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February 28, 2025

The Honorable Laurie Monnes Anderson  
Chair, Senate Committee on Health Care

The Honorable Dennis Linthicum  
Vice-Chair, Senate Committee on Health Care

Dear Chair Anderson and Vice-Chair Linthicum,

On behalf of the American Academy of Emergency Medicine (AAEM) and our 9,000 members across the country, we would like to offer our strong support for SB 951 which prohibits the corporate practice of medicine, ensuring that physicians remain in charge of a patient's healthcare and prohibits non-compete clauses for medical professionals.

The specialty of emergency medicine (EM) represents one of the most important aspects of the American health care system. However, the corporate practice of medicine threatens the integrity of the specialty, the career satisfaction and longevity of its practitioners, and ultimately the quality of care delivered to emergency patients. The prohibition on the corporate practice of medicine is intended to prevent non-physicians from interfering with or influencing the physician's professional judgment. In other words, this bill will keep the business interest out of the patient-physician relationship. In emergency medicine, the need for these controls is heightened as we encounter vulnerable patients who may not have adequate health care coverage. Your bill prohibits many harmful practices. The bill maintains the physician's role in making decisions regarding a patient's diagnostic coding decisions, the treatment of the patient, or billing and collection policies. The bill also prohibits non-physicians from implementing staffing policies in the hospital setting including, hiring, termination, and staffing levels. These prohibitions ensure that physicians make the best decisions for their patients.

The ban on the corporate practice of medicine, which your bill achieves, is so important that the American Medical Association (AMA) itself has clearly stated its opposition to attempts to preempt laws prohibiting it, "the AMA vigorously opposes any effort to pass federal legislation preempting state laws prohibiting the corporate practice of medicine."<sup>1</sup>

The bill prohibits restrictive covenants, also known as non-compete clauses. Some contract holders and hospital administrators control emergency physicians through exploitative contractual provisions. These provisions include restrictive covenants that control where emergency physicians may work upon contract termination, violating their professional rights and effectively preventing them from advocating for their patients. The threat of termination from a hospital medical staff, as well as a restrictive covenant, may prevent physicians from advocating for their patients if the hospital or contract holder opposes such

<sup>1</sup> American Medical Association, (Res. 247, A-91) <https://www.ama-assn.org/system/files/i23-ppps-resolution-1.pdf>



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advocacy. AAEM unequivocally opposes non-compete clauses for the following reasons:

1. when emergency physicians move to another hospital, they do not take patients with them,
2. emergency physicians almost never learn “trade secrets” from contract-holders,
3. emergency physicians do not have referral lists to take to another hospital,
4. as hospital-based physicians, emergency physicians learn how to practice during their residencies, and do not learn office-management from employers,
5. in emergency medicine, contract-holders almost always use restrictive covenants for the illegitimate purpose of restricting competition, and
6. contract-holders use restrictive covenants as a means of controlling and exploiting emergency physicians and effectively prevent emergency physicians from advocating for their patients.

We thank you for introducing this legislation. By prohibiting the corporate practice of medicine in Oregon, SB 951 will empower Oregon’s physicians to better serve their patients. We urge a favorable report.

Sincerely,

Robert Frolichstein, MD FAAEM