

March 4, 2024

To the Senate Committee on Rules-

American Federation of Teachers Oregon is submitting testimony in support of House Bill 4130. Our members are education workers across the state, from college faculty to K12 classified staff to graduate student researchers, we perform a myriad of critical roles in this state. This includes educating and training the next generation of healthcare workers through the university, community college, and K12 systems. It is imperative that we not only provide skilled workforce but create social conditions for them to succeed in their careers. That is why HB 4130 is so important to us – it will ensure working conditions for graduates are kept out of private equity shareholder dynamics and remain well within healthcare best practices. This bill will strengthen Oregon’s corporate practice of medicine doctrine. We hope you will support this important bill to improve Oregon’s health care system.

Corporate practice of medicine (CPOM) laws have existed for decades in most states, from California to Texas to New York, prohibiting medical practices from being owned by anyone other than a licensed physician or medical professional. 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 closes loopholes in Oregon’s CPOM doctrine, blocking corporations or private equity investors from owning or indirectly controlling medical practices and the decisions of healthcare providers. 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 medical providers 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.

This bill is a modest step toward ensuring patients—not corporate profits—come first. The data is clear that patients and providers suffer when private equity takes control of these clinics. Our members know firsthand the repercussions when unrestricted corporatization and monopolization take over education settings that it is worse for workers and students. The same applies in healthcare.

The corporatization of healthcare is well underway and without moving this bill forward, you will be acting by inaction. We know that local physicians are better suited to control the practice of medicine than out-of-state equity investors. This bill is urgently needed to protect patients, physicians, and all Oregonians.

We urge your support of HB4130.

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