MaineHealth

Testimony of Sarah Calder, MaineHealth
LD 2190, "An Act to Implement Certain Changes in the Certificate of Need Laws Recommended by 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"
February 18, 2026

Senator Bailey, Representative Mathieson, and distinguished members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, my name is Sarah Calder, Senior Government Affairs Director for MaineHealth, and I am here today to testify in strong opposition to Section 6 of LD 2190 and to offer an amendment to strengthen the existing Certificate of Need (CON) law.

MaineHealth is an integrated non-profit health care system that provides a continuum of health care services to communities throughout Maine and New Hampshire. Every day, our over 24,000 care team members support our vision of "Working Together so Our Communities are the Healthiest in America" by providing a range of services from primary and specialty physician services to a continuum of behavioral health care services, community and tertiary hospital care, home health care, a lab, and retail and specialty pharmacy services.

MaineHealth's ability to be nimble and meet the evolving needs of our communities relies upon the infrastructure that we have built as an integrated hospital system. Maine's CON law plays an important role in ensuring that the state has a strong and cost-effective care delivery system to meet the needs of our communities.

Opposition to Section 6

Very importantly, the CON process already considers and protects access and affordability. Specifically, Maine's CON Unit evaluates whether the proposed project will "be accessible to all residents of the area to be served" and the "impact of the project on the total health care expenditures…" This was further confirmed during the Work Session on LD 1890 when Director Bill Montejo shared that lifting the New Health Care Facility threshold would limit the Department's ability to review the payor mix of the community in which an applicant is proposing a new facility and whether the proposed facility could negatively impact an existing facility that cares for all patients regardless of insurance coverage or ability to pay.

Additionally, the Department has the authority to impose conditions of approval to protect access and affordability. In practice, it uses that authority. For example, in prior CON approvals, the Department has imposed conditions such as requiring hospitals to maintain specific service lines for a defined period of time to prevent service reductions following a transaction (links to Prime Healthcare Foundation Acquisition of Control of Central Maine Healthcare Corporation decision

letter; additional example: Combining the license of Maine Medical Center and Southern Maine Health Care decision letter).

It is also important to note that in the Attorney General's review of a transaction, the Office often retains independent economists to evaluate market concentration, competitive impacts, and potential price implications of transactions. In short, the authority proposed in Section 6 already exists and it is being exercised.

Furthermore, Section 6 assumes that the acquiring entity can determine how "prices" will be impacted prior to a transaction closing. In reality, that is not possible. For example, in merger or acquisition transactions, the acquiring entity (and therefore the CON applicant) does not have access to the acquired entity's confidential commercial insurance contracts before a transaction closes, if at all. For the other projects falling under the scope of the CON law, Section 6 assumes that the applicant has either (1) pre-negotiated applicable rates with commercial insurers and is empowered to present them publicly; or (2) solely controls the out of pocket costs a patient might pay rather than being one of multiple parties (including insurance companies and employers) impacting each person's price. In short, it is impossible for an applicant to predict with certainty or control how each patient's price may evolve post-transaction.

As we have shared with this committee numerous times, the non-profit, mission-driven hospital and health care system in Maine is at a breaking point. When hospitals or service lines are financially distressed, the options are often stark: acquisition and stabilization, or closure. In some cases, maintaining sustainability may require operational restructuring or revenue adjustments, negotiating new reimbursement rates with commercial payers to ensure the preservation of services. Maine's current CON process allows the Department to weigh these tradeoffs thoughtfully and impose tailored conditions. Adding an undefined affordability standard risks prioritizing short-term price controls over long-term viability and access.

For these reasons, we respectfully urge the Committee to strike Section 6 from LD 2190.

Lease Arrangements of Equipment and Facilities

During the Work Session on LD 1890, Director Bill Montejo described the growing practice of lease arrangements of equipment and facilities, which is allowing companies to skirt the thresholds that trigger a CON review. Should the Legislature approve raising the threshold for New Health Care Facilities to $7.5 million as proposed in LD 1890, this practice will only continue to grow. In the Portland area several recent projects have avoided CON review because of these arrangements, eliminating the ability of the Department to analyze the impact these projects will have on our very fragile non-profit hospital systems in Maine. And, relevant to LD 2190, eliminating the ability of the Department to consider the project's impact on access and affordability. With that said, we would encourage the Committee to amend LD 2190 to consider the value of the lease of medical equipment and facilities in the CON threshold amounts.

Thank you for your time, and I would be happy to answer any questions.