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Date: (Filing No. H-)

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1480, L.D. 2201, “An Act to Implement Certain Recommendations Related to the Regulatory Review and Approval of Certain Health Care Transactions Involving Private Equity Companies, Hedge Funds or Management Services Organizations from the Commission to Evaluate the Scope of Regulatory Review and Oversight over Health Care Transactions That Impact the Delivery of Health Care Services in the State”

Amend the bill in section 1 in c. 106 in §371 in subsection 2 in the last line (page 1, line 14 in L.D.) by inserting after the following: "18" the following: 'or a health care provider or provider organization that provides only dental services'

Amend the bill in section 1 in c. 106 in §371 by striking out all of subsection 6 (page 2, lines 1 to 4 in L.D.) and inserting the following:

'6. Management services organization. "Management services organization" means any organization or entity owned or controlled by a private equity company or hedge fund that contracts with a health care provider or provider organization to perform management or administrative services relating to, supporting or facilitating the provision of health care services when the health care provider or provider organization is also owned or controlled by the same private equity company or hedge fund.'

Amend the bill in section 1 in c. 106 in §371 by striking out all of subsection 10 (page 2, lines 18 and 19 in L.D.) and inserting the following:

'10. Private equity company. "Private equity company" means an entity that collects capital investments from individuals or entities and purchases, as a parent entity or through another entity that the entity completely or partially owns or controls, a direct or indirect ownership share of a health care provider, provider organization or management services organization, except that "private equity company" does not include venture capital entities exclusively funding start-ups or other early-stage businesses.'

Amend the bill in section 1 in c. 106 in §372 in subsection 1 by striking out all of paragraph C (page 3, lines 5 to 19 in L.D.) and inserting the following:

COMMITTEE AMENDMENT

1 'C. All the information provided by the submitter as part of the notice under this
2 subsection is public unless the submitter requests that the information be designated as
3 confidential and the department determines that it contains proprietary information, in
4 which case it is confidential. The department may not disclose confidential
5 information that is obtained under this chapter in relation to a material change
6 transaction, except that the department may exchange confidential information with
7 the Office of Affordable Health Care, established under Title 5, section 3122,
8 subsection 1, necessary for the office to exercise its authority under this chapter and
9 may disclose information in accordance with subsection 3, paragraph D. For purposes
10 of this section, "proprietary information" means information that is a trade secret or
11 production, commercial or financial information the disclosure of which would impair
12 the competitive position of the health care entity and would make available information
13 that is not otherwise public.'

14 Amend the bill in section 1 in c. 106 in §372 in subsection 2 by inserting after paragraph
15 C the following:

16 'D. The department shall review a proposed material change transaction under this
17 chapter concurrently with any review required pursuant to chapter 103-A.'

18 Amend the bill in section 1 in c. 106 in §372 in subsection 3 in paragraph B by striking
19 out all of subparagraph (7) (page 5, lines 4 and 5 in L.D.) and inserting the following:

20 '(7) The impact of a real estate sale or lease agreement on the financial condition
21 of the health care entity and its ability to maintain patient care operations, including
22 the impact of a sale and leaseback arrangement if the main campus of the health
23 care entity is leased from a real estate investment trust;'

24 Amend the bill in section 1 in c. 106 in §372 in subsection 3 in paragraph B by inserting
25 after subparagraph (9) the following:

26 '(10) The debt-to-equity ratio of the health care entity following the transaction;'

27 Amend the bill in section 1 in c. 106 in §372 in subsection 3 in paragraph B by
28 renumbering the subparagraphs to read consecutively.

29 Amend the bill in section 1 in c. 106 in §372 in subsection 3 by striking out all of
30 paragraph D (page 5, lines 33 to 42 in L.D.) and inserting the following:

31 'D. Proprietary information and documents obtained by the department and the Office
32 of Affordable Health Care under this chapter and the work product of the office is
33 confidential, except that the department and the office may disclose confidential
34 information or documents:

35 (1) With the consent of the party that produced the information or documents; or

36 (2) To an expert or consultant under contract with the State to review the proposed
37 material change transaction, as long as the expert or consultant maintains the
38 confidentiality of the information or documents in accordance with this paragraph.'

39 Amend the bill in section 1 in c. 106 in §372 by striking out all of subsection 6 (page
40 8, lines 30 to 44 in L.D.) and inserting the following:

41 '6. Assessment. The department shall adopt rules setting minimum and maximum
42 filing fees under this chapter. Initial fees may not be less than \$2,000 nor more than

1 \$10,000. In addition to rules regarding filing fees, the department shall adopt rules to
2 establish reasonable and necessary fees to carry out the provisions of this chapter. When
3 filing written notice pursuant to subsection 1, paragraph A, the health care entity shall pay
4 a nonrefundable filing fee pursuant to this subsection. All fees received by the department
5 under this subsection must be placed in a separate, nonlapsing account to be used in
6 accordance with this chapter. The department shall hold these funds in a special revenue
7 account that may be used only to support staff positions and other expenses necessary to
8 administer this section.

9 **7. Exemption.** Notwithstanding any other provision of this chapter to the contrary,
10 this section does not apply to an independent provider organization, without any ownership
11 or control entities, consisting of 6 or fewer individual providers that experience a material
12 change transaction.'

13 Amend the bill in section 1 in c. 106 in §373 in the first indented paragraph in the last
14 line (page 9, line 4 in L.D.) by striking out the following: "routine technical" and inserting
15 the following: 'major substantive'

16 Amend the bill in section 2 in §8710-A by striking out all of subsection 2 (page 9, lines
17 20 to 39 and page 10, lines 1 to 25 in L.D.) and inserting the following:

18 **'2. Reporting of ownership and control of health care entities.** A health care entity
19 shall report to the organization once no later than July 1, 2027 and subsequently upon the
20 completion of a material change transaction involving the health care entity in a form and
21 manner required by the organization the following information:

22 A. The legal name of the health care entity;

23 B. The business address of the health care entity;

24 C. Locations of operations of the health care entity;

25 D. The business identification numbers of the health care entity, as applicable,
26 including:

27 (1) Taxpayer identification number;

28 (2) National provider identifier;

29 (3) Employer identification number; and

30 (4) United States Department of Health and Human Services, Centers for Medicare
31 and Medicaid Services certification number;

32 E. The name and contact information of a representative of the health care entity;

33 F. A current organizational chart showing the business structure of the health care
34 entity, including affiliates and subsidiaries; and

35 G. For a health care entity that is a hospital:

36 (1) The affiliated health care providers identified by name, license type, specialty,
37 national provider identifier and any other applicable identification number
38 described in paragraph D; the address of the principal practice location; and
39 whether the affiliated health care provider is employed or contracted by the health
40 care entity; and

