

My name is Fritz Stephens-Tiley. I live in Sweet Home Oregon and urge you to pass SB 951 out of committee.

In any publicly traded company the primary responsibility of executives is to maximize shareholder value. For example, the CEO of United Health Group (UHG) has what is called a fiduciary responsibility to the shareholders and can be the focus of legal action by shareholders if they do not do everything they can to maximize the value of company stock.

Companies like Optum MSO, a subsidiary of UHG, state they are experts at running such operations and will provide expertise in cost containment, revenue cycle, and staffing. They tell physicians they will take care of the operation so the providers can focus on quality patient care. What happens is the complete opposite.

In 2020 the Oregon Medical Group (OMG) and Optum MSO closed a deal whereby Optum would act as the Management Services Organization (MSO) for the OMG. Like other deals Optum has made, this gave them complete control over the operation of the medical group.

A March 27, 2024 article in the Oregonian detailed the significant issues that the Optum MSO agreement with OMG has created for the Eugene area patients under their care. A significant number of physicians (32 per the article) made the decision to leave the OMG for various reasons. This exodus of physicians resulted in Optum sending letters to Per the article, Dr. Nick Jones said "...life under Optum was a frustrating mix of bureaucratic paperwork and unrelenting pressure to produce. He had more than 2,800 patients. On top of that, Optum began offloading billing and code entry work onto physicians after the buyout, Jones said, a practice he thought was "a waste of our time." "It was about money," Jones said. "You had this absurd quota of patients."

The argument Optum makes as they continue to create similar deals across the country is they are the experts and their business model, "vertical integration", will save money. Vertical integration is when an organization controls all levels and aspects of an industry. In the case of UHG, they operate medical clinics through Optum MOS, therapeutic medications through their Pharmacy Benefit Manager Optum RX, insurance through United Health Care, and the electronic interchange of healthcare claims through Change Healthcare. This consolidation of control leaves only one inevitable result, lack of accountability and a degradation of quality medical care. The primary focus of all of these subsidiaries of this behemoth of a publicly traded company is to make money not provide care for patients. The end result is UHG views all of us as a commodity and they will continue to do anything they can to protect their business model.

The primary responsibility of any CEO is to maximize shareholder value. Companies such as UHG and all its subsidiaries have one primary goal, make money. In the case of Optum, the OMG fiasco is only one of many and creates an environment where people with an MBA are making healthcare policy decisions not licensed medical providers. I urge you to support SB 951 and vote it out of committee.