



Consumers for Affordable Health Care

Advocating the right to quality, affordable
health care for all Mainers.

P.O. Box 2490
Augusta, ME 04338
Telephone: 1-800-965-7476
Fax: 1-888-214-5233
www.maine cahc.org
consumerhealth@maine cahc.org

Testimony 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

February 18, 2026

Senator Bailey, Representative Mathieson, and esteemed members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services. I am Kate Ende, Policy Director for Consumers for Affordable Health Care. Thank you for the opportunity to provide this testimony 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.

Consumers for Affordable Health Care (CAHC), is a nonpartisan, nonprofit organization that advocates the right to quality, affordable health care for every person in Maine. As designated by Maine's Attorney General, CAHC serves as Maine's Health Insurance Consumer Assistance Program (CAP), which operates a toll-free HelpLine. Our HelpLine fields thousands of calls and emails every year from people across Maine who need help obtaining, keeping, using, or fixing problems with private health insurance or with accessing or affording health care services. CAHC also serves as the Ombudsman program for Maine's Medicaid program, MaineCare, and helps people apply for and navigate the enrollment and access to health care services under MaineCare. It is with that background that we provide these comments.

LD 2197 would prohibit the sale and leaseback of a health care entity's main campus to a real estate investment trust (REIT). This measure was 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, which I had the pleasure of serving on. This bill helps to address growing concerns about how certain types of financial arrangements can affect the stability of health care infrastructure and access to services.

Sale and leaseback arrangements with real estate investment trusts can shift ownership of critical facilities away from health care providers to outside investors whose primary goals may not align with community health needs. LD 2197 ensures that the core campus of a health care provider — often the hub of acute, emergency, and specialty services — remains under the control of entities whose mission is patient care and community wellbeing.

We only need to look as close as Massachusetts, to see a clear example of how a private equity acquisition of a health care system, and subsequent "harvesting" of its assets, including the sale

and leaseback of hospital campuses, failed dramatically and worsened access for patients. In 2010, Cerberus Capital Management purchased a financially distressed hospital system in Massachusetts, which it rebranded as Steward. In 2016, after an initial monitoring period, Steward signed a \$1.25 billion sale-leaseback agreement with a publicly traded firm. This means the hospitals now had millions of dollars of rent each year for property they previously owned. This deal contributed to the downfall of the health system by creating an unsustainable debt burden for the hospitals, while shareholders extracted millions of dollars in profit.¹

Steward Health Care ended up filing for protection under Chapter 11 bankruptcy laws to address its financial difficulties and closed multiple hospitals.

Leaseback arrangements introduce additional financial risk and instability for health care facilities. By prohibiting sale and leaseback to REITs, this bill helps safeguard the continuity of care and long-term service availability that Maine families depend on. This is a thoughtful and proactive step toward protecting Maine's health care infrastructure and preserving community control over essential services.

For these reasons, we urge you to support LD 2197. Thank you and I am happy to answer any questions.

¹ <https://www.wbur.org/news/2024/02/02/steward-health-history-deals-massachusetts-hospitals>