



Maine State Legislature
OFFICE OF POLICY AND LEGAL ANALYSIS

www.mainelegislature.gov/opla
13 State House Station, Augusta, Maine 04333-0013
(207) 287-1670

MEMORANDUM

TO: Members, Joint Standing Committee on Health Coverage, Insurance and Financial Services, 133rd Legislature

FROM: Colleen McCarthy Reid, Principal Analyst, on behalf of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, 132nd Legislature *CMR*

DATE: October 28, 2026

RE: Review of Labor and Delivery Unit Closure at Maine Health Lincoln Hospital and Consideration of Potential Policy Recommendations to the 133rd Legislature

Following the adjournment sine die of the 132nd Legislature, the Joint Standing Committee on Health Coverage, Insurance and Financial Services (HCIFS Committee) held two interim meetings. The meetings held on August 27 and September 29, 2026, were initiated after Maine Health Lincoln Hospital, formerly Miles Memorial Hospital, in Damariscotta notified the public that the hospital's labor and delivery unit would close in December 2026.

Prior Legislative History in the 132nd Legislature

The policy issues related to closures of labor and delivery units in Maine hospitals, particularly in rural areas, were familiar to HCIFS Committee members. During the 132nd Legislature, [LD 1578, An Act to Require the Department of Health and Human Services to Review Disruption to or Removal of Health Services](#), was brought forward following the closure of labor and delivery units at hospitals in rural communities like Belfast and Mount Desert Island. The legislative sponsors of LD 1578 raised concerns about the lack of public input prior to the closures and about the loss of access to needed maternity and newborn health care service in these communities. As drafted, the bill proposed to give additional time (after the 3-year period in current law) for the Commissioner of Health and Human Services to conduct a subsequent review following an approval of a certificate of need to ensure the maintenance of health services after a health care facility terminates a health service occurs or changes the delivery of a health services in a manner that causes a significant disruption.

LD 1578 was considered along with two other bills related to the regulatory review and oversight of health care transactions: LD 985, An Act to Impose a Moratorium on the Ownership or Operation of Hospitals in the State by Private Equity Companies or Real Estate Investment Trusts, and LD 1972, An Act to Enhance Transparency and Value in Substantial Health Care Transactions by Changing the Review and Approval Process for Those Transactions. While the committee held public hearings and work sessions on each bill, the committee members felt that there was not adequate time left in the legislative session to allow the committee to fully understand and consider the proposed bills and analyze the policy and legal issues raised by stakeholders. Instead, the committee chose to subsequently amend LD 1578 with language to establish 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](#), which was

finally passed as [Resolve 2025, chapter 106](#). The [Commission's report](#) was submitted to the HCIFS Committee during the Second Regular Session of the 132nd Legislature and the HCIFS Committee was authorized to report out legislation based on the commission's recommendations.

As part of the commission's work, the resolve directed the members to consider potential changes to the State's certificate of need laws, including, but not limited to, expanding the scope of review to the termination or disruption of health care services, including labor and delivery services. While current law does not require CON review and approval before a hospital terminates health care services, the department had developed guidance asking that hospitals provide at least 120 days' prior notice before closing labor and delivery units. The Department of Health and Human Services told the commission that some hospitals were willing to provide notice as provided in the guidance, but not all hospitals voluntarily complied. Some commission members also noted that, depending on the circumstances, some hospitals may be unable to provide 120 days' prior notice. During its meetings, the commission members discussed recent closures of hospital labor and delivery units in rural areas of the State and noted that prior notice of a closure provided the necessary level of transparency to the affected communities but also provided an opportunity for more careful planning to maintain access to maternity and newborn services. Ultimately, the committee members believed it was important for the department and the public to have prior notice of a closure so that the department can engage with the hospital and other health care providers to plan for the loss of these services and take appropriate steps to transition care to other providers. The commission included a recommendation in its report that the Legislature enact legislation to codify voluntary guidance developed by the Department of Health and Human Services, Division of Licensing and Certification to require that hospitals provide at least 120 days' prior notice to the department of a hospital's permanent closure of a labor and delivery unit or of a change in the level of care a hospital provides for maternity and newborn services.

Following a presentation of the commission's report in January 2026, the HCIFS Committee agreed to advance the commission's recommendation and introduced [LD 2189, An Act to Require Prior Notification of Closures of Labor and Delivery Units and Changes in Maternity or Newborn Care Services by Hospitals as Recommended by 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](#), to the Second Regular Session of the 132nd Legislature. As drafted, the bill would require a hospital to provide at least 120 days' notice prior to the termination of maternity or newborn care services or of a change in the level of care a hospital provides for maternity and newborn care services. The HCIFS Committee supported the bill by a vote of 12-1. The bill was subsequently amended on the floor of the House and Senate to add an emergency preamble and emergency clause; it was enacted as [Public Law 2025, chapter 606](#) and became effective upon the Governor's signature on April 3, 2026.

August 27th Interim Committee Meeting

Following adjournment sine die of the 132nd Legislature, Maine Health Lincoln Hospital announced that it would be closing its labor and delivery unit. The announcement prompted many stakeholders, including community members and lawmakers, to raise concerns about the impact of the anticipated closure on access to maternal health services and about the availability of maternal health services moving forward in rural areas of Maine. Local community members organized a coalition called the Miles Delivers Action Coalition in opposition to the closure and a lawsuit was filed seeking to enjoin the closure of the labor and delivery unit. Despite the opposition and requests that the decision be delayed, the Board of Trustees of Maine Health Lincoln Hospital and the Board of Trustees of Maine Health, the larger parent organization, voted in early August to approve closure of the labor and delivery unit on December 18, 2026. The trustees also approved a plan to maintain certain prenatal and postpartum services at Maine Health Lincoln Hospital while transitioning inpatient labor and delivery services to Maine Health Midcoast Hospital in Brunswick.

Following the closure decision, the HCIFS Committee scheduled an interim meeting on August 27, 2026 to discuss the recently announced closure of the labor and delivery unit at Maine Health Lincoln Hospital, to review previous closures of labor and delivery units throughout the State, to review current State laws regulating decisions to terminate services in Maine hospitals and to receive briefings from stakeholders on issues related to the delivery of maternal health services in the State, including the availability of labor and delivery services in Maine hospitals. In addition, the committee set aside time to receive public comment from interested parties and members of the public on the issues discussed during the meeting.

First, the committee was briefed by the Department of Health and Human Services on the current State laws related to the oversight of decisions to terminate health care services like labor and delivery services by Maine hospitals. As required by the enactment of Public Law 2025, chapter 606, hospitals must now provide notice to DHHS at least 120 days prior to closure of a labor and delivery unit and report certain information to the Department; DHHS is in the process of adopting a rule to implement the specific notice requirements. However, current law does not provide any authority to DHHS to approve, deny or impose conditions on a decision to terminate health care services when those services are not tied to the issuance of a “certificate of need” within the previous 3-year period. DHHS also updated the committee on the ongoing work being done related to improving access to and quality of maternal health services under two current federal grant programs, the Transforming Maternal health model and the Rural Health Transformation program’s specific activities related to maternal health.

Next, the committee was briefed by representatives of Maine Health about the closure of the labor and delivery unit at Lincoln Hospital and the reasons for that decision. Maine Health explained that several underlying factors led to the closure decision: persistently low delivery volume; a five-year inability to recruit an OB/GYN despite attempts at innovative recruiting strategies; dependence on voluntary per diem coverage; and repeated interruptions in service. Maine Health was concerned that services could not be safely and reliably sustained without changes. The Maine Health Board of Trustees approved a regional model for delivering maternal health services. Under this model, prenatal and postpartum care for pregnant women would be provided at Lincoln Hospital, but labor and delivery services would be provided at Midcoast Hospital. The board members also committed that Maine Health will not close any additional labor and delivery units for 2 years to allow the next Governor and Legislature time to work with hospitals, health care clinicians, community members and other stakeholders to develop policy solutions needed to maintain labor and delivery services in Maine’s rural areas.

A representative of Northern Light Health also updated the committee on the status of labor and delivery units in their hospitals and noted that there are no anticipated closures of any of those units at this time. Like Maine Health, however, their representative noted that rural hospitals face significant coverage gaps and escalating compensation costs. They also explained their workforce challenges are similar to those experienced by Maine Health. Recruitment and retention of health care professionals that provide labor and delivery services (OB/GYNs, family physicians, certified nurse midwives and labor and delivery (L&D) nurses) is difficult in rural regions of Maine.

After the briefings by Maine Health and Northern Light Health, the committee reviewed information provided by the Office of Professional and Financial Regulation about the licensing requirements for health care practitioners that provide labor and delivery services in the State and the current number of licensees in those clinical areas.

On August 27th, the committee also provided an opportunity for interested parties to comment orally and in writing. More than twenty interested parties commented in person, including many members of the Lincoln County community and other stakeholders. The committee also received more than three hundred pages of written materials.

Following the public comment period, the committee discussed next steps. The committee agreed to send a letter to Maine Health identifying the concerns raised by interested parties strongly opposed to the closure about the veracity of the data and analysis used by Maine Health as rationale for the closure and about Maine Health's failure to meaningfully consider alternatives to the closure. The committee believed that Maine Health should do more to address the lack of trust in the Lincoln County community surrounding the decision to remove access to labor and delivery services at Lincoln Hospital and decided to recommend that Maine Health delay the closure at Lincoln Hospital until such time as it can engage independent consultants to conduct an assessment that fully considers the relevant factors contributing to the closure decision and all potential alternatives, including those suggested by community members. A letter was sent to Maine Health on September 1, 2026, and a copy of that letter is posted with the September 29 meeting materials; see link below.

The committee also agreed that they wanted additional time to review the materials provided during the meeting and to consider the comments shared with them. They decided to request permission from the presiding officers to hold another interim meeting so that they could review the many suggested policy recommendations made to the committee and develop potential legislation and budget priorities for the next Legislature.

The written materials distributed to the committee, including presentation materials from DHHS, Maine Health and Northern Light Health and copies of written public comment submitted by members of the public and interested parties, are posted on the HCIFS Committee Materials page [here](#).

September 29th Interim Committee Meeting

With the approval of the presiding officers, the committee met on September 29, 2026 for 2 primary purposes: (1) to receive Maine Health's response to the committee's letter; and (2) to review and discuss potential policy recommendations to prevent closures of labor and delivery units in Maine hospitals and to preserve access to maternal health services throughout the State.

In response to the committee's letter, Maine Health stated that their belief that a delay in the closure of the labor and delivery unit at Lincoln Hospital was not possible because it would require approval by the Lincoln Hospital Board, Coastal Region Board, and Maine Health Board of Trustees and have negative consequences for the clinical workforce at Lincoln Hospital. However, Maine Health recognized that trust is essential to their relationship with the Lincoln County community and other stakeholders. As recommended by the committee, Maine Health had begun a process to identify a neutral third party to review the recommendation to regionalize maternity care, including moving labor and delivery services from Lincoln Hospital to Mid Coast Hospital or another hospital of a patient's choosing. Maine Health pledged that any report and recommendations from that review would be provided to the relevant internal boards and to the HCIFS Committee.¹

The committee reviewed an outline of more than sixty potential policy recommendations suggested by stakeholders at the August 28th meeting. These recommendations were organized into seven categories: (1) proposals concerning regulatory oversight related to maternal health services; (2) proposals concerning payment models for maternal health services; (3) proposals concerning delivery of maternal health services; (4) proposals related to telehealth; (5) proposals concerning training of providers, including financial assistance and loan repayment; (6) proposals related to licensing and credentialing of providers; and (7) other proposals. The outline also noted whether the proposal may require legislation

¹ On October 26, 2026, Maine Health notified the HCIFS Committee that a neutral third-party review team has been engaged to review the decision to close the labor and delivery unit at Lincoln Hospital. The review will include a virtual community forum and is expected to be completed by December 11, 2026.

and whether the proposal may require funding or impact the General Fund in order for a policy recommendation to be fully implemented.

The written materials distributed to the committee, including a copy of the committee letter to Maine Health, Maine Health's response to questions raised at the August 27th meeting, and the outline of the potential policy recommendations suggested to the committee in public comments, are posted on the HCIFS Committee Materials page [here](#).

Policy Recommendations for Consideration by 133rd Legislature

The committee discussed the potential policy recommendations to determine if members could prioritize any of the recommendations or identify consensus on any of the recommendations for consideration by the HCIFS Committee in the 133rd Legislature. Due to the timing of the discussion and the convening of the 133rd Legislature, members recognized that individual Legislators would likely submit individual bill requests before the next HCIFS Committee (albeit one that would have different members) would have an opportunity to introduce any committee bill by joint order. Nevertheless, the committee believed it was worthwhile to discuss the recommendations now so that the 133rd Legislature's HCIFS Committee could benefit from their suggested priorities, particularly those with bipartisan support.

After reviewing the potential policy recommendations, the committee members identified two primary areas of strong consensus and bipartisan agreement that they believed could help sustain labor and delivery units in Maine's hospitals and to improve access to maternal health services:

1. The development of "early warning" notice provisions that would require hospitals considering closure of a labor and delivery unit to notify the State and the public 12-24 months in advance; to hold a public hearing about the proposed closure; to require an independent review and approval of the potential closure; and, if approved, to require post-closure reporting and monitoring by State regulators; and
2. Support for comprehensive recruitment and retention efforts for the labor and delivery workforce throughout the State, but particularly in rural areas, such as additional training programs in the State for family physicians in obstetrical and gynecological services and for certified nurse midwives and financial assistance and loan repayment programs to incent this workforce to practice in rural areas.

Individual committee members also highlighted these potential recommendations as a priority:

1. Consideration of "labor and delivery services" as essential services that must be provided in certain communities;
2. Support for increased MaineCare reimbursement for maternal health services through alternative models of payment or other methods; and
3. Consideration of ways that would limit a hospital's ability to use contracts with temporary providers or provider staffing organizations to address workforce shortages in the delivery of maternal health services.

With this "report," the committee has demonstrated its firm commitment to developing long-term policy solutions to prevent further closures of labor and delivery units in Maine hospitals and to preserve access to maternal health care

services. Moving forward, the committee hopes that the next HCIFS Committee will continue this work with the new Administration, legislative leadership and stakeholders.