

**LD 2196 An Act to Lower Health Insurance Costs, Reduce Barriers to  
Health Care and Ensure Fair Prices for Health Care**

**Testimony in Opposition**

March 5, 2026

Northern Light Health  
Acadia Hospital  
AR Gould Hospital  
Blue Hill Hospital  
CA Dean Hospital  
Eastern Maine Medical Center  
Home Care & Hospice  
Maine Coast Hospital  
Mayo Hospital  
Mercy Hospital  
Sebastcook Valley Hospital  
Northern Light Health Foundation  
Northern Light Medical Transport  
& Emergency Care  
Northern Light Pharmacy  
Northern Light Work Health

Senator Ingwersen, Representative Meyer and members of the Health and Human Services Committee, my name is Dr. Guy Hudson. I am President and CEO of Northern Light Health, the system serving rural healthcare across the entire state of Maine. I am here today to speak in opposition to this bill as I believe this will have catastrophic consequences for healthcare in Maine.

I am a pediatric urologic surgeon who has provided care for children in rural and urban communities in the US and around the world. My career transitioned to healthcare leadership roles in rural hospitals and health systems in Idaho, Washington State, Oregon, and Alaska. I am passionate about rural healthcare, and I believe my experience in the Northwest will benefit Maine.

In 2017, Oregon passed price cap legislation. The law was implemented in 2019. The legislation did not result from a deliberate process thoroughly analyzed for how it would negatively affect hospital costs. It was a political negotiation strategy to change Oregon's employee retirement obligation. Capping state employee charges has had a multiplier effect on commercial insurance negotiations that has significantly reduced payments to hospitals. In December of 2025, two Oregon hospitals announced they were ending inpatient services. One of those will continue to provide emergency care, while other hospitals in that state are closing birthing units, and Oregon's only long-term acute care hospital is closing this year. More than 50% of the state's hospitals have negative operating margins and are rapidly closing service lines just to stay open. Therefore, to survive, hospitals and health systems in Oregon are looking to consolidate further while others are looking for national hospital systems to acquire them. The state's hospitals are also defaulting on debt, which is creating risk for lending and bonding organizations.

The price cap law created an avalanche in the commercial market that is eroding Oregon's healthcare infrastructure. Oregon is a state with 64 hospitals to share the impact. They have a much stronger base than we have here in Maine.

Maine's healthcare ecosystem is already fragile with minimal levers to pull. We simply do not have the financial health, scale, reserve, or capability to sustain this measure. Here are some key factors:

- Our state has taken longer to recover from the shocks of COVID than other parts of the country.
- We serve the oldest population and have not effectively maintained or built appropriate social services infrastructure.
- Maine PPS hospitals are the fifth poorest (operating margin) and second most heavily in debt (equity financing ratio) in the country.
- Both PPS hospitals and Critical Access Hospitals face the lowest ranks in aging infrastructure (46<sup>th</sup> and 40<sup>th</sup>, respectively)
- We have severely limited cash on hand to operate – only 54 days of cash. The median for all hospitals in the state is nine days.

Based on this stark reality, I believe this legislation would collapse Maine's healthcare system. The system is already threatened by reduced to absent ACA subsidies, driving more people to delay care and the expected rise in bad debt for hospitals, cuts to Medicare/Medicaid due to the One Big Beautiful Bill Act, state cuts in the tax and match program, increased costs due to tariffs on pharmaceuticals and supplies, increases in labor wages and more. Over the past four years, we have maintained a lower cost increase than the rest of the nation on average.

While some states have attempted to absorb cuts similar to this legislation, Maine's healthcare system does not have the scale, margin, or capability to withstand this blow. If enacted, this bill would cost Northern Light Health alone \$220 million annually, which would severely impact patient care, especially in the PPS facilities.

As a result, Mainers will not get better or cheaper healthcare – they will get less care and less access. This legislation will result in layoffs, consolidation, closures, and force people to travel further south for healthcare.

As a previous CEO of a large nonprofit in Washington State, even with five times the number of hospitals and much better operational margins, program closures and consolidations were frequent with legislation such as this. Affiliations and mergers encompassed the state, and massive layoffs persist to this day, including risk to the state's only Level 1 Trauma Center.

I am here because Mainers work together to solve problems and lead the way in solutions. I understand the intent behind this legislation is to address consumer affordability challenges, but there are more effective ways for us to work together to improve healthcare in our state. Together, we can build a model of rural healthcare by encouraging hospitals and care systems to work together to eliminate high-cost duplication and provide the best regional care.

Based on my rural healthcare experience as a CEO and a surgeon, Maine is not positioned effectively to survive this legislation. I am here to serve with you as a partner for a healthy Maine. Please do not enact legislation that will collapse an already fragile ecosystem.