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Testimony in Opposition to L.D. 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 Members of the Health Coverage, Insurance, and Financial Services Committee.

My name is Dan Demeritt, the Executive Director of the Maine Association of Health Plans. Insurance coverages offered or administered by our member plans provide access to care and better outcomes for many of the Mainers who receive coverage through an employer plan or the individual market. Our mission as an association is to improve health by promoting affordable, safe, and coordinated health care.

MeAHP is opposed to L.D. 2201 because it would increase costs for members and employers by establishing a precedent-setting, administratively burdensome assessment on carriers despite not intending to regulate their activities. We had the same concern when this assessment was proposed last year as part of L.D. 1972, a health care transaction and transparency bill that was reported Ought Not to Pass by the Committee on May 22, 2025.

We are also concerned that the new oversight that would be created by this bill is overly broad and could extend to ownership and operational models that deliver health care innovations that are distinct from the Commission's focus on private equity firms and hedge fund investors.

Precedent Setting Assessment

The proposed assessment in §372 Item 6 of the bill (p.8, line 30) sets the precedent that health insurance carriers should be responsible for paying for the cost of regulating and providing oversight for health care providers. What starts out as a small assessment has the potential to become yet another and easy to grow funding source for state operations that applies to the approximately 223,000 Maine consumers and employers with fully insured health plans.¹

¹ <https://www.maine.gov/pfr/insurance/sites/maine.gov.pfr.insurance/files/inline-files/CHCD%20Slides%20for%20HCIFS%202025.pdf>, slide 4

Inconsistent with Hart-Scott-Rodino Antitrust Improvements Act

We would also share with the Committee the concern that the review of proposed material change transactions in §372 (p.2, line 28) is inconsistent with the timelines established in U.S. antitrust statute. HSR provides for 30-day waiting period for initial review by the Federal Trade Commission and the Antitrust Division of the Department of Justice. There is the potential to extend the review if the agencies request additional information.²

There are financial challenge and volatility in Maine's healthcare system. Health care transactions that can stabilize financially distressed practices, ensure physician succession, expand access to specialty services, or bring new technology or capital into an organization driving efficiencies that lower costs should not be overburdened by an overly long review process.

Narrow Scope to Private Equity and Hedge Funds Ownership

Health plans and PBMs are offering coverage innovations that include access to virtual and telehealth care to provide members with easier and immediate access to health care experts and resources. We are concerned that the broad definition of management service organizations could encompass innovative service models, ownership arrangements, and operational control agreements that deliver value for health care providers and facilities.

If the Committee advances the bill, we urge it to exclude management service organizations and to narrow the focus of the bill to transactions involving direct private equity and hedge fund ownership.

Thank you for your consideration.

² <https://www.ftc.gov/enforcement/premerger-notification-program>