



Testimony in Opposition to 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”

Senator Bailey, Representative Mathieson, and distinguished members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, my name is Montana Towers, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, nonprofit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in opposition to 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.”

Concerns About Overregulation

LD 2201 gives state agencies broad authority to scrutinize a wide range of health care transactions, especially those involving private equity, hedge funds, or management services organizations. The triggers for a comprehensive review are based on vague concepts like “lessening competition” or potential impacts on “competition” and “equity.” These terms are highly subjective and open the door to sweeping government overreach.

This kind of regulatory uncertainty can make it much harder for innovative health care providers and investors to confidently enter or expand in Maine, especially in rural or underserved areas where new investment is badly needed. If we make the rules unclear or the process unpredictable, businesses will simply choose to grow elsewhere.

Private capital is already helping to bring urgent care, telehealth, and specialty clinics to communities that don’t have enough providers. Putting up new barriers just makes it harder to fill those gaps and ultimately hurts patients who need more, not fewer, options for care.



Private Capital Expands Access and Innovation

This bill appears rooted in an assumption that private equity and management services organizations are inherently predatory or detrimental to care quality. In reality, these entities have played a pivotal role in expanding access by creating new business models, helped introduce cutting-edge technologies, and filled service gaps especially in rural areas.

Across the country, private investment has enabled urgent care centers, ambulatory surgical facilities, and telehealth services to thrive in places where government or hospital-led models have failed. These models often offer care that is more affordable, convenient, and responsive to patient needs. In Maine's aging and rural landscape, we should be welcoming investment that broadens access, not stifling it through preemptive suspicion and red tape.

Excessive Compliance Burdens and Bureaucratic Discretion

LD 2201 mandates a 180-day notice period for transactions, a burdensome and arbitrary delay that could jeopardize the financial viability of smaller practices seeking partnerships to remain operational. Even worse, in addition to having the ability to institute a comprehensive review based on vague criteria, the Department of Health and Human Services is empowered to impose undefined "conditions" on transactions that must be met in order for the transaction to go forward.

This lack of clarity grants regulators nearly unchecked power, and invites inconsistent enforcement, politicization, and abuse. Maine Policy Institute has consistently warned against regulatory schemes that allow agencies to pick winners and losers behind closed doors.

Conclusion

LD 2201 sets a dangerous precedent of prejudging and regulating entire classes of health care participants not based on outcomes, but on their structure and sources of capital. If enacted, it would stifle innovation, deter investment, and hinder Maine's efforts to modernize and diversify its health care system.

For these reasons, Maine Policy Institute strongly urges this committee to vote "Ought Not to Pass" on LD 2201. Thank you for your time and consideration.