February 26, 2024

Hon. Deborah L. Patterson Senator Chair, Senate Committee on Health Care 900 Court Street NE Suite 411 Salem, Oregon 97301

RE: Testimony HB 4130

Dear Senator Patterson:

The Radiology Business Management Association (RBMA) is an industry-leading organization comprised of nearly 2,000 professionals who focus on the business of radiology. RBMA members support diagnostic imaging, interventional radiology and radiation oncology providers in the full spectrum of practice settings. RBMA connects members nationwide to valuable information, education, and practice-related resources and serves as an authoritative industry voice on behalf of shared member interests.

The RBMA and physician radiology practices across the state are just now becoming aware of HB 4130 and the legislation's potential for significant negative consequences for patient care and access. While we understand the intent of the legislation and those physician groups who support the goals, we worry that without amendment, the implications could actually accelerate consolidation and strip some independent practices of their ability to operate. Without appropriate changes to address physicians who currently rely on MSO agreements and have ultimate control over clinical decisions, this bill would silence non-employed and independent physician input in the management of healthcare facilities. The bill removes independent physicians from Managed Services Organizations (MSO) boards, even in instances where they are not being compensated as directors.

As written, this bill would directly result in significant and potentially rapid consolidation toward hospitals (which are exempt). This legislation will reduce patient access to already difficult-to-attain vital healthcare services performed in a community setting—services that are often offered more quickly and at a lower cost than by larger integrated health systems. Further, removing the ecosystem of independent, out-patient health care that requires external referrals will undercut one of the last truly independent models for the physicians that radiologists work with, including oncology, radiology, orthopedic surgeons and other specialties.

Management partnerships, when executed correctly, facilitate the viability of independent practice, at a time when non-employed radiologists and independent practices are dramatically decreasing. This legislation limits partnership opportunities for small groups that often need help sourcing multimillion-dollar MRI and CT machines or hiring front office staff. These groups, which cannot legally self-refer, wish to maintain their independence from employment models used by hospitals and other entities. HB 4130, however, a newly introduced bill that still includes a number of problematic provisions, eliminates the ability for them to maintain this independence.

Further, regardless of the "7- year compliance window," the bill will directly result in the devaluation of these independent practices through a lack of partnership opportunities and access to necessary capital—thus accelerating consolidation to hospitals and employed settings. Physicians will be required to sell practices or assets, and in the course of that sale be subject to potential restrictions through the Oregon Health Care Merger Oversight program, meaning the last independent radiologists will be left with almost no options for maintaining the practices they've built and operated ethically for years.

We encourage the committee to listen to in-state radiology practices and radiologists that are just learning that they are directly and very negatively impacted by this bill. The changes proposed in HB 4130 will produce irreparable harm to their practices and limit patient access to high-quality, life-saving imaging services.

It is important to note that no examples of corporate practice of medicine have been provided regarding radiology practices in Oregon. We urge careful reconsideration of HB 4130's implications on the radiology sector.

Thank you for the opportunity to provide comments on this critical issue and if you have questions, please feel free to reach out to me at bob.still@rbma.org.

Sincerely

Robert T. Still

Executive Director