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Testimony of Trevor Putnoky

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

In Support of

LD 2197, An Act to Prohibit the Sale and Leaseback of a Health Care Entity's Main Campus to a Real Estate Investment Trust as 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

LD 2198, An Act to Implement Certain Recommendations Related to the Ratio of Debt to Equity in Transactions Involving Health Care Entities from 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

LD 2201, An Act to Implement Certain Recommendations Related to the Regulatory Review and Approval of Certain Health Care Transactions Involving Private Equity Companies, Hedge Funds or Management Services Organizations from 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

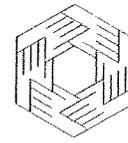
February 18, 2026

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

My name is Trevor Putnoky and I'm the President and CEO of the Healthcare Purchaser Alliance of Maine. The HPA is a nonprofit that represents the purchasers of health care in Maine. Our mission is to advance and support access to high-quality, affordable care. We have over 60 members, including some of the largest public and private employers and health trusts in Maine. Collectively, our members spend over a billion dollars annually providing health care for nearly one quarter of the commercially insured population in the state. providing health care for nearly one quarter of the commercially insured population in the state.

I'm here to testify in support of LDs 2197, 2198, and 2201. These bills arose from the work of 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*, on which I had the honor to serve as the Purchaser Representative. I believe these bills provide important protections against the deleterious impacts of private equity (PE) investment in our state's healthcare system.

Maine has yet to see a significant proliferation of private equity investment in the state, but the pace of private equity acquisitions continues to pick up pace. In 2025, PE firms executed approximately 445 healthcare buyouts, yielding the second highest annual total on record. As Dr. Zirui Song, a Harvard researcher and



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leading expert on PE investment in healthcare, noted during his presentation to the Commission, these acquisitions have led to a host of negative outcomes for patients, purchasers, providers, and the healthcare system as a whole. In PE's pursuit of profit, acquired entities experience increased prices, increased incidence of adverse health outcomes, and increased physician burnout. And as PE firms leverage complex financial tools like debt financing, acquired entities run the risk of being saddled with crippling debt that can lead to closures and communities having to pick up the pieces.¹ This is evidenced by the debacle with Steward Healthcare in Massachusetts. After rampant asset stripping by PE, the system was forced to file for Chapter 11 bankruptcy in May 2024 and carried over \$9B in liabilities. As of May 2025, two hospitals had suspended services and five had closed. The fate of the other hospitals is tenuous.²

In Maine, where access and affordability challenges are already significant, we cannot afford to risk the potential for the negative outcomes that are correlated with PE investment. While I will not pretend to be an expert on private equity, I believe that preventing sale and leaseback arrangements, requiring minimum debt to equity ratios, and undertaking robust reviews of proposed PE acquisitions are common sense proposals to guard against what has become a clear risk to the health of our delivery system.

Thank you for the opportunity to share the HPA's feedback on these bills. I'd be happy to answer any questions.

¹ Healthcare Private Equity hits \$191B in 2025, driven by megadeals. (n.d.-b).

<https://www.beckershospitalreview.com/finance/healthcare-private-equity-hits-191b-in-2025-driven-by-megadeals/>

² Vogel, S. (2025, May 7). A year after steward declared bankruptcy, hospitals and Communities still feel fallout: Report.

Healthcare Dive. <https://www.healthcaredive.com/news/steward-health-care-bankruptcy-one-year-anniversary/747348/>