



Office of Affordable Health Care

Advisory Council Meeting, March 5th, 2025



Agenda

- Overview of draft language for “An Act to Enhance Transparency and Value in Health Care Transactions”
- Feedback and Discussion



Bill Overview



Section-by-Section

Part A

- Limits the existing Certificate of Need review process for “Transfer of ownership; acquisition by lease, donation, transfer; acquisition of control” to only apply to nursing homes, since there are specific federal requirements for state review of the impact of transactions on nursing homes, in light of their heavy financing by Medicaid.
- Under the bill, CON will also continue to be required for acquisitions of major medical equipment, capital expenditures over \$10M, introduction of new health services, construction of new health facilities, changes in bed complement, and other capital expenditures by nursing homes.

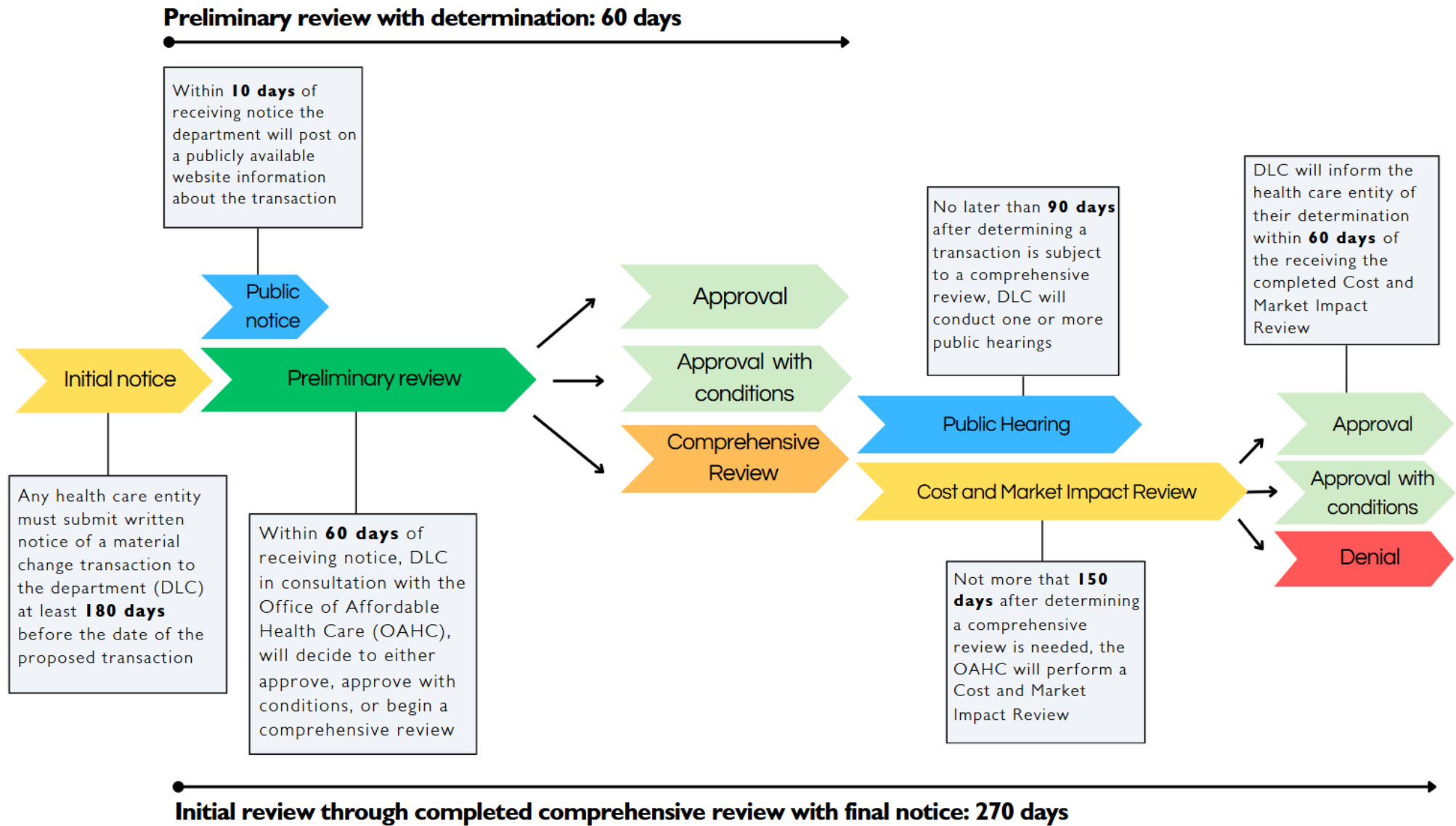
This section is intended to avoid duplication of processes, effectively exempting mergers and acquisitions from CON, since they would instead be reviewed as Material Change Transactions.

Section-by-Section

Part B

- Establishes a Material Change Transaction review process in the Division of Licensing and Certification within DHHS to review a wide range of transactions involving health care provider entities.
- Material Change Transaction (MCT) review is different from the existing CON process in two primary ways:
 - 1) A wider range of transactions are subject to review. CON only reviews the transfer of ownership or change of control of an entire health care facility. MCT would apply to health care “entities” including physician practices, which are frequently a target of private equity acquisition, particularly high-margin specialty practices. MCT would also apply to transactions below the entity level, e.g. major real estate sales, closure of essential services.
 - 2) MCT also allows the Department to consider a much wider range of factors in making a decision on approval of a transaction, including impacts on multiple dimensions of patient experience (cost, quality, accessibility), health equity, workforce conditions, and prior history of transactions by parties involved.
- Transactions subject to review may be selected for comprehensive review based on parameters in the statute or the Department’s judgement of potential impacts.

Timeline Overview – Material Change Transaction Review



Section-by-Section

Part C

- Requires health care entities (except small physician practices) to annually submit information to the Maine Health Data Organization about ownership/control and organizational structure.
- This data will allow OAHC and other stakeholders to better monitor and analyze transactions over time, as well as improving transparency into the organizational structures of health systems.



Feedback & Discussion

