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Bill seeks to curb corporate control of health care in Oregon

Rep. Ben Bowman said Oregon's laws haven't kept up with an accelerating trend in health care that many worry puts profits over patients



State Rep. Ben Bowman, at left, is drafting a bill for next year's session that would tighten a law that requires medical practices to be run by physicians. | COURTESY REP. BEN BOWMAN'S OFFICE.

by JAKE THOMAS PREMIUM

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As private equity and other large companies aggressively acquire medical practices, a state lawmaker said Oregon needs to act quickly to prevent patients from being squeezed by corporate profit-seeking.

State Rep. Ben Bowman, D-Tigard, told The Lund Report that he is drafting a bill for next year's

session that would tighten a law that requires medical practices to be run by physicians. His legislation comes in response to growing corporate investment in health care, a trend that's alarmed researchers and consumer advocates.

"We do not want a health care system where corporate profit motives are deciding what patient care looks like," said Bowman.

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REP. BEN BOWMAN

Nationally, the amount raised for private equity and corporate investment in primary care practices increased from \$15 million to \$16 billion between 2010 and 2021 — an increase of over 100,000%, according to [a January article](#) in the New England Journal of Medicine.

Backers of these deals argue they'll mean more efficient care for patients. However many [researchers](#) have sounded alarms that this investment is contributing to consolidation and hurting care while saddling doctors with bigger workloads and patients with heftier bills. A Kaiser Health News investigation [found that private equity firms](#) have cut care, pushed unnecessary procedures and raised prices to increase profits.

The full reach of private equity firms and deep-pocketed corporations into Oregon's health care system is unclear. A 2022 [study by an Oregon Health & Science University researcher](#) published in the Journal of the American Medical Association found

private equity had limited penetration in Oregon compared to Arizona, New Jersey and elsewhere.

Optum Health, a subsidiary of insurance giant UnitedHealth Group, [owns numerous clinics](#) in Oregon. One Medical, which was recently purchased by Amazon for nearly \$4 billion, operates five clinics in the Portland area.

Bowman said large corporations and private equity don't appear to have a large presence in Oregon compared to other states. But he said Oregon needs to update its laws to keep physicians in charge of medical practices.

"The longer you wait to regulate the industry, the harder and more painful it is for everybody involved," he said.

[Oregon law](#) requires licensed physicians to have majority control of professional corporations set up to practice medicine. Other [states have seen corporations](#) sidestep laws to keep doctors in charge of medical practice. Bowman said corporations can get around Oregon's requirements by setting up a limited liability company or a limited liability partnership.

Bowman said his bill would close the loophole while clamping down on the use of management services organizations, companies that physicians contract with to handle their practices' billing and other administrative work.

He said he understands why a physician would outsource burdensome administrative work, but he said that some contracts essentially hand over control of the medical practice to the company. His bill would require physicians to maintain control

over patient care even if they use management services organizations.

“It’s our job as a legislature to build firewalls to prevent corporate influence and private equity influence from impacting patient care,” he said.

His bill would ban management services organizations from using non-compete agreements with physicians or prohibiting them from speaking out about their practices. Additionally, it would require private hospitals and other providers to report owners or contracts with management services organizations.

Bowman is currently reaching out to hospitals, labor groups, insurance companies, advocacy groups and others to build support for the bill in preparation for the six-week legislative session that begins in February.

Courtnei Dresser, vice president of government relations for the Oregon Medical Association, told The Lund Report there is already a wide mix of ownership structures among health care companies. But she said her group shares Bowman’s goal of making sure physicians and patients stay in control of health care decisions.

“It’s a big conversation for a short session,” she said. “But I think it's an important conversation.”

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