**Consumers for Affordable Health Care**

on a mission to ensure all Mainers have access to high-quality, affordable, comprehensive health care.

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**Testimony in Support of:**

**LD 1972, An Act to Enhance Transparency and Value in Substantial Health Care Transactions by Changing the Review and Approval Process for Those Transactions**

**May 20, 2025**

Senator Bailey, Representative Mathieson, and esteemed members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services. I am Kate Ende, Policy Director for Consumers for Affordable Health Care. Thank you for the opportunity to provide this testimony in support of LD 1972, An Act to Enhance Transparency and Value in Substantial Health Care Transactions by Changing the Review and Approval Process for Those Transactions.

My name is Kate Ende, and I am the Policy Director at Consumers for Affordable Health Care (CAHC), a nonpartisan, nonprofit organization that advocates the right to quality, affordable health care for every person in Maine. As designated by Maine's Attorney General, CAHC serves as Maine's Health Insurance Consumer Assistance Program (CAP), which operates a toll-free HelpLine. Our HelpLine fielded nearly 7,300 calls and emails last year from people across Maine who needed help obtaining, keeping, using, or fixing problems with private health insurance or with accessing or affording health care services. CAHC also serves as the Ombudsman program for Maine's Medicaid program, MaineCare, and helps people apply for and navigate the enrollment and access to health care services under MaineCare. It is with that background that we provide these comments.

LD 1972 establishes a Material Change Transaction review process in Maine, granting the Division of Licensing and Certification (DLC) the authority to review health care entity transactions and their downstream impacts on cost, access, equity, and quality of care for Maine people. The program allows the DLC to approve, approve with conditions, or deny certain transactions that meet specified thresholds, meant to capture transactions with potential significant impact of access to affordable care for Mainers, including some transaction types that are not currently subject to any review. This includes closure of services, outsourcing of major hospital functions, and acquisitions of smaller health care entities.

In recent years, there has been an increasing trend of corporatization and financialization in the health care sector. Health care provider entities can be attractive prospects for private equity, investment banks, venture capital firms, and other corporate entities because they are relatively recession-proof and heavy steady and stable financing thanks to government payers. The purpose of any of these investor-owned entities is to make money for their investors – not to prioritize the care and well-being of Maine people. While Maine can't realistically prevent all involvement of corporate actors in the health system, and there may be times when corporate involvement can provide needed capital investment or other benefits to providers, we can take steps to provide more oversight of transactions that could pose a risk to Maine people, and that is why we support enacting LD 1972.

Many Mainers are already struggling to access affordable health care. As we work to improve the affordability of care, we should take steps to protect Maine's health system from the increasing corporatization of health care that is on the rise across the country. Research shows that financialization of health care in hospitals and

physician practices can result in less access to services, particularly for some vulnerable populations. For example, private equity affiliated hospitals were less likely than their peers to admit Medicare and dual eligible Medicare and Medicaid patients.[1,2] For-profit firms were also found to influence the provision of services in the facilities they acquired.[3]

This year, the Senate Budget Committee released a bi-partisan report detailing the harmful effects of private equity in health care delivery in multiple states across the country. Their investigation found that private equity firms failed to meet legally binding commitments to physician recruitment, capital expenditures, charity care, patient satisfaction, and continuation of services in an Iowa hospital.[4] The report also found private equity firms primarily focused on financial goals and not quality of care, resulting in health and safety violations, understaffing, and service closures. One firm, Leonard Green & Partners, granted stock options to employees based on reaching earning goals, while similar incentives for improving patient safety and care were absent. Several Leonard Green & Partners owned hospitals also suffered labor cuts, decreased patient capacity, inadequate and unsafe building maintenance, and financial distress.[5]

Massachusetts Senator Ed Markey's office produced a similar report, focused on the fallout of the Steward Health Care crisis, which left the state to facilitate transfer of ownership of five hospitals and the closure of two. Their report found that patients incurred medical debt after receiving care at a Steward-owned hospital, often as the result of incorrect or predatory billing practices. One patient incurred almost $3,500 in medical debt for emergency medical services, which were covered under her MassHealth plan, which is Massachusetts's Medicaid program. Another patient claimed Steward did not verify her insurance coverage and billed her hundreds of dollars for care she received at one of its hospitals. Not only did Steward bill the patient directly against MassHealth regulations, but it also sent some of her bills to a collection agency.[6]

Maine's health care system is facing challenges, and hospital or service closures, as well as sales and mergers, all have impacts on patient access and affordability. As our health system changes, oversight also needs to evolve. This bill would increase state resources to review complex transactions, and put greater emphasis on the impact on patients and communities. Consumers for Affordable Health Care believes a Material Change Transaction process will ensure the voices of consumers are part of important decision making, and that the patient experience is understood in the context of access, affordability, and quality of care – particularly when it comes to who owns and controls our health care facilities. Thank you for your consideration and I hope you will vote ought to pass on LD 1972.

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[1] Kannan S, Bruch JD, Song Z. Changes in Hospital Adverse Events and Patient Outcomes Associated With Private Equity Acquisition. *JAMA*. 2023;330(24):2365–2375. doi:10.1001/jama.2023.23147

[2] Bruch JD, Gondi S, Song Z. Changes in Hospital Income, Use, and Quality Associated With Private Equity Acquisition. JAMA Intern Med. 2020 Nov 1;180(11):1428-1435. doi: 10.1001/jamainternmed.2020.3552. PMID: 32833006; PMCID: PMC7445629.

[3] Singh, Y., Cardenas, G. B., Torabzadeh, H., Whaley, C. M., & Borkar, D. (2025). Private Equity–Owned Physician Practices Decreased Access To Retinal Detachment Surgery, 2014–22: Article examines access to retinal detachment surgery among private equity-owned physician practices. Health Affairs, 10-1377.

[4] Senate Budget Committee. (2025) Bipartisan Staff Report - The Harmful Effects of Private Equity on the U.S. Health System

[5] Senate Budget Committee. (2025) Bipartisan Staff Report - The Harmful Effects of Private Equity on the U.S. Health System

[6] The Steward Health Care Report: How Corporate Green Hurt Patients, Health Workers, and Communities. The Office of Senator Edward J. Market, September 2024.

# VOTE YES on LD 1972, An Act to Enhance Transparency and Value in Health Care Transactions

**95% of Maine voters believe it's important for the state government to review health care mergers and acquisitions in order to ensure that changes in ownership do not reduce access and quality of care.[1]**

Financial actors, including private equity firms, are becoming increasingly involved in health care delivery across the country; there are more actors in the system focusing on financial return on investment rather than patient care. While private capital can present opportunities in the health care sector, it can also pose risks. Legislators should act now to ensure appropriate oversight exists to protect access to affordable care for all Mainers.

LD 1972 creates a Material Change Transaction review process that provides a more comprehensive and consumer-oriented review of certain health care transactions. This bill would fill current gaps in state oversight by establishing both a process for transactions that are not currently subject to CON and would allow for a wider range of criteria to be assessed during transaction review, which focus on impacts on patients and clinicians.

We believe LD 1972 is a timely and measured approach to ensure patients, not profits, are the center of future health care transactions in Maine.

Consumers for Affordable Health Care

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1. Perceptions of Health Care Costs, Consolidation, and Policy Solutions in Maine. May 2025. https://unitedstatesofcare.org/pr-me-poll-2025/