Chair Sen. Lieber and members of Senate Rules Committee,

My name is Tony Germann. I am a rural family doctor and clinic medical director. I also currently serve on the Oregon Health Policy Board. My comments today represent my personal beliefs but are supported by the insight I have working in these arenas.

I would like to emphasize this is not a controversial bill despite the recent hearings and pressure from opposition of this legislation, which is minimal according to testimony submitted on OLIS. The overwhelming submissions are in support. The merits of the prohibition of the corporate practice of medicine date back many decades and for clear reasons. Clinical providers should maintain decision making that is evidenced based and supported by their training, not influenced by entities with maligned incentives of profit maximization. The shareholders, I am accountable to, are our mothers, fathers, daughters, family members and friends. I must ensure they return home in good health. However, in the healthcare landscape, we are finding this is not the shared goal of many companies entering the market. We must support the practice of medicine and safeguard the integrity of the relationship between patient and provider. The delivery of care must not be influenced by outside entities that leverage their market power in the interest of making more profits. Contracts are being manipulated, leading to pressure on decisions in the clinic that leaves our communities less safe. HB4130 provides a corrective course to bring back agency to health providers allowing them to practice medicine as they were trained.

Let's be clear on what this bill does. It still allows private equity and management service organizations to help support practices. Yet it defines the majority say in those contracts should be by health providers. It's ok to play a monopoly board game for fun at home with the family but if we allow this practice of market power to happen in health care there are consequences. Let's set rules that are helpful to patients and society. This bill reinforces laws that allow providers to practice medicine and not be restricted in decision making for purposes of profit maximization.

Professional boards are being stripped of their ability to authorize someone to practice medicine in our state. I don't believe corporate entities should license the practice of medicine. We don't let just anyone perform surgery, intubate a patient, or write for insulin. Yet, behind the scenes decisions are being made that influence these practices.

Oregon has become part of an accelerating national trend in private equity ownership of medical clinics across this country. The research is clear that the corporatization of medical practices leads to worse patient outcomes, higher costs, and less physician independence.

Corporate practice of medicine (CPOM) laws have existed for decades. These laws are based on the understanding that there is an intrinsic conflict between a physician's professional obligations of care to their patients and the profit-oriented obligations of corporations to maximize returns to their shareholders.

HB 4130 also limits corporate owners from enforcing non-compete/non-disclosure agreements and non-disparagement clauses for specific providers. These are increasingly common practices that leave doctors handcuffed and unable to speak out about harmful conditions or start their own independent practice. These practices have already forced some doctors to move out of Oregon.

Cutting corners is not an ideal way to practice medicine. Yet these tactics are becoming more clear in medicine from private corporations and private equity. If the model is to deliver short term financial goals, the methods by which this is accomplished is important. Research demonstrates practicing medicine in this manner leads to poorer health outcomes. When we permit the ownership to be composed of investors focused on more quick turnarounds to sell a practice rather than ensuring the makeup of that ownership is clinical providers, we forgo the normal checks and balances to ensure good clinical care is delivered. Providers trained in medicine should be leading these decisions. Instead we find in research, these practices of cutting corners leads to reductions in staffing, employing personnel with less training to perform skilled jobs, shorter appointments, eliminating care that is not profitable and we find pressure to do more unnecessary procedures. Making healthcare affordable and more efficient should be our goal. Not creating more work with less time to do it in and with less trained staff and resources.

The topic of healthcare provider burnout and moral injury is entirely relevant to this conversation. We need more primary care providers. The threat of providers leaving medicine is sobering. We already struggle recruiting providers to a rural practice like mine. Imagine if we allow more and more practices to become gobbled up. More providers will steer away from practices owned by companies that push them into unsafe scenarios with shorter times to see patients with less support staff.

I urge your support of HB4130.

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