

Oregon Independent Medical Coalition Supports SB 951

Chair Patterson, Vice Chair Hayden and Members of the Senate Health Committee,

The Oregon Independent Medical Coalition (OIMC) writes to offer its support of SB 951 and the forthcoming amendment. The OIMC represents a diverse group of independent health clinics that wish to remain independent. While the coalition membership is diverse in many ways, including in their individual positions on this bill, all of our members face the same challenges that have caused other clinics to sell or seek other partnerships.

As an organization, the Oregon Independent Medical Coalition recognizes and supports SB 951 as an incomplete solution to the issue of corporatized medicine. Oregon's corporate practice of medicine (CPOM) law, effective since 1947, aims to protect patients and medical providers from undue corporate influence in medical decision-making. Nevertheless, this law has been inconsistently enforced, allowing large health systems, HMOs, hospital corporations, and occasionally private equity investors to exert control over independent medical groups, which it is intended to safeguard.

Large physician employers have consolidated independent medical groups into their networks, asserting that they provide savings for payers. However, this has increased costs by exploiting facility fees and site-of-service differentials that favor large health systems and hospitals, leaving independent practitioners struggling to make ends meet. **Independent groups serve the same communities as their larger competitors at a lower cost, but they lack many of the benefits offered to other systems.** This uneven playing field makes it even harder for independent clinics to compete with these large systems and corporations, often forcing them to sell or seek alternative partnerships with outside investment groups.

SB951 addresses part of the problem by closing a loophole used by private investment companies to gain control over medical practice. Notably, this bill does not address hospital system consolidations, which are a major cause of clinics losing their independence.

Still, SB 951 and reforming Oregon's CPOM law is vital to preserving a verdant, thriving local healthcare ecosystem. Additionally, more must be done to ensure the health of independent medicine.

We also appreciate that SB 951 and the upcoming amendment aim to reduce restrictive contracts, such as non-competes, in a manner that balances protecting a clinic's investment in hiring a new staff physician with ensuring that the wider community has access to providers who may wish to leave a practice or hospital system.

Finally, OIMC would like to thank Leader Bowman for his efforts on this issue, including the strong workgroup he convened in the interim. Leader Bowman and his staff remain available to discuss this bill, the upcoming amendments, and the additional challenges that independent clinics face. We appreciate his leadership and the work he and his dedicated staff have done.

Respectfully,
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Co Chairs- Oregon Independent Medical Coalition

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