

Testimony in Support of LD 2190  
An Act to Implement Certain Changes in the Certificate of Need Laws....  
Daniel C. Bryant, M.D.  
Cape Elizabeth, ME

As I stated in my testimony in support of LD 2201, “My support [of “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”] 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 bear 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.” For similar reasons I support LD 2190’s proposal of expansion of “the scope of review under the certificate of need laws” and “analysis by the staff of the department of the extent to which the applicant's ownership structure involves a private equity company.”

However, both bills fall short of the sort of health care reform I think is necessary for Maine, and in two ways. 1) They both focus on review, LD 2190 mentioning “consideration of a project's impact on affordability and accessibility of health care for all Maine residents” and LD 2201 mentioning “review and approval of transactions.” In neither case is the state given any specific power to prevent takeover of health care entities in the event of unfavorable consideration or review. 2) They both focus on those entities that have called attention to themselves, and in a health care system consisting of many interdependent entities. As is the case with all complex systems, changes in any one health care entity can have far reaching desirable or undesirable, predictable or unpredictable, effects on others (butterfly effect).

Therefore, though I ask you to vote OTP on LD 2190, I would also ask the committee to take a broader view of our troubled health care system and consider more systemic and coordinated reform. This the committee could do by 1) reversing the May ONTP vote on LD 1269, which would have provided for a fiscal analysis of a universal health care system in which the corporate actions addressed in LDs 2190 and 2201 would be less likely to occur (less lucrative environment for private equity), and 2) removing certain contingency language in Public Law 2021, Chapter 391, which has prevented appointment of the board approved by the 130<sup>th</sup> Legislature and charged with planning and implementing (given certain other contingencies) “the Maine Health Care Plan to provide for all medically necessary health care services for all residents of this State.”

Thank you.

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