

Testimony in Support of LD 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”

James Myall, Policy Analyst

February 18, 2026

Good Morning Senator Bailey, Representative Mathieson, and members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services. My name is James Myall and I’m a policy analyst at the Maine Center for Economic Policy. I’m testifying today in support of LD 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.” MECEP supports LD 2201 because we believe that private equity firms which prioritize profits over patients deserve additional scrutiny before acquiring Maine health care facilities.

Private equity acquisitions of health care facilities have become increasingly common in recent years, with almost 500 hospitals nationwide owned by private equity firms, and while Maine currently has no hospitals owned by these firms, it is one of the few states in that position.¹ The evidence we have from around the country shows that in their pursuit of profit, these firms often reduce access to care, especially in rural areas.²

Private equity firms are first and foremost driven by profit. And indeed, research shows that they can be effective at improving hospital finances, largely by increasing what they charge patients and insurance companies, which ultimately drives up premiums.³

These increased revenues come at the cost of patient care. Private-equity-run hospitals cut corners on staffing,⁴ reducing the share of Medicaid patients they take on,⁵ and closing critical but low-profit services like maternity and obstetrics.⁶ As a result, patients suffer. One large study of Medicare patients at hospitals run by private equity firms found patients were much more likely to suffer ill effects at the hospital, including infections and falls.⁷

Health care should be a human right, not a means of squeezing more money from ordinary Mainers. Plenty of evidence suggests that allowing private equity firms to acquire health

care facilities is often detrimental to consumers' pocketbooks and patients' health. LD 2201 takes a thoughtful approach to establish a review framework to ensure that Mainers are informed about the possible consequences of future acquisitions and allows for ongoing oversight of approved transactions.

Notes

¹ "PESP Private Equity Hospital Tracker," *Private Equity Stakeholder Project*. April 2025.

<https://pestakeholder.org/private-equity-hospital-tracker/>

² "How Private Equity Undermines Rural Health Equity." *American Medical Association Journal of Ethics*. May 1, 2025. <https://edhub.ama-assn.org/ama-journal-of-ethics/module/2833298>

³ Joseph D Brauch, Suhas Gondi and Zirui Song. "Changes in Hospital Income, Use, and Quality Associated With Private Equity Acquisition." *JAMA Internal Medicine* 2020. Nov 1;180(11):1428-1435.

<https://pubmed.ncbi.nlm.nih.gov/32833006/>

⁴ Alexander Borsa et al., "Evaluating trends in private equity ownership and impacts on health outcomes, costs, and quality: systematic review." *BMJ* 2023;382:e075244. 11 June 2023.

<https://www.bmj.com/content/382/bmj-2023-075244>

⁵ Yang Amy Jiao, "The Impact of Private Equity Hospital Acquisitions on Maternal Health for Medicaid Patients." *Health Services Research*. 2025 Oct 4;61(1):e70048

<https://pmc.ncbi.nlm.nih.gov/articles/PMC12857500/>

⁶ David Dranove, Martin Gaynor and Eilidh Geddes. "Expecting Harm? The Impact of Rural Hospital Acquisitions on Maternal Health Care." *National Bureau of Economic Research: Working Paper 34159*. Aug 2025. <https://www.nber.org/papers/w34159>

⁷ Sneha Kannan, Joseph Dov Bruch and Zirui Song, "Changes in Hospital Adverse Events and Patient Outcomes Associated With Private Equity Acquisition." *JAMA Vol 330, No 24*. Dec 26, 2023.

<https://jamanetwork.com/journals/jama/fullarticle/2813379>