

Testimony of Coralie Giles, RN
President, Maine State Nurses Association
Vice-President, National Nurses United

In SUPPORT of 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”

Before the Joint Standing Committee on Health Coverage, Insurance and Financial Services
Hearing: May 6, 2025 at 1:00 p.m.

Dear Chair Bailey, Chair Mathieson, and distinguished members of the Committee on Health Coverage, Insurance and Financial Services,

On behalf of more than 4,000 registered nurses and health care professionals providing direct patient care in our state, **the Maine State Nurses Association/National Nurses Organizing Committee/National Nurses United (MSNA) urges the Committee to support LD 985.**

Private equity is notorious for buying up companies and squeezing out short-term profits to the detriment of customers, workers, and long-term sustainability. Private equity practices are particularly harmful in health care, where **private equity involvement can supercharge the existing trend of hospital closures and consolidation.**

For example, Steward Health Care filed for bankruptcy in 2024 after using private equity funds to purchase dozens of community hospitals in multiple states.¹ Steward saddled hospitals with debt and sold off hospital real estate, redirecting funds away from patient care. It has closed hospitals needed by communities like Texas Vista Medical Center in San Antonio in 2023.² Health systems and private equity are working together to dismantle our hospital system and sell the parts.

Studies have shown that hospital acquisition by private equity worsens patient care.

Private-equity acquisition of hospitals is associated with worse patient care experience³ and a 25.4% increase in hospital-acquired conditions such as falls, central line-associated bloodstream

¹ Schooley M et al. “Steward Health Care files for Chapter 11 bankruptcy.” CBS News. May 7, 2024. <https://www.cbsnews.com/boston/news/steward-health-care-bankruptcy/?ftag=CNM-00-10aac3a>.

² LaPook J et al. “‘Less about people and more about profits’: Investors’ role in closure of San Antonio hospital under scrutiny.” CBS News. April 25, 2023. <https://www.cbsnews.com/news/texas-vista-medical-center-closure-investors-role-san-antonio-hospital-under-scrutiny/>.

³ Bhatla A, Bartlett VL, Liu M, Zheng Z, Wadhera RK. Changes in Patient Care Experience After Private Equity Acquisition of US Hospitals. *JAMA*. 2025;333(6):490–497. doi:10.1001/jama.2024.23450.

Coralie Giles, MSNA/NNOC/NNU

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infections, and surgical site infections among Medicare beneficiaries compared to control hospitals.⁴ There is also evidence that private equity hospitals cherry pick healthier, more profitable, patients—the Medicare patients treated at private equity hospitals were younger, less likely to be dually eligible for Medicaid, and more often transferred to other acute care hospitals after shorter lengths of stay.⁵

While the problem of hospitals putting profits over patients is not limited to any one legal structure, private equity stands out for its negative effects on our health system. **We urge the Committee to support LD 985.**

Sincerely,

A handwritten signature in black ink that reads "Coralie Giles RN". The signature is written in a cursive, flowing style.

Coralie (Cokie) Giles, RN
President, Maine State Nurses Association
Vice-President, National Nurses United

⁴ Kannan S, Bruch JD, Song Z. Changes in Hospital Adverse Events and Patient Outcomes Associated With Private Equity Acquisition. *JAMA*. 2023;330(24):2365–2375. doi:10.1001/jama.2023.23147.

⁵ *Id.*