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Testimony of the Division of Licensing and Certification
Maine Department of Health and Human Services

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

Neither for nor against 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*

Sponsor: Representative Mathieson
Hearing Date: February 18, 2026

Senator Bailey, Representative Mathieson and members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services. My name is Bill Montejo and I serve as the Director of the Division of Licensing and Certification in the Maine Department of Health and Human Services. I am here today to testify neither for nor against 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*.

While the Department understands the intent and shares the concerns that precipitated the Commission recommendation and later this bill, the Department wants to make the Committee aware that passage as written will create conflict with other sections of the statute and with current contracting processes.

The addition of the new requirements in this bill would create conflict and challenges with existing requirements as follows:

- Reviews currently look at the ability of the applicant to financially support the project over its intended useful life and its impact on healthcare access in the geographic location it is proposed to function to a statewide analysis. This bill would change that, and the review would now focus on ensuring the project does not negatively affect the affordability and accessibility of healthcare for all residents in the state. This new type of review could not be reasonably accomplished in the current 90-day review timeline. The Department will need additional resources and time for a review in order to accomplish the statewide analysis as proposed.
- The proposal would require the Department to contract with a consultant to do this analysis. The consultant would be funded by the applicant and would investigate

activities and the conduct of private equity and real estate investment trusts associated with an applicant. Finding and hiring that kind of consultant would require the Department to engage the state's procurement process, which requires more time than 90 days. While the bill would require the applicant to fund the consultant, it does not indicate that the applicant will fund the state costs associated with conducting and completing the RFP process to engage the required consultant.

The Department would recommend that the Committee consider passing LD 2201 instead, as the goals of this bill, including analysis related to affordability and accessibility and increased review of private equity-related healthcare transactions may be more effectively met by that proposal.