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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

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*

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 Division of Licensing and Certification in the Maine Department of Health and Human Services and I am here today to testify 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.*

The intent of this bill is to establish a process for review and approval of transactions when a private equity company, hedge fund or management services organization acquires a majority ownership interest in a health care entity or when a private equity company, hedge fund or management services organization takes operational control over a health care entity. The bill requires 180 days' notice to the Department of a material change transaction and requires the Certificate of Need Unit to conduct an in-depth review in collaboration with the Office of Affordable Health Care. The bill modifies the existing Certificate of Need process for all health care entities, except nursing homes and offers the ability for a more comprehensive review by the Certificate of Need Unit and the Office of Affordable Health Care.

This bill was created based on a recommendation 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. The bill is a revised version of a bill submitted last session by the Office of Affordable Health Care to create a collaborative and thorough review process for "healthcare material change transactions." This is defined in the bill as a health care transaction involving the acquisition of a majority interest or operational control of a health care entity within the State occurring during a single transaction or in a series of related transactions by a private equity company, hedge fund or management services organization.

Health care transactions by private equity and management service organizations have had a significant negative impact on health care delivery in other states. The Department supports this bill as a comprehensive approach to add a layer of oversight to address concerns related to these transactions and to include evaluation of the impact to health care access and affordability.

Thank you for your time and attention. I would be happy to answer any questions you may have and to make myself available for questions at the work session.