

Testimony of David Jolly on LD 2190: An Act to Implement Certain Changes in the Certificate of Need Laws

Sen. Donna Bailey, Senate Chair, Rep. Kristi Mathieson, House Chair, and Members of the Committee on Health Coverage, Insurance and Financial Services:

My name is David Jolly, I live in Penobscot, and I am Co-Chair of Maine AllCare, a state-wide organization advocating universal health care for Maine. I would like to offer testimony in support of LD 2190.

As I noted in my testimony on LD 2201, Maine AllCare believes that bill should be amended to include a blanket prohibition on private equity acquisition of Maine hospitals. Whether or not such a prohibition is enacted, we support the passage of LD 2190.

Maine's Certificate of Need process exists to ensure that major health care changes serve the public interest, not just private financial goals. LD 2190 strengthens that mission by modernizing oversight to reflect how health care ownership has changed across the country, including the growing involvement of private equity companies and real estate investment trusts.

In recent years, we have seen nationally that complex ownership structures, most notably those involving private equity firms, often prioritize financial returns over health care quality and long-term community stability. Insufficient review of health care transactions will only increase the likelihood that communities will face higher costs, reduced access to services, and decisions driven by short-term financial strategies rather than patient needs. LD 2190 responds to this reality by requiring greater transparency and analysis when ownership or control of a health care facility changes.

This bill does three important things. First, it brings ownership changes involving private equity and REITs into the Certificate of Need process so that the state can evaluate potential impacts before harm occurs. Second, it addresses an existing shortcoming in CON law. Right now CON reviews only consider a proposed project or transaction's impact on the cost to MaineCare. LD 2190 would expand review criteria to include consideration of a project's impact on affordability and accessibility of health care for all Maine residents, especially residents of rural communities and those already struggling to access care. Third, the bill requires review of prior conduct and financial practices, giving regulators more tools to make informed decisions.

We hope that, by strengthening transparency and oversight, LD 2190 will increase the chances that ownership changes support long-term health care access and affordability in Maine.

Thank you for your consideration. I respectfully urge your support for LD 2190.

