

# Update: Governor Newsom Vetoes California's AB 3129 Targeting Healthcare Private Equity Deals

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On September 28, 2024, Governor Newsom vetoed [Assembly Bill No. 3129](#) (AB 3129), which would have required private equity groups and hedge funds to obtain the Attorney General's written consent at least 90 days prior to acquisitions or changes of control of certain health care facilities, provider groups, and other providers. More information on the background, evolution, and projected impact of AB 3129 is available at our AB 3129 blog series.<sup>[1]</sup>

In his [Veto Message](#), Governor Newsom noted that the Office of Health Care Affordability (OHCA) was established to review mergers, acquisitions, and corporate affiliations involving

healthcare entities and to analyze health care consolidation. According to Governor Newsom, AB 3129 would improperly relocate certain private equity group or hedge fund transactions from OHCA's purview to that of the Attorney General, and thereby create inefficiencies. Governor Newsom also mentioned OHCA is already equipped with the authority to refer transactions to the Attorney General for further review, if needed.

Ultimately, this means that for now, parties to health care transactions in California will not face the regulatory hurdles which would have been implemented by AB 3129, but will still need to assess the applicability of and potentially navigate OHCA's cost and market impact review regime in consummating such transactions.

We will continue to track the emergence and development of similar bills across the country and post updates on any private-equity-specific requirements.

## FOOTNOTES

[1] Blog series:

- [California's AB 3129: A New Hurdle for Private Equity Health Care Transactions on the](#)

[Horizon? | Healthcare Law Blog](#), published April 18, 2024.

- [Update: California State Assembly Passes AB 3129 Requiring State Approval of Private Equity Healthcare Deals | Healthcare Law Blog](#), published May 30, 2024.
- [Update: AB 3129 Passes in California Senate and Nears Finish Line | Healthcare Law Blog](#), published September 6, 2024.

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