

Honorable Members of the Senate Committee on Healthcare,

I am writing to provide my full support on HB 4130, which is a matter of critical importance to the healthcare industry and the well-being of citizens: curtailing the corporate practice of medicine. As an independent double board-certified dermatopathologist (practicing both dermatology and pathology), I am deeply committed to upholding ethical standards and ensuring the highest quality of care for patients and, therefore, urge you to consider the risks and harms associated with allowing corporations to make decisions about healthcare.

The corporate practice of medicine refers to the involvement of majority-owner, non-medical corporations in making healthcare decisions (either directly or indirectly), including decisions about patient care, staffing, medical treatment protocols, and physician employment. This practice poses significant risks to patient safety, healthcare quality, and the integrity of medical practice.

One of the primary concerns with the corporate practice of medicine is the potential for conflicts of interest. When corporations, whose primary goal is profit maximization, are involved in healthcare decision-making, there is a high risk that financial considerations will take precedence over patient welfare. This will lead to decisions that prioritize cost-cutting measures or revenue generation over the best interests of patients, compromising the quality and safety of care.

Furthermore, the corporate practice of medicine can erode the autonomy and professional judgment of healthcare providers. Physicians and other healthcare professionals should be able to make clinical decisions based on their medical expertise, training, and the individual needs of their patients. When corporations exert influence over medical decision-making, healthcare providers may face pressure to adhere to corporate protocols or policies that may not always align with best practices or patient-centered care.

Moreover, allowing corporations to control healthcare delivery can have detrimental effects on access to care, particularly in underserved communities. Corporate entities employ profit-driven strategies that may prohibit providing essential services to vulnerable populations. This can exacerbate existing healthcare disparities and limit access to critical healthcare services for those who need them most.

In addition to these ethical and practical concerns, the corporate practice of medicine raises legal and regulatory issues. Many states have laws and regulations in place to restrict or prohibit the corporate practice of medicine, recognizing the potential risks to patient safety and the integrity of medical practice. Allowing corporations to bypass these

safeguards undermines the regulatory framework designed to protect patients and uphold professional standards in healthcare delivery.

Unfortunately, in my field, I frequently witness the repercussions of corporate ownership of medical practices. These include instances of missed or inaccurate diagnoses, subpar standards of care, and limited access to specialists. Notably, the field of dermatology was among the first to be impacted by the infiltration of private equity corporations.

Consequently, there has been a reduction in access to vital medical dermatology services provided by physicians, as these services are often less profitable. Instead, corporate-owned entities prioritize cosmetic procedures, reduce the time allocated to medical dermatology appointments, perform unnecessary procedures, or impede access to physician-led care. My personal experience working for a large dermatology group that transitioned to private equity ownership exposed me to this inadequate level of care, prompting me to establish my independent practice. It's worth noting that any private practice dermatology group opposing HB 4130 likely has private equity backing upon closer examination. In essence, any opposition from private practice groups (from any specialty) either stems from a lack of comprehension regarding the bill's content or arises due to financial conflicts of interest.

In conclusion, the corporate practice of medicine poses significant risks and harms to patients, healthcare providers, and the integrity of medical practice. It undermines the ethical principles of medicine, threatens patient safety, and compromises access to quality care. Therefore, I urge you to take decisive action to safeguard the practice of medicine from corporate influence and ensure that healthcare decisions remain in the hands of qualified healthcare professionals who are dedicated to upholding the highest standards of patient care.

Sincerely,

Michelle C. Hure, MD, MS

Founder/CEO Orange County SkinLab