even physicians without PE experience recognized the potential for PE investment to support innovation, with 90% reporting that PE investors show openness to new approaches in patient care.

Taken together, these findings show that PE investment has supported physicians in ways that strengthen patient access, clinical offerings, operational capacity, and innovation. They also show that the concerns voiced by non-PE physicians and industry critics are misaligned with the experience of clinicians who have worked in PE-backed settings. As policymakers and regulators consider the future of healthcare delivery, the perspectives of these physicians provide an essential and often overlooked source of insight.

INTRODUCTION

Frontline clinicians across the United States experience financial constraints, administrative burdens, and workforce shortages that jeopardize access to care for patients and families from all social classes. High-quality healthcare remains a priority for most Americans, but barriers and gaps continue to emerge and expand, from clinic and practice closures to rising costs.

Economic factors and the public policy environment often exacerbate these challenges. According to a June 2024 poll from the Medical Group Management Association and *STAT*, 92% of medical group leaders reported that their operating expenses had increased, relative to the year before.[1] From the perspective of most clinicians, federal payment policies have failed to keep pace with the changes in real-world practice. The American Medical Association, for instance, found that Medicare physician payments declined by 29% from 2001 to 2024 after accounting for practice cost inflation.[2]

These cost constraints translate into patient access erosion and imperil the viability of independent practice, particularly in rural and underserved communities. With respect to Medicare, for instance, which provides coverage to some of the highest-need Americans, the 2025 Medicare Trustees Report cautioned that without significant policy and practice changes, the availability and quality of healthcare for beneficiaries will "fall over time."[3]

Many clinicians have responded to these and other headwinds by looking to varied sources for sustainable financing, including, in some cases, from private equity (PE) investment. As of 2024, only 6.5% of physicians described their practices as PE-owned, far lower than the share of those working for hospitals or in hospital-owned practices.[4] Nevertheless, PE investment in clinical practices has attracted increased attention from some policymakers and regulators, prompting an ongoing dialogue regarding PE's role in healthcare.

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[1] Medical Group Management Association. Nearly All Medical Groups Still Feeling the Squeeze of Rising Operating Expenses. *MGMA Stat*. June 26, 2024. Available at: https://www.mgma.com/mgma-stat/nearly-all-medical-groups-still-feeling-the-squeeze-of-rising-operating-expenses.

[2] American Medical Association. (2024, June 3). Medicare Basics Series: The Medicare Economic Index. June 3, 2024. Available at: https://www.ama-assn.org/practice-management/medicare-medicaid/medicare-basics-series-medicare-economic-index.

[3] Boards of Trustees, Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds. *2025 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds*. Centers for Medicare & Medicaid Services. 2025. Available at: https://www.cms.gov/oact/tr/2025.

[4] Kane CK. Policy Research Perspectives: Physician Practice Characteristics in 2024: Private Practices Account for Less Than Half of Physicians in Most Specialties. American Medical Association. 2025. Available at: https://www.ama-assn.org/system/files/2024-prp-pp-characteristics.pdf.

Proponents of flexible financing options for physicians have pointed to heightened capital access need, as well as the potential for PE investment to drive improvements in care quality and access, especially in more remote areas of the country. Critics, however, have characterized PE's influence on the healthcare system as problematic, suggesting the potential for misaligned incentives.

These debates have direct implications for clinicians, but the existing literature often excludes or underrepresents their perspectives and perceptions, to the detriment of meaningfully informed discussions. This white paper addresses that gap by capturing the viewpoints of healthcare providers at the center of the clinical care ecosystem.

In April 2026, an independent partner conducted a survey of physicians in 28 states and at least one dozen different medical specialties, including primary care and various medical specialties. This paper highlights key findings and takeaways from the survey, which underscore the significance of access to capital for meeting a range of clinical needs. By covering the varied perspectives of physicians from both PE-backed practices and other settings, the paper also illustrates differences in perceptions based on clinicians' level of on the ground experience with PE investments in this context.

As policymakers, regulators, and innovators look to address the myriad challenges confronting the healthcare system, understanding the viewpoints of healthcare providers will prove crucial to ensuring informed and constructive discussions and debates on practical and policy solutions.

KEY SURVEY FINDINGS

The physician survey covered a range of topics, focused on assessing the impacts of PE investment on clinical care, operational efficiency, and capacity, among other areas of interest from a healthcare perspective. Many of the major findings contrasted with common narratives around investment source impact, as described in greater detail below, indicating that increased engagement with on the ground clinicians will prove critical to evidence-based policy and practice discussions moving forward. **To highlight this divergence, the sections below first examine perceptions among physicians without PE experience, followed by findings grounded in the lived experience of PE-backed clinicians.**

Perceptions Among Non-PE-Backed Physicians (Baseline Perspectives)

Physicians with direct involvement with PE-backed practices report significantly more favorable effects than those without such experience.

The survey also showcased the different perspectives of physicians who have delivered care in PE-backed practices versus those without that experience.

Although responses varied substantially, the perceptions of physicians without PE experience often reflected concerns conveyed by critics of PE in healthcare more broadly. While most non-PE-backed clinicians, for instance, indicated they were concerned about potential staff reductions, limits on operational capacity, and reduced autonomy, the lived experience of PE-backed physicians reflected vastly different findings, as outlined in the preceding sections.

The gaps between perception and lived experience signal the need for a more robust dialogue, not just among policymakers and regulators, but also among practitioners on the impact of PE investment on the ground.

Perceptions Among PE-Backed Physicians

PE Backing Improved Patient Access to Care

Survey findings indicate that PE investment is associated with stable or improved patient access and engagement as follows:

- **Improved access to care:** Approximately two-thirds of PE-backed physicians reported that PE investment improved patients' ability to access care within their communities.
- **Enhanced care coordination:** Among those citing improved access, physicians most frequently pointed to enhanced care coordination, including reduced wait times and more streamlined referral processes.
- **Increased patient interaction:** More than two-thirds of respondents indicated that PE investment had either a positive or a neutral impact effect on their ability to interact with patients.
- **Key finding:** Most respondents reported either no change or an improvement in patient engagement, including a subset who identified meaningful enhancements, underscoring the need to ground policy discussions in observed experience rather than generalized assumptions.

These findings, which span multiple geographies and specialties, suggest that PE investment may strengthen care delivery infrastructure in ways that support patient access, particularly in communities facing provider shortages or service gaps.

PE Backing Promotes Clinical Autonomy

More than 63% of PE-backed physician respondents reported that PE investment had either improved or had no effect on their ability to make independent clinical decisions.

Numerous recent surveys and reports affirm that autonomy remains a central priority for both independent and employed physicians, particularly in the midst of shifting business models and responsibilities.[5]

Research also suggests that autonomy and flexibility play major roles in bolstering clinical workforce retention. A 2024 *Annals of Internal Medicine* study, for instance, found that "poor [physician] control over specific aspects of work was associated with burnout and intentions to reduce clinical effort or leave one's organization."[6]

PE Backing Allows for Increased Clinical Offerings

More than 75% of PE-backed physician respondents reported that PE investment had enabled their practices to expand clinical service offerings, such as through new service lines. As communities work to maintain or expand the accessibility of certain clinical offerings, these responses suggest that access to capital could play a key role in meeting goals, particularly in a limited-margin environment for some service lines.

For example, March of Dimes has reported that more than one-third of US counties are considered maternity care deserts.[7] Moreover, rural community residents account for 72% of Americans living in primary care and dental health professional shortage areas (HPSAs), as well as 70% of those living in mental health HPSAs.[8] Communities across the country need expanded clinical offerings, and yet narrow margins and other constraints often trigger the opposite situation.[9]

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[5] Mathewes F. Why Physician Autonomy Is a Growing Flashpoint. *Becker's Physician Leadership*. January 6, 2026. Available at: https://www.beckersphysicianleadership.com/independent-practice/why-physician-autonomy-is-a-growing-flashpoint/.

[6] Sinsky CA, Brown RL, Rotenstein L, Carlasare LE, Shah P, Shanafelt TD. (2025). Association of Work Control with Burnout and Career Intentions Among U.S. Physicians: A Multi-Institution Study. *Annals of Internal Medicine*. 2024;178(1):20–28. doi: 10.7326/ANNALS-24-0088.

[7] March of Dimes. Nowhere to Go: Maternity Care Deserts Across the U.S. 2024 Report. Available at: https://www.marchofdimes.org/maternity-care-deserts-report.

[8] George K. Strengthening the Rural Health Workforce. National Conference of State Legislatures. March 30, 2026. Available at: https://www.ncsl.org/health/strengthening-the-rural-health-workforce.

[9] Cass A. 30 Hospitals Closing Departments or Ending Services. *Becker's Hospital Review*. April 10, 2026. Available at: https://www.beckershospitalreview.com/finance/30-hospitals-closing-departments-or-ending-services/.

In this context, PE investment has increasingly been directed toward provider groups and care delivery platforms that operate in, or are expanding into, underserved and rural markets, bringing capital needed to sustain and grow access in these areas.

Based on the survey's findings, PE investment and other forms of capital could mitigate these types of growing gaps. PE investments, for instance, have helped to facilitate the expansion of urgent care clinics in rural communities in recent years.[10]

PE Backing Improves Operational Capacity

Four in every five PE-backed physician respondents agreed that PE investment had enabled their practices to make new capital investments that expanded their operational capacity, with respect to staffing, facilities, and IT, whereas only around 13% saw no change on this front.

A number of respondents pointed to adding clinical and nonclinical staff, while others cited opening additional practice locations, expanding telehealth or remote care capabilities, and implementing or upgrading electronic health record (EHR) systems as byproducts of PE backing. In addition, numerous physicians pointed to investments in scheduling, workflow, and practice management systems, helping to ameliorate administrative burdens that have posed recruitment and retention challenges for the clinician community.

Others cited enhancements in data analytics and reporting systems, which could help to accelerate the broadly supported transition toward value-based care, both within and outside of federal healthcare programs, in addition to supporting internal quality improvement initiatives.

PE Backing Supports Staffing

Most PE-backed physicians surveyed saw either an increase or no change in staffing levels for office personnel or other non-physician staff in their practices after the introduction of PE investment. In contrast, fewer than one in five PE-backed respondents reported seeing a significant reduction in staffing.

As healthcare providers across the country confront staffing shortfalls, these responses suggest that increased investment can yield opportunities for workforce expansion, including in areas with substantial access gaps.[11]

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[10] American Investment Council. Urgent Care Centers, Rural Health Care Are Stronger Because of Private Equity Investment. March 26, 2024. Available at: https://www.investmentcouncil.org/urgent-care-centers-rural-health-care-are-stronger-because-of-private-equity-investment/.

[11] Association of American Medical Colleges. Addressing the physician workforce shortage. Available at: https://www.aamc.org/advocacy-policy/addressing-physician-workforce-shortage

PE Backing Enables Innovation in Patient Care

As noted previously, most PE-backed physicians reported that PE investment had driven various innovations in their practices—from new or enhanced technological infrastructure to diversified service offerings.

Even physician respondents with no experience in a PE-backed practice environment, however, agreed that PE investment can offer a meaningful value proposition with respect to innovation. In fact, 90% of these respondents reporting perceiving openness on the part of PE investors regarding innovations in patient care.

Healthcare providers frequently cite cost as one of the primary barriers to investing in new medical technologies, regardless of their potential benefits for patient care.[12] Various studies have noted that rural communities in particular face financial hurdles in adopting technological innovations, exacerbating care gaps.[13] The survey's findings suggest that PE investment, along with other sources of capital, could help to bridge these divides. As telehealth, virtual health solutions, and breakthrough medical devices continue to enter the market and evolve, these types of resources could prove increasingly critical for some medical practices.

CONCLUSION

As healthcare providers wrestle with a range of practical and policy challenges, from stagnant or declining Medicare reimbursements to regulatory burdens and ever-rising input costs, access to capital has emerged as an increasingly critical need, particularly for those operating in rural and underserved communities. Similarly, especially for independent medical practices, administrative demands have continued to compound and intensify, even as narrow margins have often precluded the type of core infrastructure necessitated by a rapidly aging population of Americans, some of whom have complex or chronic health needs.

While experts have debated the role of PE and other sources of capital in this context, the findings in this report suggest that many clinicians have seen substantial upside from PE investment, not just for their practices' liquidity and logistic functions, but also for their autonomy, clinical offerings, operational capacity, and ability to innovate, among other factors, including through expanded service lines and increased investment in care delivery that can enhance patient access and experience.

Practical and policy discussions of PE in healthcare would benefit from incorporating these perspectives, which represent the front lines of care delivery and quality in the United States.

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[12] Pack J. Bridging the Gap Between Cost and Care: How Strategic Financing Keeps Healthcare Technology Within Reach. *Medical Economics*. December 2, 2025. Available at: https://www.medicaleconomics.com/view/bridging-the-gap-between-cost-and-care-how-strategic-financing-keeps-health-care-technology-within-reach.

[13] Klein B. 4 Barriers to Implementing New Technology in Healthcare. *Digital Scientists*. July 22, 2024. Available at: https://digitalscientists.com/blog/implementing-new-technology-in-healthcare/.



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