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# Revamped Oregon effort to curb corporate medicine faces first test

An earlier push stalled in the face of national opposition from private equity and corporate interests, but sponsors say tweaks to the bill give them hope



Oregon House Speaker Julie Fahey (left) and Majority Leader Ben Bowman during a press availability in January 2025. | JAKE THOMAS/THE LUND REPORT

by JAKE THOMAS | THE LUND REPORT PREMIUM

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A <u>new legislative push</u> to limit corporations from interfering with <u>medical care</u> faces its first test next week, and the Oregon

lawmakers behind it are optimistic that tweaks to the bill will help it win approval.

The Oregon Senate Health Care Committee is scheduled on Tuesday to hear <u>Senate Bill 951</u>, which is intended to put guardrails on how private equity and large corporations influence patient care in their push to extract profits. Growing corporate ownership has lawmakers and others alarmed about physician independence and reduced patient choice.

The bill is the second attempt by Oregon House Majority Leader Ben Bowman after an <u>earlier measure stalled</u> unexpectedly in the Senate last year. The Tigard Democrat told The Lund Report that since then he's met with hundreds of people representing medical and other interests individually and as part of an informal work group to make improvements to the bill.

The result would prohibit independent medical practices from giving up control to outside companies that offer investments and relief from burdensome administrative work. It would also make employment agreements that keep providers from working at competitors enforceable, except for those signed by professionals who own at least 10% of a practice.

State Rep. Cyrus Javadi, a Tillamook Republican and bill co-sponsor, told The Lund Report there's been more time to clear up that the bill

does not seek to ban private equity in health care or prevent practices from contracting out administrative work.

"We really want true competition in the market. Not shadow corporations behind the scenes with lots of practices that look like there's competition."

STATE REP. CYRUS JAVADI, R-TILLAMOOK

After extensive meetings and revisions to the bill, organizations and companies that were previously neutral are now supportive Bowman said, and some opponents are now neutral.

"But I'm not naive," he added. "We will definitely receive significant opposition."

Jim Ashby, CEO of Community Care Partners, told The Lund Report in an email that his company, which operates primary and urgent care clinics, remains opposed to the legislation despite Bowman's tweaks.

"If the objective is to foster better access, lower costs and deliver higher quality care, then this is not the way to go because it will force more independents to either close or become part of hospital systems leading to the opposite of the intent of the bill," he wrote.

## New bill focuses on clinic management companies

Bowman and Javadi said the bill will not halt larger economic forces that are driving consolidation in health care. But they said the bill seeks to foster independent medical practices and a diverse health care marketplace.

"We really want true competition in the market," said Javadi. "Not shadow corporations behind the scenes with lots of practices that look like there's competition."



JAKE THOMAS/THE LUND REPORT

State Rep. Cyrus Javadi (left) speaks during a legislative hearing in 2023.

Large corporations have vacuumed up small medical practices all over the country. Some of them, notably conglomerate UnitedHealth Group, have been accused of <u>meddling in care</u> and driving away doctors in pursuit of profit.

A UnitedHealth subsidiary was blamed for causing a doctor shortage in the Eugene area last year. U.S. Renal Care, a Texas company owned by private investors, also <u>closed a dialysis facility</u> at Adventist Health's Tillamook campus.

Despite such concerns, Bowman stressed that the bill does not close the door on private investment or corporate involvement with independent medical clinics.

"There's a lot of people who go to medical school, and they said, 'I didn't sign up to do the business side,'" said Bowman. "And they want support and help with that."

Roughly half the <u>12-page bill</u> is focused on companies that contract with medical practices to handle their billing, finances, staff training and other chores, known as management service organizations.

UnitedHealth and its subsidiary Optum both operate management service organizations. Critics say the companies sometimes amount to a back door for corporations taking control of medical practices.

The bill would ban management services organizations from exercising any control over a medical professional's patient care—related decisions such as staffing and compensation.

Management services organizations would face penalties for violations.

# National private-equity backed group, some clinic owners oppose

The earlier bill stalled in the face of <u>national opposition</u>, and it appears the new version may face some as well.

In January a representative from a Washington D.C.—based <u>Keybridge</u> <u>Communications</u>, a public relations firm, contacted The Lund Report on behalf of a newly formed, largely unknown group called the Oregon Independent Physician Practice Association, which has little internet presence other than from a state filing about having hired lobbyists in Oregon.

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OREGON HOUSE MAJORITY LEADER BEN BOWMAN

The group shares a Salem lobbyist with a high-profile national lobbying group representing private-equity backed practices and others that was formed <u>last year</u> and <u>is battling</u> corporate-practice-of medicine-bills like the one in Oregon.

The public relations firm connected The Lund Report with Dr. Russell Massine, who is affiliated with the group.

Massine told The Lund Report the proposed legislation would ban the organization of the clinic system where he serves as chief physician.

He said that his clinic chain is independent. It's affiliated with and operates under the name Summit Health, a New Jersey—based national chain recently sold by a <u>private equity</u> firm to a subsidiary of Walgreens — which itself may be on the brink of a private equity buyout, according to <u>national media accounts</u>.

"Though the proponents (of the bill) are well-intended in their claim of trying to slow health care consolidation and preserve independent physicians' ability to control the medical model, it is in fact antithetical to that," he said.

Formerly doing business as Bend Memorial Clinic, Massine's Summitbranded system employs 600 at 11 locations in central Oregon.

Massine said physicians remain independent under the management services agreement with Summit while getting help with increasingly complicated payment models and needed investment. The practice would have dissolved without it, leading to less access in central Oregon, he said.

The proposed legislation would prohibit medical professionals from being employed by a medical practice and management services organization. Physicians would be banned from working for or holding shares in a management services organization while having more than 10% ownership in a medical clinic.

Massine said that allowing physicians to hold shares in a management services organization aligns its goals with the medical practice. He said that many physicians chose to invest in Summit Health and that it has seen its locations, services and equipment grow.

Another doctor connected with the Washington, D.C-based PR firm opposing the bill is Dr. Divya Sharma, a general internal medicine physician who owns Pine Springs Health in Bend. She told The Lund Report that the biggest threat to independent doctors is not multinational corporations, but hospitals.

The bill leaves out hospitals. Critics say that could mean that hospitals will be the only ones able to purchase independent clinics that are struggling financially or have owners ready to retire.

Sharma said she worries that as hospitals expand it will crowd out her practice, which she said relies on other independent clinics that offer

care at a lower cost.

Bowman said he wanted to keep the bill focused on keeping physicians in charge of medical decisions. He noted the bill would also prevent hospitals from enforcing agreements that prevent providers from working elsewhere.

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