

Testimony of Jake Lachance

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Before the Joint Standing Committee on Health Coverage, Insurance, and Financial Services

Testimony In Opposition to LD 1972 "An Act to Enhance Transparency and Value in Substantial Health Care Transactions"

Senator Bailey, Representative Mathieson, and Members of the Committee, my name is Jake Lachance, and I am here today on behalf of the Maine State Chamber of Commerce to respectfully oppose LD 1972, "An Act to Enhance Transparency and Value in Substantial Health Care Transactions."

While we support efforts to ensure transparency and thoughtful oversight in the healthcare sector, this bill represents a sweeping and untested model being inserted into Maine law with little to no stakeholder input. Public policy of this magnitude, with implications across the entire healthcare delivery and business community, must be developed through collaboration with those impacted, not rushed forward in a vacuum.

Maine already has a longstanding and functional framework for reviewing major healthcare transactions through our Certificate of Need (CON) law. Over the years, this process has evolved with the input of lawmakers, providers, and stakeholders, balancing regulatory oversight with the operational realities of delivering care in a rural state with limited resources. If further modernization is necessary, it makes far more sense to build upon the CON foundation rather than scrap it in favor of a complex and bureaucratic model with no proven real-world track record.

LD 1972 proposes a regulatory regime of extraordinary scale. Under this bill, nearly any transaction, including staffing contracts, leases, partnerships, or even efforts to close or consolidate underused services, would be subject to exhaustive reviews. These processes are not only duplicative but risk paralyzing normal business operations. Furthermore, they would be extremely costly to healthcare entities, with those costs ultimately trickling down to employers and consumers in the form of higher insurance premiums and reduced access to care.

Adding to the concern, the bill contains no clear fiscal accountability for the Department of Health and Human Services (DHHS) or the Office of Affordable Health Care (OAHC) regarding the hiring of outside consultants to conduct these reviews. These costs are to be passed along to the very healthcare organizations subject to oversight, many of which are already operating under significant financial strain. While the proposed fee may seem modest now, there are no safeguards against future increases.

Healthcare in Maine is facing unprecedented challenges. Rural hospitals, community-based providers, and long-term care facilities are struggling with skyrocketing labor and supply costs, outdated reimbursement systems, and the burden of caring for patients who cannot access the right level of care due to a fragmented continuum. LD 1972 not only fails to address these urgent issues, it threatens to exacerbate them by creating uncertainty, delaying necessary innovation, and introducing new administrative burdens at the worst possible time.

The business community urges the Committee to step back from this proposal. Let's work together (healthcare providers, policymakers, insurers, and employers) to modernize Maine's existing tools in a way that is both thoughtful and practical. Transparency and accountability can and must be achieved, but not at the expense of flexibility, innovation, and access to care.

We appreciate your attention to this important issue and urge you to vote "Ought Not to Pass" on LD 1972.