

Marie Follayttar  
South Portland  
LD 2197

Chair Mathieson and Chair Bailey and members of HCIFS committee. My name is Marie Follayttar from South Portland, and I am here in strong support of LD 2197. This bill is not simply about regulatory structure. It is about moral responsibility. Hospitals and nursing homes are not speculative assets. They are not chips in a financial game. They are places where babies are born, where elders take their last breath, where trauma victims are stabilized, where neighbors care for neighbors. We cannot gamble more with that infrastructure.

On December 18, 2025, researchers at Harvard University released a study examining Real Estate Investment Trust acquisition of hospitals.

The findings were stark:

Hospitals acquired by REITs had a 5.7-fold higher risk of closure or bankruptcy compared with non-REIT hospitals.

There was no systematic reinvestment into clinical services after acquisition.

Dr. Thomas Tsai, Associate Professor of Health Policy and Management and surgeon at Brigham and Women's Hospital, stated that REIT acquisition can either help hospitals or seriously damage them — and that regulators must act to ensure communities are not harmed.

LD 2197 is precisely that regulatory action.

The Commission — co-chaired by Senator Henry Ingwersen Tipping and Representative Michele Meyer Boyer — concluded unanimously among members present that allowing sale-leaseback of a hospital's main campus poses unacceptable financial risk.

Why?

Because when a hospital sells its real estate to a REIT, it becomes a tenant in its own building. Rent must be paid no matter what happens to reimbursement rates, staffing costs, or patient volume.

If revenue dips, rent does not.

If workforce shortages increase, rent does not decrease.

If Medicaid payments are delayed, rent is still due.

That rigid financial obligation can push already fragile hospitals into distress. And once a hospital closes, it rarely reopens.

For rural Maine, a closure is not an inconvenience.

It is a life-and-death issue.

It means longer ambulance transport times.

It means delayed stroke or heart attack care.

It means loss of maternity services.

It means economic collapse in small communities where hospitals are major employers.

**We Cannot Play Games With Profit**

When Wall Street financing — through entities like Citigroup, JPMorgan Chase, and Goldman Sachs — is layered between patients and care facilities, the incentive structure shifts.

Profit must be extracted.

Returns must be delivered.

Dividends must be paid.

But healthcare infrastructure exists for a different purpose.

It exists to preserve life, relieve suffering, and serve community need — not to generate quarterly returns.

LD 2197 draws a moral boundary. It says: Maine will not allow the main campus of a hospital — the core of its lifesaving capacity — to be leveraged in high-risk real estate transactions that increase the likelihood of closure.

### A Preventative Safeguard

This bill does not attack innovation.

It does not ban all investment.

It does not prevent hospitals from seeking stability.

It prevents one specific practice that evidence shows dramatically increases the risk of collapse.

It is a safeguard.

And safeguards are what responsible governments enact before tragedy, not after.

### The Question Before Us

The question is not whether financial transactions are legal.

The question is whether they are ethical and prudent when applied to essential healthcare infrastructure.

Are we willing to risk Maine hospitals closing in order to allow speculative real estate strategies?

Or will we set a clear standard that our hospitals are community anchors — not investment vehicles?

LD 2197 affirms that healthcare in Maine exists for patients, not profit.

I urge you to support this bill.

Thank you.