

DOJ Sends Clear Signal With Latest Antitrust Challenge to Hospital Contracting Practices

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On March 26, 2026, the US Department of Justice (DOJ) filed an [antitrust lawsuit against The New York and Presbyterian Hospital](#) (NYP), alleging that certain contractual restrictions NYP imposes on health insurance companies prevent them from offering lower-priced plans and stifle competition among New York City hospitals. This follows a [suit against OhioHealth Corporation](#) filed on February 20, 2026, in which the DOJ and the Ohio Attorney General challenged similar contracting practices in the Columbus, Ohio market. Together, these lawsuits signal a deliberate DOJ enforcement agenda targeting allegedly restrictive hospital contracting practices and are consistent with the Trump administration's broader, intensifying focus on health care competition.

The Challenged Contract Restrictions

The [complaint against NYP](#) targets several contractual "plan design restrictions" that NYP allegedly imposes on commercial payors. According to the DOJ, these restrictions prevent payors from introducing budget-conscious plans that exclude or charge more for access to NYP's hospitals, and insulate NYP from competition from rival hospitals offering lower prices or better value. The challenged restrictions include the following:

- All-or-nothing network participation. NYP allegedly requires payors to include all of NYP's hospitals, outpatient facilities, and other providers in their networks if they wish to include any NYP facility.
- Narrow network exclusion restrictions. NYP's contracts allegedly prohibit payors from offering narrow network plans that exclude NYP.
- Anti-tiering and anti-steering provisions. NYP allegedly requires that it be placed at the most favored level of benefits in each plan and forbids payors from offering lower copays or other financial incentives to encourage patients to seek care at NYP's lower-priced competitors.
- Restrictions on site-of-service steering. NYP has allegedly invoked its plan restrictions to prevent payors from incentivizing patients to receive certain outpatient procedures, such as colonoscopies, at lower-cost hospitals or ambulatory surgery centers outside the NYP system.

NYP's Market Position and Alleged Market Power

NYP operates six general acute care hospitals in New York City, including four in Manhattan, along with numerous outpatient facilities and physician groups. NYP's two flagship facilities are NYP Columbia University Irving Medical Center and NYP Weill Cornell Medical Center. Although the complaint characterizes NYP as "the largest and most powerful hospital system in Manhattan and throughout New York City," it acknowledges that NYP competes with other major academic medical centers, including Mount Sinai, NYU Langone, and Northwell. According to the complaint, NYP holds a 30 percent share of the general acute care hospital services market in Manhattan and a 25 percent share across four boroughs (the Bronx, Brooklyn, Manhattan, and Queens).

Notwithstanding the lack of high market shares, the DOJ's complaint alleges that NYP possesses market power based on several additional indicia. First, NYP allegedly charges substantially higher rates than its competitors who offer similarly high-quality health care services. Second, a payor selling health insurance plans to individuals and employers in Manhattan and the four-borough market allegedly "must have" NYP as a participant in at least some of its provider networks, due to NYP's strong brand and reputation and the scale, breadth and configuration of its providers and locations. Third, the complaint alleges that NYP's ability to impose plan restrictions over the objections of large payors is itself evidence of NYP's market power.

Violation Alleged and Relief Sought

The DOJ alleges that NYP's contractual plan restrictions violate Section 1 of the Sherman Act, 15 U.S.C. § 1, resulting in supracompetitive prices, reduced competition among hospitals, restricted innovation in insurance product design, and reduced consumer choice.

The DOJ seeks broad injunctive relief that would prevent NYP from seeking, agreeing to, or enforcing any provision that prohibits or restricts a payor from offering plans that provide or disclose financial incentives to use any health care provider. The relief sought would also prevent NYP from replicating its current plan restrictions via other unlawful means and from retaliating against any insurer offering budget-conscious plans.

Enforcement Trend

The DOJ framed the NYP lawsuit as part of a coordinated enforcement campaign. The press release announcing the suit noted that it is "the second case the Division has brought this year to ensure that Americans can access healthcare markets with robust competition and receive high quality, affordable care." Acting Assistant Attorney General Omeed Assefi stated that the "Antitrust Division will continue to hold hospitals violating the antitrust laws accountable." These actions align with the Trump administration's stated emphasis on tackling "pocketbook issues" in industries where competition directly affects everyday household costs. In a recent interview, Assefi referred to lower health care prices as "exactly the kind of kitchen table priority we should be pursuing."

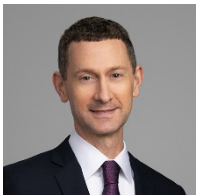
Takeaways for Hospital Systems and Health Care Providers

- Common payor contracting practices are squarely in the crosshairs. The DOJ made clear that contract provisions restricting insurers' plan design flexibility — including all-or-nothing bundling requirements, anti-tiering and anti-steering terms, restrictions on narrow network and site-of-service steering, and limits on price transparency — will be subject to antitrust scrutiny, particularly when imposed by "must-have" providers.
- Market shares need not be extreme to trigger enforcement. Neither OhioHealth (approximately 35 percent market share) nor NYP (approximately 25–30 percent market share, depending on the geographic market) holds a dominant position. But the DOJ is still willing to pursue providers where the evidence of market power includes pricing leverage, must-have status, and the ability to impose restrictive contract terms over payor objections.
- Expect continued and expanding enforcement. The language in the DOJ's press releases and the rapid succession of these lawsuits suggest additional cases in other geographic markets may be in the pipeline. States are also passing laws prohibiting specific clauses in insurer-provider contracts.
- The stakes are significant. These actions by federal enforcers seek injunctive relief requiring the health system to restructure its contracts with payors. Such enforcement actions may also invite follow-on private litigation (or bolster ongoing litigation) seeking money damages. Providers that become the subject of enforcement actions may also face reputational consequences.

Hospital systems and other health care providers should proactively review their contracting practices and consult with antitrust counsel to evaluate and mitigate antitrust risk in this evolving enforcement environment.

CONTACTS

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