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**Testimony In Support of the Sponsor's Amendment to L.D. 1890**  
**An Act to Facilitate the Development of Ambulatory Surgical Facilities by Exempting Certain Facilities from**  
**the Requirement to Obtain a Certificate of Need**  
**January 7, 2026**

Senator Bailey, Representative Mathieson, and Members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services:

My name is Dan Demeritt, the Executive Director of the Maine Association of Health Plans. Insurance coverages offered or administered by our member plans provide access to care and better outcomes for many of the Mainers who receive coverage through an employer plan or the individual market. Our mission is to improve health by promoting affordable, safe, and coordinated health care.

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Healthcare, health care costs, and Maine's healthcare systems have changed significantly in the more than 15 years since the Legislature last updated the Certificate of Need (CON) Statute as it pertains to the review threshold for establishing new health care facilities in 22 M.R.S. §329, sub-§4-A.<sup>1</sup>

We support both increasing the capital expenditure threshold for new health care facilities (i.e., ambulatory surgical facilities) and indexing the threshold for inflation on an annual basis as proposed in the Sponsor's Amendment to L.D. 1890, and as is consistent with other provisions of the CON law.<sup>2</sup>

Maine's healthcare system and its patients need access to alternative sites of care that are high quality and less expensive. The Maine Office of Affordable Health Care (OAHC) shares in its 2024 Annual Report that per-capita-hospital expenditures increased more than six times faster than Maine Median Household Income from 2001 to 2020 (164% to 25%). Over the same period, the cumulative growth in Maine-per-capita-health expenditures in the physician and clinic category came in at about 120%.<sup>3</sup>

The graphs from the OAHC report are provided at the end of my testimony.

**Higher Thresholds Reflecting Hospital Expenditure Growth**

Given the trends in hospital expenditure growth, the Committee should consider increasing the \$5 million capital expenditure threshold in the amendment to \$10 million, as Vermont has recently done.<sup>4</sup>

We appreciate the work 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 did during the interim and note its recommendation related to a new health care facility:

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<sup>1</sup> <https://legislature.maine.gov/statutes/22/title22sec329.pdf>, Accessed 1/2/26

<sup>2</sup> See for example 22 M.R.S.A. § 329(3), (6)

<sup>3</sup> <https://www.maine.gov/oahc/reports>, 2024 Annual Report, p. 9-10

<sup>4</sup> <https://gmcboard.vermont.gov/certificate-need>, accessed 1/7/26

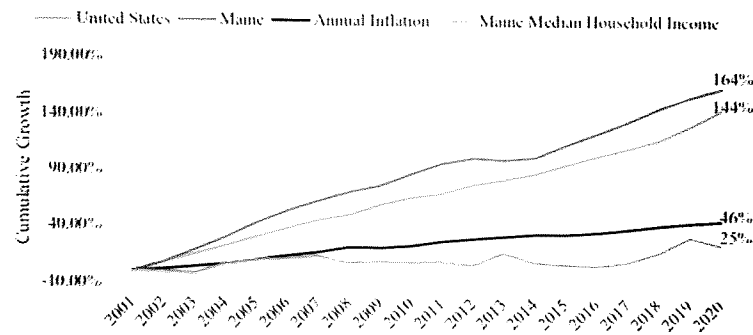
*Increase the monetary threshold in current law that requires CON review and approval to establish a new health care facility based on the estimated cost of the facility from \$3 million to the 2025 amount as adjusted to reflect the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index medical care services index and require that the threshold amount for review be adjusted annually based on the change in that index.<sup>5</sup>*

Thank you for your consideration. We support the intent of the Sponsor's amendment to LD 1890 and urge the Committee to go even further to reduce barriers to opening needed ambulatory surgical facilities in Maine that can help to increase access to quality, affordable services.

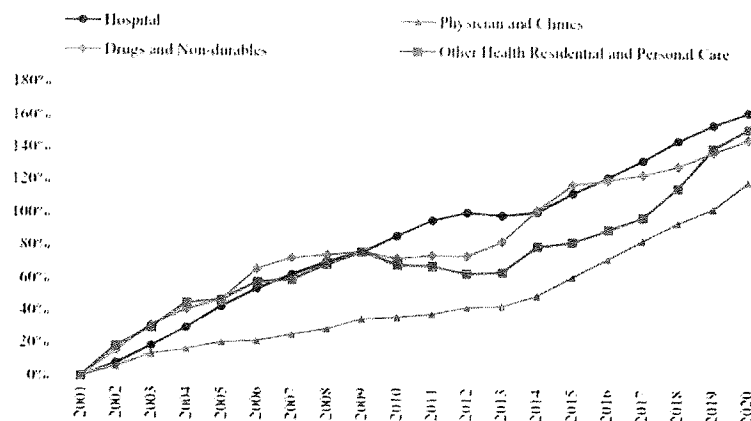
## Maine Office of Affordable Health Care

### 2024 Annual Report

**Figure 11.** Cumulative growth in per capita hospital expenditures in Maine and the U.S., national inflation, and Maine median household income, 2001-2020.<sup>5</sup>



**Figure 10.** Growth in Maine per capita health expenditures by top four spending service categories, 2001-2020.<sup>5</sup>



<sup>5</sup> Federal Reserve Bank of St. Louis (2024). *Real Median Household Income in Maine*.

<sup>5</sup> <https://legislature.maine.gov/doc/12215>, p.20