



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

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February 25, 2026

Senator Bailey, Representative Mathieson and distinguished members of the Health Coverage, Insurance and Financial Services Committee, we are submitting this testimony in opposition to LD 2201 on behalf of Community Health Options. Community Health Options is Maine's nonprofit CO-OP health insurance company and exists for the benefit of its Members and its mission which is to provide affordable, high-quality benefits that promote health and wellbeing.

First, we would like to express our appreciation for the Commission's work and this Committee's interest in pursuing greater transparency and ensuring oversight of significant changes in health care entity ownership or management. However, this bill, as currently written, proposes a fee structure that would require carriers to fund the regulation of providers. Carriers are not included in the definition of "health care entity" and therefore should not be responsible for paying for reviews of those entities. Carriers already contribute substantially to Maine's regulatory framework through fees and assessments paid to the Bureau of Insurance, the Maine Health Data Organization, and Maine's State-Based Marketplace (CoverME.gov). Just as carriers pay for their own regulatory oversight, it is reasonable to expect providers to pay for their own oversight. Requiring additional payments from carriers for a process that does not directly involve them is unfair and likely to be passed on to consumers through higher premiums.

We are also concerned that the bill's broad definition of "management services organization" could unintentionally hinder innovative provider-carrier arrangements. Collaborations such as administrative support agreements, shared services, or value-based payment models could be interpreted as triggering a "material change transaction" thus creating regulatory uncertainty and potential fees. This could discourage carriers and providers from pursuing partnerships that improve care coordination, expand access, and reduce costs for Mainers. Narrowing the definition or clarifying exemptions for routine or value-focused arrangements would help ensure oversight does not stifle innovation. We value the provider community, especially those



operating under a non-profit model, and actively seek opportunities to improve the delivery of healthcare while lowering costs.

We urge the Committee to remove the fee provisions on carriers. Oversight of health care transactions is important, but carriers should not be responsible for funding the review of health care providers, health care facilities, or provider organizations. Additionally, we encourage the Committee to tighten the definition of “management services organization” to clearly exclude collaborations between carriers and providers that foster better care and value. Thank you for your consideration of these comments.