Oregon Consumer Justice
3055 NW Yeon Avenue, #1336
Portland, OR 97210
(503) 406-3311

Testimony Submitted by
Chris Coughlin, Policy Director
Oregon Consumer Justice
To the House Committee on Behavioral Health and Health Care

February 7, 2024

Regarding: Support for **HB 4130**

Chair Nosse, Vice-Chair Goodwin, Vice-Chair Nelson, and Members of the Committee,

For the record, my name is Chris Coughlin, and I appreciate the opportunity to testify on behalf of Oregon Consumer Justice today in support of **HB 4130**.

Oregon Consumer Justice (OCJ) is a nonprofit consumer advocacy organization committed to advancing a justice movement that puts people first through policy, community engagement, and the law. We believe all should be free to thrive and equitably share in our abundance of resources. For too long, flawed systems and economic policies that favor profits over people have stood in the way of this reality, with communities of color most often experiencing the most significant harm. Strengthened through responsive and reciprocal community relationships, OCJ is building a future where financial and business transactions can be relied upon as safe and where all Oregonians know and have recourse to exercise their consumer rights.

Oregonians are contending with the rising cost of healthcare services, a complex landscape for health insurance coverage, and an increase in the concentration of healthcare services among a few corporate providers. These pressures create an environment whereby access to healthcare services is reduced within the communities that need it the most.

Oregon Consumer Justice urges your support of **House Bill 4130**, Strengthening Oregon's Corporate Practice of Medicine (CPM) Law. This legislation will prevent corporations from taking over the practice of healthcare services by buying out physicians and other healthcare professionals. This bill provides a framework that will increase Oregonians' trust in their healthcare providers, reduce the burden and cost of medical care, and ensure competition in the healthcare sector.

Corporations, including insurance companies, private equity investors, and retailers, are investing in primary care at unprecedented levels. In the last ten years, investment rose 100,000% from $15 million annually to $16 billion. Corporate interests bring profit-maximizing tactics to primary care, including: surprise billing, staffing cuts, shorter patient appointments, undertreating health conditions, overprescribing medications, and overbilling practices.

A CPM ban will boost Oregonians' confidence that, when they are consulting their healthcare providers, they are getting healthcare services that serve their best interests. This doctrine has been upheld by the courts, and it is generally considered to be settled law. In recent years, there have been some challenges related to the ways in which this legal concept is enforced in our state. Further, corporations have increased their reach into the healthcare sector, finding ways to grow private equity and the influence of corporate interests on healthcare services offered throughout the state.

CPM is the structure under which corporations gain the majority stake in medical or other healthcare practices. Consequently, they direct patient care with a profit-making mindset, rather than a patient-centered approach. This structure is problematic in the following ways:

- It leads to an increase in healthcare costs, negatively impacting Oregon consumers. Between 2013 and 2021, the average cost of healthcare services per person increased from $5,663 to $7,956.
- It delays access to needed healthcare services, with recent data showing 7% of healthcare consumers in Oregon delaying access to healthcare services due to costs.

- Private equity firms are increasingly acquiring healthcare practices and hospitals. Practices that are acquired have higher rates of adverse outcomes across many practice areas, including but not limited to, diabetes care, cancer treatment, and behavioral health.
- It exacerbates medical consumer debt, as a smaller share of medical expenses is covered by insurance. Family insurance premiums rose from $15,856 in 2013 to $20,916 in 2021, while the portion of expenses covered remained the same at 27%.
- It increases the rate of bankruptcy and foreclosures. Twenty-four percent of medical consumers in Oregon are unable to pay their past-due medical bills.
- It stifles competition in the healthcare industry by creating large healthcare conglomerates and a monopoly in the healthcare sector.

With your support of this bill, you will help create a professional and legal landscape in which Oregon consumers are able to trust their healthcare institutions. Further, consumers can rest assured that their healthcare providers are motivated by the will to increase health and healthcare access in the state rather than a desire to profit off of Oregonian's expenditures on essential services.

We urge your support of **HB 4130**, strengthening the prohibition on the corporate practice of medicine in the state. By strengthening and expanding Oregon's corporate practice of medicine ban laws, HB 4130 paves a pathway to protect Oregon consumers from CPM.

Thank you for this opportunity to submit testimony and for your service to Oregon's communities.