

Health Care

Oregon lawmaker takes on corporate, PE ownership of medical practices



Rep. Ben Bowman, a Democrat, is taking on corporate ownership of medicine.

REP. BOWMAN



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As health insurance giants and private equity firms **scoop up primary care practices** across the U.S., an Oregon lawmaker is taking steps to curb corporate players from interfering with patient care.

Rep. Ben Bowman, a Democrat whose district includes Tigard and south Beaverton, plans to sponsor a bill in the 2024 short session that would close loopholes that allow certain kinds of medical practices to skirt corporate ownership laws.

“The data is very clear that patient outcomes are worse when private equity and large multinational corporations are running the show,” Bowman said in an interview Tuesday.

Bowman pointed to data showing that corporate investment in primary care rose 100,000% over the last 10 years to \$16 billion from \$15 million. While some corporate arrangements can lift the administrative burden from caregivers, corporations also bring profit-maximizing tactics to the practice of medicine, including staffing cuts, shorter appointments and over-billing, to the detriment of doctors and patients alike.

Oregon law has for decades banned the corporate practice of medicine and required that most owners and directors of a medical practice that is structured as a professional corporation be licensed physicians.

“We have a long tradition of protecting patients from corporate interests that are not bound by the same ethical standards as licensed providers,” Bowman told the Senate Committee on Health Care at an informational hearing last week. “The industry has changed faster than we’ve updated the protections, leaving our regulatory framework weakened or obsolete.”

Practices can get around the ownership requirements if they’re structured not as a professional corporation, but as a limited liability company or limited liability partnership. Bowman’s proposal would close that loophole to apply the law to LLCs and LLPs, joining states such as California and Texas that have more robust corporate practice of medicine laws.

Bowman would also like to rein in Management Services Organizations, which medical practices often contract with to handle administrative work, including hiring of nonprofessional staff, billing and collections.

But sometimes these MSOs gain substantial control of the professional corporation, even though they are not outright owners, according to health care researchers who prepared a detailed memo for Bowman on corporate investment in health care in Oregon.

Bowman is looking at requiring the physicians who own the medical practice to retain ownership over the assets and control of business operations and patient care and to ban the MSO contracting practice of forbidding doctors from selling their shares in a PC.

Optum, a subsidiary of insurer UnitedHealthcare, owns three primary care groups: Portland IPA and GreenField Health in Portland and Oregon Medical Group in Eugene. **One Medical, which is owned by Amazon, owns five practices in the Portland area.**

Other provisions Bowman is considering include a ban on non-compete agreements for staff doctors who leave their practice, as well as bans non-disclosure and non-disparagement clauses, freeing doctors to speak out about MSO practices they believe are questionable. Finally, his bill would mandate disclosure of ownership structures and contract relationships.

Courtnei Dresser, an in-house lobbyist at the Oregon Medical Association, said her group is still analyzing the proposal.

“Overall, the corporate practice of medicine doctrine is really valuable and important,” Dresser said. “As we see the industry change in the way it’s shaped and formed and the business model changing, we need to be 100% at the forefront.”

Bowman said he’s been meeting with various stakeholders.

“It’s about restoring transparency and trust in a sector that demands it and about taking action now in order to prevent actions that will be very hard to roll back if we don’t introduce a regulatory framework,” Bowman said. “I’m pretty confident the legislation will be broadly supported by a broad coalition.”