



MAINE'S LEADING
VOICE FOR HEALTHCARE

Testimony Neither For Nor Against

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 members of the Health Coverage, Insurance and Financial Services Committee, I am Jeffrey Austin and I am here on behalf of the Maine Hospital Association to testify neither for nor against LD 2197.

We believe the terms of this legislation should be restricted to transactions involving private equity owned facilities only. The Commission heard no commentary about the risks of sale-leaseback transactions outside of those that involve private equity.

Further, there may be some typo in the legislation.

2. Sale and leaseback transactions with health care entities prohibited. The department may not issue or renew a license for a health care entity if the main campus of the health care entity is leased from a real estate investment trust, except that any hospital that was leasing its main campus from a real estate investment trust prior to July 1, 2026 is exempt from the requirements of this subsection. Such a hospital maintains its exempt status after a transfer to any transferee and subsequent transferees, and the transferee or subsequent transferee must be issued a license if the transferee otherwise satisfies all other requirements for licensure.

Is there supposed to be a comma instead of a period in line 34 of the bill? The sentence beginning "Such a hospital" does not make sense to us.

Either way, the state should not unwittingly ban hospitals from converting from exempt status. It has not happened in Maine in my tenure and we know of no such proposals on the horizon. But, banning conversions is not necessary in this legislation.

Thank you for accepting this testimony from the Maine Hospital Association.