

## California and Rhode Island Latest States to Expand Premerger Notification Requirements

MARCH 12, 2026

States continue to implement new premerger notification regimes and expand the scope of existing requirements, with California and Rhode Island recently adding new premerger notification requirements that dealmakers must navigate to successfully complete transactions. California and Rhode Island add to the growing list of states that have enacted or expanded pre-closing requirements that require certain transacting parties to notify states of transactions, including [Colorado](#), Illinois, Indiana, Minnesota, New Mexico, and [Washington](#). These state laws typically—like Rhode Island—target healthcare transactions, although a growing number of states—like California—are enacting general premerger notification regimes. These rules are in addition to the federal HSR Act, which requires parties contemplating deals exceeding certain thresholds to file a premerger notification form with the FTC and the U.S. Department of Justice Antitrust Division. These additional state requirements have infrequently led to state enforcement action separate from the federal antitrust enforcement, but they nonetheless raise additional hoops to jump through and antitrust risk.

### CALIFORNIA

On February 10, 2026, California Governor Gavin Newsom signed into law [SB 25](#), which requires parties filing HSR premerger notifications on or after January 1, 2027 to also submit a copy of their HSR materials to the California Attorney General when a party to the transaction has (a) its principal place of business in California or (b) annual net sales in California of the goods or services involved in the transaction equal to at least 20% of the federal HSR filing threshold. As with Colorado and Washington, the California law is modeled on the Uniform Premerger Notification Act created by the Uniform Law Commission.

SB 25 authorizes the California Attorney General to impose filing fees of \$500 or \$1,000, depending on the filing basis. This is a departure from Colorado's and Washington's general premerger notification rules that, despite also being modeled on the Uniform Premerger Notification Act, do not require a filing fee. The California law also authorizes civil penalties of up to \$25,000 per day for noncompliance following a three-business-day cure period.

SB 25 is California's third premerger notification rule, and the first California premerger notification rule not targeted at healthcare transactions. California's healthcare-specific premerger notification rules are summarized in Winston's [Survey of State Transaction Notification Requirements](#). Depending on the transaction, parties involved in healthcare transactions may be obligated to make multiple filings in California.

## RHODE ISLAND

On January 28, 2026, the Rhode Island Attorney General enacted the [Pre-Merger Notification Rule for Medical-Practice Groups](#). Pursuant to the rule, parties must provide the Rhode Island Attorney General written notice at least 60 days before the effective date of any transaction that results in a “material change” to the ownership or control of a medical-practice group in Rhode Island. A material change occurs when:

- A medical practice group merges, consolidates, affiliates with, sells substantially all of its assets to, or has substantially all of its physicians employed by a hospital, hospital system, any entity organized or controlled by a hospital or hospital system, a captive professional entity, or a medical foundation;
- Another medical-practice group employs substantially all of the physicians of the medical-practice group, resulting in a group of eight or more providers;
- A transaction involving a significant equity investor (10% or more) results in a change of control of a medical-practice group; or
- A management service organization or similar entity is formed to contract on behalf of a medical-practice group.

While Rhode Island has previously enacted a rule targeted at hospital transactions, this rule is Rhode Island’s first premerger notification rule aimed at medical-practice groups. This rule allows the Rhode Island Attorney General to seek injunctive relief to block a proposed transaction and imposes penalties of up to \$200 per day for failing to provide the required 60-day pre-closing notice and up to \$100,000 for failing to provide notice by the transactions’ closing date.

Interestingly, while the new Rhode Island law picks up various forms of physician practice transactions involving private equity, it does not apply to all forms of healthcare providers. Further, it does not have any monetary thresholds with respect to transaction value.

## TAKEAWAYS

- California’s SB 25 will meaningfully increase the number of state-specific filings submitted once it becomes effective in 2027. Parties to a transaction involving a principal place of business or a significant volume of commerce in California should be prepared to comply with its notification requirements. Even though the thresholds are the same as in the Colorado and Washington premerger notification laws, given the size of the California economy, the California law will likely substantially increase the number of state-law premerger notifications required.
- The Rhode Island Pre-Merger Notification Rule for Medical-Practice Groups marks another step in the recent trend of increasing state scrutiny of healthcare transactions. Parties to a transaction involving a medical practice group in Rhode Island should consult counsel to determine whether the new notification law requires notification of the transaction.

Winston & Strawn attorneys regularly advise clients on transaction notification requirements and help clients navigate state and federal antitrust notification processes. Please reach out to the authors or your regular Winston contacts with any questions.

Michelle Slezingler, law clerk, co-authored this blog.

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