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Executive Summary of the Roundtable on Competition and Regulation in the Healthcare Sector

Annex to the Summary Record of the 81st meeting of Working Party 2

22 June 2026

This Executive Summary prepared by the OECD Secretariat contains the key findings from the discussion of the Roundtable on Competition and Regulation in the Healthcare Sector held by Working Party 2 on 22 June 2026.

More documents related to this discussion can be found at https://www.oecd.org/en/events/2026/06/competition-and-regulation-in-the-healthcare-sector.html

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Executive Summary of the Roundtable on Competition and Regulation in the Healthcare Sector

By the Secretariat[1]

On 22 June 2026, Working Party No. 2 on Competition and Regulation held a roundtable to discuss competition and regulation in healthcare. Considering the background note prepared by the OECD Secretariat, the written contributions, and the discussion among delegates and expert panellists, the following key points emerged:

1. Healthcare markets are characterised by pervasive market failures and equity considerations, making both competition and regulation essential

Healthcare differs substantially from conventional markets. Patients frequently face severe information asymmetries, cannot accurately assess the quality or necessity of care, and often rely on providers to make decisions on their behalf. Insurance arrangements mitigate financial risks but can weaken price signals and contribute to moral hazard. Externalities associated with public health and the social value of healthcare further justify government intervention.

Healthcare policy must strike a balance between addressing market failures, ensuring universal access and quality, and preserving the benefits that competition can bring in terms of efficiency, innovation and responsiveness. Neither competition nor regulation alone can achieve all health system objectives. Competition is unlikely to simultaneously advance all healthcare policy objectives and, in some areas, stronger regulation or public provision may be preferable. The challenge for policymakers is to identify circumstances in which competition can improve outcomes and to design regulation that complements rather than suppresses competitive forces.

Evidence suggests that competition can improve quality, efficiency and innovation when supported by appropriate regulatory frameworks and enforcement. However, healthcare markets often operate under conditions that limit the effectiveness of competition, including market power, supplier-induced demand, barriers to entry and consumers' limited ability to make informed choices.

Moreover, policies that successfully promote competition in one healthcare setting may not deliver the same results elsewhere, given differences in funding systems and regulatory frameworks, which in turn affect provider and patient behaviour.

2. Regulatory barriers can restrict competition and inhibit entry, innovation and expansion

While many regulations pursue legitimate public health objectives, regulatory requirements may restrict competition unnecessarily. Competition authorities have been active in issuing recommendations concerning licensing frameworks and the regulation of healthcare professionals. Examples include licensing requirements, such as complex and unclear frameworks, restrictions on healthcare professionals' scope of practice, and rules governing professionals' communication and advertising. In some cases, regulations require prospective entrants to demonstrate a market need before entering ("certificate of need"

[1] This executive summary does not necessarily represent the consensus view of the Working Party participants. It does however identify key points from the discussion at the Roundtable, including the views of the expert panellists and the participants' oral and written contributions.

requirements), which have been empirically shown to limit the availability of healthcare and quality competition. Moreover, when opening markets to competition, legacy regulations such as requirements to report fees to public authorities can be conducive to co-ordination among providers.

Payment systems shape the incentives of healthcare providers and affect competition throughout the healthcare sector, even though this is a policy area that is relatively underexplored by competition authorities. Public and private providers sometimes operate under different remuneration systems, which may create distortions, affect provider behaviour and undermine competitive neutrality.

While payment reforms can improve transparency and strengthen cost incentives, they can also create risks such as cream-skimming, premature discharge of patients, excessive treatment volumes or incentives to prioritise low-cost cases.

3. Ownership structures and private investment require careful oversight rather than blanket restrictions on ownership

Private investor ownership in healthcare is often viewed through the lens of its potential risks, but a balanced assessment should also recognise its possible benefits. Private investment can strengthen the financial position of healthcare providers, address funding challenges, stimulate market dynamics, and support innovation. However, concerns arise with specific types of ownership, namely financial investors and private equity firms. These ownership models can encourage supplier-induced demand, excessive price increases, cost-cutting that compromises quality, and risk selection through the prioritisation of more profitable patients.

Comparative research examining different forms of private investor ownership and regulatory approaches across countries finds that informed policymaking requires a nuanced understanding of both investor characteristics and governance frameworks. While traditional private equity investors may raise concerns due to their leveraged financing structures and short-term investment horizons, this does not justify a blanket ban on private investment in healthcare. Instead, regulatory strategies may address undesirable ownership models while encouraging long-term investors that support equity, efficiency, and quality of care. Combining entry regulation, behavioural oversight and effective competition policy can help deter opportunistic investors while preserving access to capital that contributes positively to healthcare system goals.

4. Digital health services create new opportunities to improve access and efficiency, provided that regulatory frameworks keep pace

Telemedicine and other digital health services have expanded significantly in recent years, particularly following the Covid-19 pandemic. Telemedicine can improve access, reduce waiting times and expand the geographic reach of providers, thereby increasing competitive pressures in traditionally local markets. Electronic health records have the potential to increase efficiency and safer care, thanks to the storing and sharing of patient information.

At the same time, regulatory frameworks have often struggled to keep pace. Challenges include professional licensing requirements restricting consultations across borders, reimbursement rules favouring in-person consultations, different privacy requirements limiting providers' possibility to achieve scale, data-sharing limitations and interoperability issues involving electronic health records. Some competition authorities have already issued recommendations to lower regulatory barriers in these areas, while more could be done in several jurisdictions.

5. Demand-side policies can support competition by providing transparent information on prices and quality to patients and purchasers

Information asymmetries remain among the most significant obstacles to effective competition in healthcare. Several jurisdictions have introduced initiatives to improve transparency regarding prices and quality indicators to help patients, insurers and purchasers make better-informed decisions.

Evidence presented during the roundtable suggests that where insurers and hospitals negotiate prices, transparency can improve predictability and facilitate comparisons between providers. However, there are also important limits to drawing general conclusions across other contexts. Patients often make healthcare decisions under conditions of urgency and vulnerability, reducing their ability to shop around. Quality information remains difficult to measure and communicate effectively. Furthermore, price transparency alone may not improve outcomes and, in some circumstances, could facilitate co-ordination among providers.

Several competition authorities have advocated for broader performance measures, including patient-reported outcomes and satisfaction indicators, alongside traditional quality metrics.

6. Competition authorities have identified concerns in pharmaceuticals and medical devices markets, especially in public procurement

Several competition authorities have identified concerns with public procurement design and tenders for pharmaceuticals and medical devices. Issues include restrictive tender specifications, high market concentration, delayed payments, limited supplier participation and reimbursement mechanisms that may disadvantage certain categories of providers. Competition can also be limited by bundled procurement procedures that require providers to bid for large packages of products and services, excluding smaller or specialised firms.

In addition, competition authorities actively enforce against anticompetitive practices in pharmaceuticals and medical products, including price co-ordination, market allocation and excessive pricing.

Well-designed procurement rules, proportionate regulatory frameworks and effective competition enforcement are critical to fostering competitive healthcare and pharmaceutical markets.

7. Competition authorities can play an important role through advocacy and co-operation with health regulators

Healthcare policy involves multiple objectives, including safety, quality, affordability and accessibility. Consequently, co-operation between competition authorities, health ministries and sector regulators can be valuable.

Co-operation can enable competition authorities to develop a deeper understanding of sector-specific policy objectives and the technical characteristics of healthcare markets. At the same time, it can help health authorities better recognise the unintended competitive effects of certain regulatory and policy interventions.

Evidence-based advocacy, structured consultation mechanisms and systematic competition assessments of laws and regulations are particularly valuable tools for improving regulation while accounting for broader healthcare objectives.