



MEMORANDUM

To: Sen. Prozanski, Chair, Senate Committee on Judiciary
Sen. Thatcher, Vice Chair, Senate Committee on Judiciary
Sen. Broadman, Senate Committee on Judiciary
Sen. Gelser Blouin, Senate Committee on Judiciary
Sen. Manning, Senate Committee on Judiciary
Sen. McLane, Senate Committee on Judiciary

From: Mark Bonanno, General Counsel and Vice President of Health Policy

Date: February 12, 2025

Re: OMA Comments on SB 957

The Oregon Medical Association (OMA) engages in advocacy, policy, and community for over 7,000 physicians, physician associates, and medical and PA students in Oregon. The association serves and supports members in their efforts to practice medicine better, improve the health of Oregonians and provide the best care for their patients.

We appreciate the opportunity to provide testimony regarding Senate Bill 957. The OMA supports the concept of reducing the widespread use of noncompete clauses in employment agreements by employers in healthcare settings that seek to impose and enforce them against front line practicing clinicians such as our members who are physicians and physician associates.

Our understanding is that SB 957 would create a policy against the use of all noncompetition agreements—not just in the employment context—sought to be imposed against licensees of the Oregon Medical Board. There is an exception that would allow the use of noncompetes in a business entity for licensees that provide direct patient care and have a five percent or more ownership of the business entity.

We do think it is important to understand and work through the differences between restrictive covenants in employment agreements compared to their use in business agreements such as ownership agreements or purchase and sale agreements where they can serve a legitimate business purpose.

We also would want to ensure that including a restriction in Oregon law against the use of noncompetes for medical board licensees creates a level playing field for all business entities and licensees whether the licensee works in a medical clinic or hospital.

Finally, part of the conversation should include discussion about whether an exception to the rule against noncompetes for licensees might be needed when there is a clearly identified protectable interest such as a significant investment in the training of a licensee to develop unique clinical skills. We would want to see continued investment in our healthcare workforce in order to advance medical research and the development of new treatments.

Thank you for your time and if you have questions, please let us know.

The Oregon Medical Association (OMA) is the state's largest professional organization engaging in advocacy, policy, community-building, and networking opportunities for Oregon's physicians, physician associates medical students, and physician assistant students. The OMA's members speak with one voice as they advocate for policies that improve access to quality patient care, reduce administrative burdens on medical professionals, and improve the health of all Oregonians. Additional information can be found at www.theOMA.org.