

As a retired Maine physician, I am testifying in support of LD 2201, which “establishes a process for review and approval of transactions when a private equity company, hedge fund or management services organization acquires a majority ownership interest in a health care entity or when a private equity company, hedge fund or management services organization takes operational control over a health care entity.”

My support is based on my conviction that when for-profit entities take control of health care, whether professionals or facilities like hospitals and nursing homes, either the cost to Mainers, who in the end bare all health care costs other than those borne by the federal government, will increase as the entities focus on return on investment; or the quality of care will decrease as they try to reduce the costs to them of care.

There is ample evidence in the literature of these undesirable outcomes. For example, a 2023 article in JAMA Network<sup>1</sup> concludes, “Private equity acquisition of hospitals, on average, was associated with increased hospital-acquired adverse events despite a likely lower-risk pool of admitted Medicare beneficiaries, suggesting poorer quality of inpatient care.” And a 2025 article in the AMA Journal of Ethics<sup>2</sup> argues “that private equity firms’ business practices, especially shortening acquisition-to-sale time and maximizing profit margin, generate overall health care market instability. This consequence can be particularly devastating for people living in rural areas of the United States, who report worse health outcomes, more chronic disease, and more restricted access to health services than people in urban or suburban regions.”

Therefore, as one who worked in the health care field for many years and is increasingly concerned about its future, I ask you to support LD 2201 and the integrity of health care in Maine.

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<sup>1</sup> 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. Available at: <https://jamanetwork.com/journals/jama/fullarticle/2813379>

<sup>2</sup> Young J. How Private Equity Undermines Rural Health Equity. AMA J Ethics. 2025 May 1;27(5):E369-375. doi: 10.1001/amajethics.2025.369. PMID: 40315112.

Daniel Bryant  
Cape Elizabeth  
LD 2201