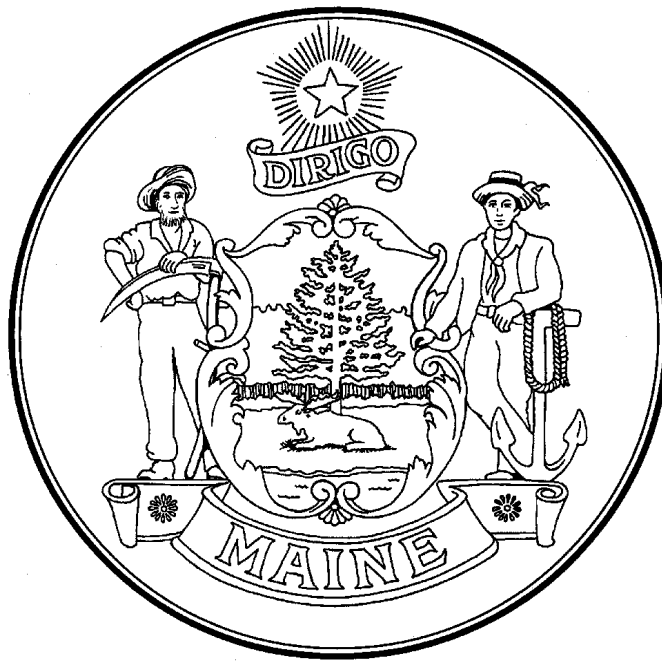


# MAINE STATE LEGISLATURE

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Date: 4/6/26

L.D. 2201  
(Filing No. H-98/)

**HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
132ND LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1480, 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"

Amend the bill in section 1 in c. 106 in §371 in subsection 2 in the last line (page 1, line 14 in L.D.) by inserting after the following: "18" the following: 'or a health care provider or provider organization that provides only dental services'

Amend the bill in section 1 in c. 106 in §371 by striking out all of subsection 6 (page 2, lines 1 to 4 in L.D.) and inserting the following:

**'6. Management services organization. "Management services organization" means any organization or entity owned or controlled by a private equity company or hedge fund that contracts with a health care provider or provider organization to perform management or administrative services relating to, supporting or facilitating the provision of health care services when the health care provider or provider organization is also owned or controlled by the same private equity company or hedge fund.'**

Amend the bill in section 1 in c. 106 in §371 by striking out all of subsection 10 (page 2, lines 18 and 19 in L.D.) and inserting the following:

**'10. Private equity company. "Private equity company" means an entity that collects capital investments from individuals or entities and purchases, as a parent entity or through another entity that the entity completely or partially owns or controls, a direct or indirect ownership share of a health care provider, provider organization or management services organization, except that "private equity company" does not include venture capital entities exclusively funding start-ups or other early-stage businesses.'**

Amend the bill in section 1 in c. 106 in §372 in subsection 1 by striking out all of paragraph C (page 3, lines 5 to 19 in L.D.) and inserting the following:

**COMMITTEE AMENDMENT**

1           'C. All the information provided by the submitter as part of the notice under this  
 2           subsection is public unless the submitter requests that the information be designated as  
 3           confidential and the department determines that it contains proprietary information, in  
 4           which case it is confidential. The department may not disclose confidential  
 5           information that is obtained under this chapter in relation to a material change  
 6           transaction, except that the department may exchange confidential information with  
 7           the Office of Affordable Health Care, established under Title 5, section 3122,  
 8           subsection 1, necessary for the office to exercise its authority under this chapter and  
 9           may disclose information in accordance with subsection 3, paragraph D. For purposes  
 10           of this section, "proprietary information" means information that is a trade secret or  
 11           production, commercial or financial information the disclosure of which would impair  
 12           the competitive position of the health care entity and would make available information  
 13           that is not otherwise public.'

14           Amend the bill in section 1 in c. 106 in §372 in subsection 2 by inserting after paragraph  
 15 C the following:

16           'D. The department shall review a proposed material change transaction under this  
 17           chapter concurrently with any review required pursuant to chapter 103-A.'

18           Amend the bill in section 1 in c. 106 in §372 in subsection 3 in paragraph B by striking  
 19 out all of subparagraph (7) (page 5, lines 4 and 5 in L.D.) and inserting the following:

20           '(7) The impact of a real estate sale or lease agreement on the financial condition  
 21           of the health care entity and its ability to maintain patient care operations, including  
 22           the impact of a sale and leaseback arrangement if the main campus of the health  
 23           care entity is leased from a real estate investment trust;'

24           Amend the bill in section 1 in c. 106 in §372 in subsection 3 in paragraph B by inserting  
 25 after subparagraph (9) the following:

26           '(10) The debt-to-equity ratio of the health care entity following the transaction.'

27           Amend the bill in section 1 in c. 106 in §372 in subsection 3 in paragraph B by  
 28 renumbering the subparagraphs to read consecutively.

29           Amend the bill in section 1 in c. 106 in §372 in subsection 3 by striking out all of  
 30 paragraph D (page 5, lines 33 to 42 in L.D.) and inserting the following:

31           'D. Proprietary information and documents obtained by the department and the Office  
 32           of Affordable Health Care under this chapter and the work product of the office is  
 33           confidential, except that the department and the office may disclose confidential  
 34           information or documents:

- 35           (1) With the consent of the party that produced the information or documents; or
- 36           (2) To an expert or consultant under contract with the State to review the proposed  
 37           material change transaction, as long as the expert or consultant maintains the  
 38           confidentiality of the information or documents in accordance with this paragraph.'

39           Amend the bill in section 1 in c. 106 in §372 by striking out all of subsection 6 (page  
 40 8, lines 30 to 44 in L.D.) and inserting the following:

41           '6. Assessment. The department shall adopt rules setting minimum and maximum  
 42           filing fees under this chapter. Initial fees may not be less than \$2,000 nor more than

1 \$10,000. In addition to rules regarding filing fees, the department shall adopt rules to  
 2 establish reasonable and necessary fees to carry out the provisions of this chapter. When  
 3 filing written notice pursuant to subsection 1, paragraph A, the health care entity shall pay  
 4 a nonrefundable filing fee pursuant to this subsection. All fees received by the department  
 5 under this subsection must be placed in a separate, nonlapsing account to be used in  
 6 accordance with this chapter. The department shall hold these funds in a special revenue  
 7 account that may be used only to support staff positions and other expenses necessary to  
 8 administer this section.

9 7. Exemption. Notwithstanding any other provision of this chapter to the contrary,  
 10 this section does not apply to an independent provider organization, without any ownership  
 11 or control entities, consisting of 6 or fewer individual providers that experience a material  
 12 change transaction.'

13 Amend the bill in section 1 in c. 106 in §373 in the first indented paragraph in the last  
 14 line (page 9, line 4 in L.D.) by striking out the following: "routine technical" and inserting  
 15 the following: 'major substantive'

16 Amend the bill in section 2 in §8710-A by striking out all of subsection 2 (page 9, lines  
 17 20 to 39 and page 10, lines 1 to 25 in L.D.) and inserting the following:

18 '2. Reporting of ownership and control of health care entities. A health care entity  
 19 shall report to the organization once no later than July 1, 2027 and subsequently upon the  
 20 completion of a material change transaction involving the health care entity in a form and  
 21 manner required by the organization the following information:

- 22 A. The legal name of the health care entity;
- 23 B. The business address of the health care entity;
- 24 C. Locations of operations of the health care entity;
- 25 D. The business identification numbers of the health care entity, as applicable,  
 26 including:
  - 27 (1) Taxpayer identification number;
  - 28 (2) National provider identifier;
  - 29 (3) Employer identification number; and
  - 30 (4) United States Department of Health and Human Services, Centers for Medicare  
 31 and Medicaid Services certification number;
- 32 E. The name and contact information of a representative of the health care entity;
- 33 F. A current organizational chart showing the business structure of the health care  
 34 entity, including affiliates and subsidiaries; and
- 35 G. For a health care entity that is a hospital:
  - 36 (1) The affiliated health care providers identified by name, license type, specialty,  
 37 national provider identifier and any other applicable identification number  
 38 described in paragraph D; the address of the principal practice location; and  
 39 whether the affiliated health care provider is employed or contracted by the health  
 40 care entity; and



1 2. It exempts material change transactions involving independent provider practices of  
2 6 or fewer individual providers from the review process.

3 3. It clarifies the definition of "management services organization" to provide that a  
4 management services organization subject to the requirements of the bill must be owned  
5 by a private equity company or hedge fund and provide contracted services to a health care  
6 provider or provider organization owned or controlled by the same private equity company  
7 or hedge fund.

8 4. It amends the definition of "private equity company" to be consistent with the  
9 definition used in similar laws in other states.

10 5. It provides that proprietary information provided to the Department of Health and  
11 Human Services and the Office of Affordable Health Care during the material change  
12 transaction review process is confidential and may be disclosed only if certain conditions  
13 are met.

14 6. It clarifies that the material change transaction review process is concurrent with any  
15 review required under the certificate of need laws.

16 7. It requires the comprehensive review process of a material change transaction to  
17 include consideration of the impact on the financial condition of a health care entity if the  
18 transaction involves a sale and leaseback of the main campus of the health care entity from  
19 a real estate investment trust and consideration of the health care entity's debt to equity  
20 ratio following the transaction.

21 8. It removes the assessment on health insurance carriers and doubles the range of filing  
22 fees authorized to be imposed by the department by rule on health care entities subject to  
23 the review process.

24 9. It designates any rules adopted to implement the provisions of the bill as major  
25 substantive and subject to legislative review and approval before final adoption.

26 10. It changes the reporting requirements for health care entities to the Maine Health  
27 Data Organization from an annual requirement to a one-time report no later than July 1,  
28 2027. It retains the requirement in the bill to require a report to be made subsequently upon  
29 completion of a material change transaction.

30 11. It eliminates certain reporting requirements, including requirements to report  
31 names, business addresses and tax identification numbers of certain persons with respect  
32 to a health care entity; requirements to report compensation of governing board members;  
33 and requirements to report payor mix information. It also limits the reporting of certain  
34 information about affiliated health care providers and health care facilities to hospitals only.

35 12. It provides that business identification numbers provided by a health care entity  
36 reporting to the Maine Health Data Organization are confidential if those numbers are not  
37 otherwise publicly available.

38 13. It expands the exemption from the reporting requirements for independent provider  
39 practices from practices with 5 or fewer providers to providers with 6 or fewer providers.

**FISCAL NOTE REQUIRED**

(See attached)



# 132nd MAINE LEGISLATURE

LD 2201

LR 3022(02)

**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**

**Fiscal Note for Bill as Amended by Committee Amendment "A" (H-981)  
Committee: Health Coverage, Insurance and Financial Services**

**Fiscal Note Required: Yes**

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## Fiscal Note

Minor cost increase - General Fund

### Fiscal Detail and Notes

Any additional costs to the Department of Health and Human Services and the Maine Health Data Organization to implement the provisions of this bill are expected to be minor and can be absorbed within existing budgeted resources.