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# Guest column: Bill threatens independent physicians in Oregon

BY DIVYA SHARMA  
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## Editor's Note

Do you have a point you'd like to make or an issue you feel strongly about? Submit a letter to the editor or a guest column.

In Oregon and throughout the country, hospitals are swallowing up independent physician practices. Now, the state legislature is considering a bill that could be “lights out” for independent doctors.

That would be disastrous for patients and the healthcare system.

At issue is Senate Bill 951, a bill that would effectively bar independent physician practices from partnering with management services organizations — entities that provide financial, administrative, and technological support to practices so physicians can focus on delivering care.

The bill's proponents claim they're trying to arrest the corporatization of medicine. But hospitals, health systems, and vertically integrated insurers are the ones consolidating the healthcare marketplace. Between 2019 and 2024, hospitals acquired 7,600 physician practices.



In Bend, hospital groups have acquired all the previously independent orthopedics groups. In the Eugene area, a hospital network has snapped up an independent surgery practice and an independent pulmonology practice within the past two years.

Powerful forces underlie this shift. Medicare reimburses hospitals at higher rates than independent physicians for performing the same procedures and tests. For colonoscopies, mammograms, and blood tests, Medicare pays hospitals at least two times what doctors in private practice receive.

Further, Medicare reimbursement for physicians has plummeted 33% since 2001 after adjusting for inflation, even as the cost of operating a practice has increased.

Hospitals have capitalized on their structural payment advantage by buying up physician practices. Patients and payers — including the state's Medicaid program — will face higher costs because of the pricing power these networks wield.

Some physicians do not want to work for large health systems. They'd prefer to remain independent. Partnering with a management services organization can allow them to resist this wave of hospital-driven consolidation.

MSOs provide the capital physicians need to invest in the latest technology, recruit and retain top-notch clinicians, build new clinics, and improve quality of care.

One independent dermatology group in Oregon has leveraged the support of its MSO to launch a clinical trial center that provides free medications to patients with orphan diseases that lack FDA-approved treatments, those who have failed conventional therapy, and those who are uninsured. These meds would normally cost \$40,000 to \$80,000 per year per patient.

Even independent physicians who do not partner with MSOs — like me — have an interest in preserving the ability of our colleagues to do so. I run a small primary care practice in Bend committed to providing high-quality, low-cost care to all people in my community.

The only way practices like mine can remain viable is by participating in alternative payment model programs created by health plans and state and federal governments. These models focus on moving patients from high-cost to low-cost sites of care while maintaining quality.

If I coordinate low-cost, high-quality care for my patients, I receive a portion of the savings realized by payers. These shared savings provide the revenue I need to keep my practice open.



It's therefore vital to my practice that there be a healthy ecosystem of low-cost, high-quality independent specialty practices to which I can refer patients. Every time my patients have to get specialty care at the higher-cost hospital, it risks my ability to participate in these value-based care delivery models.

Over the last several years, Summit Health has expanded specialty services greatly, with the support of its MSO. Without that expansion, I would have to send my patients to the higher-cost, consolidated hospital system in my area.

S.B. 951 entrenches the hospital behemoths that dominate Oregon's healthcare market and puts my practice's survival at risk. We deserve better and my patients deserve better. Our legislators must turn back this bill — and preserve the ability of physicians to remain independent.

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