



Consumers for Affordable Health Care

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

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Testimony In Support of:

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

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 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.

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.

We strongly support LD 2201, which would implement an important recommendation 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 to establish a review process when a private equity company, hedge fund or management services organization acquires a majority ownership interest or takes operational control over a health care entity.

In recent years, there has been an increasing trend of corporatization and financialization in the health care sector. Health care provider entities can be attractive prospects for private equity, investment banks, venture capital firms, and other corporate entities. The purpose of any of these investor-owned entities is to make money for their investors – not to prioritize the care and well-being of Maine people. We believe it is prudent to take steps to provide more oversight of transactions that could pose a risk to Maine people, and that is why we support enacting LD 2201.

Many Mainers are already struggling to access affordable health care. As we work to improve the affordability of care, we should take steps to protect Maine's health system from the increasing corporatization of health care that is on the rise across the country. Research shows that financialization of health care in hospitals and physician practices can result in less access to

services, particularly for some vulnerable populations. For example, private equity affiliated hospitals were less likely than their peers to admit Medicare and dual eligible Medicare and Medicaid patients. For-profit firms were also found to influence the provision of services in the facilities they acquired.

Last year, the Senate Budget Committee released a bi-partisan report detailing the harmful effects of private equity in health care delivery in multiple states across the country. Their investigation found that private equity firms failed to meet legally binding commitments to physician recruitment, capital expenditures, charity care, patient satisfaction, and continuation of services in an Iowa hospital. The report also found private equity firms primarily focused on financial goals and not quality of care, resulting in health and safety violations, understaffing, and service closures. One firm, Leonard Green & Partners, granted stock options to employees based on reaching earning goals, while similar incentives for improving patient safety and care were absent. Several Leonard Green & Partners owned hospitals also suffered labor cuts, decreased patient capacity, inadequate and unsafe building maintenance, and financial distress.

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 failed dramatically and worsened access for patients.

Massachusetts Senator Ed Markey's office produced a report, focused on the fallout of the Steward Health Care crisis, which left the state to facilitate transfer of ownership of five hospitals and the closure of two. Their report found that patients incurred medical debt after receiving care at a Steward-owned hospital, often as the result of incorrect or predatory billing practices. One patient incurred almost \$3,500 in medical debt for emergency medical services, which were covered under her MassHealth plan, which is Massachusetts's Medicaid program. Another patient claimed Steward did not verify her insurance coverage and billed her hundreds of dollars for care she received at one of its hospitals. Not only did Steward bill the patient directly against MassHealth regulations, but it also sent some of her bills to a collection agency.

Maine's health care system is facing challenges, and hospital or service closures, as well as sales and mergers, all have impacts on patient access and affordability. As our health system changes, oversight also needs to evolve. For these reasons, we support this bill and hope you will vote ought to pass on LD 2201.

Thank you for your consideration and I am happy to answer any questions.