Chairman Patterson, Members of the Committee

I am in support of HB 4130. I am a practicing anesthesiologist. In my career I have witnessed the impact of private equity on physician in medicine. The impacts have been well documents in peer reviewed literature and the press.

Last year JAMA published a study that looked Hospital Outcomes following Private Equity Acquisition (*JAMA*. 2023;330(24):2365-2375. doi:10.1001/jama.2023.23147)

Their results were frightening, " *Hospital-acquired adverse events (or conditions) were observed within 10 091 hospitalizations.* ***After private equity acquisition, Medicare beneficiaries admitted to private equity hospitals experienced a 25.4% increase in hospital-acquired conditions compared with those treated at control hospitals*** *(4.6 [95% CI, 2.0-7.2] additional hospital-acquired conditions per 10 000 hospitalizations, P = .004). This increase in hospital-acquired conditions was driven by a 27.3% increase in falls (P = .02) and a 37.7% increase in central line–associated bloodstream infections (P = .04) at private equity hospitals, despite placing 16.2% fewer central lines.* ***Surgical site infections doubled from 10.8 to 21.6 per 10 000 hospitalizations at private equity hospitals despite an 8.1% reduction in surgical volume****; meanwhile, such infections decreased at control hospitals, though statistical precision of the between-group comparison was limited by the smaller sample size of surgical hospitalizations. Compared with Medicare beneficiaries treated at control hospitals, those treated at private equity hospitals were modestly younger, less likely to be dually eligible for Medicare and Medicaid, and more often transferred to other acute care hospitals after shorter lengths of stay. In-hospital mortality (n = 162 652 in the population or 3.4% on average) decreased slightly at private equity hospitals compared with the control hospitals; there was no differential change in mortality by 30 days after hospital discharge."*

It's important to note two things here. First, objective patient outcomes were worse, and these entities appeared to reduce the amount care provided as noted the reduced surgical volumes and the facilities seemed to "cherry pick" healthy, better paying patients. Less Medicaid patients, younger patients, its shows a pattern of financial practices harm that has been the subject of an FTC investigation against USAP. The Washington Post recently did an in depth look at USAP's business practices in Colorado. "Financiers bought up anesthesia practices, then raised prices."

"The company raised prices for its services — one by nearly 30 percent in its first year in Colorado — and continued raising them for several years, according to interviews and confidential company documents obtained by The Washington Post. The price hikes boosted patient bills and pushed up insurance rates, former company physicians and managers said. Eventually, some of the

company's own doctors became disillusioned, physicians said, with about 1 in 3 leaving the company over a three-year period."

The cost to consumers was staggering. Additionally, they left a wake of destroyed practices. I have colleagues who were part of the diaspora that resulted. The physician employment situation left behind was highly undesirable. Intense production pressure, poorly managed human resources, many just left the market.

Private equity is now beginning to make its entry to Oregon healthcare. A significant component of the failure in the above situations comes down to ceding operational control to non-healthcare entities. HB 4130 will help assure physicians aren't completely cut out of decision making. Outside investment will still be welcomed, but with caveats. It may make it less attractive, but the big attraction of private equity investment in healthcare is moving money out of the healthcare system to investors. This is the wrong way to be moving financial resources in our healthcare system.

Please support HB 4130.

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