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STATE SENATOR  
District 17



OREGON STATE SENATE

**Testimony in Support of SB 951: Corporate Practice of Medicine**

Tuesday, March 4th, 2025

Senate Committee on Health Care  
Oregon State Capitol

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

Thank you for hearing SB 951 today. For the record, my name is Lisa Reynolds, and I serve as State Senator – and I don't know if I've ever mentioned it before – I am a practicing pediatrician at a clinician-owned practice serving kids and families in my district and beyond. I'm also the sole physician in the legislature - for now. And I support SB 951.

This bill is important to me on a professional level – and a personal level. The concept of physician control of medical clinics is so crucial for both physicians and for our patients. Physicians take an oath to care for our patients and to *prioritize* that care. Public corporations, on the other hand, have a legal obligation to their shareholders to maximize value. Private equity funds have an obligation to prioritize return on their investment. I do not inherently fault these organizations for their obligations – but we *must* recognize that these priorities are fundamentally at odds with the professional imperative - that physicians prioritize their patients.

I also must add that so many of the payers of Oregon medical care are **publicly funded**: OEBB, PEBB, Medicaid, Medicare. Many of the profits that are squeezed out from patient care revenue in order to be distributed to investors are **actually TAX dollars provided by Oregon and American taxpayers**. [*OEBB + PEBB: 290K Oregonians, Medicaid/OHP: 1.4M Oregonians, Medicare 909K Oregonians. Total 2.5 million Oregonians, which makes up  $2.5/4.3 = 58\%$  of Oregonians*]

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As any physician will tell you, quality patient care sometimes necessitates spending more than 10 or 15 minutes with each patient. It sometimes requires hiring more staff, or taking the time to really examine whether or not a procedure is necessary before going forward with it. When physicians lose control over the operations of their clinics, these priorities go out the window – they are replaced by cost cutting, staff layoffs, shorter appointments, unnecessary procedures, and a focus on profits and financial returns above all else.

Obviously every business has to make money to stay afloat – and I would never shame anyone for making a good living or for creating a successful business. I have the good fortune to have enjoyed a rewarding and financially sound medical career!

But the question here is one of *balance*. Medical practices must *balance* their obligations to their financially driven owners with their obligations to their patients. They must prioritize high quality, attentive patient care along with their bottom line.

I also want to add that this is not hypothetical for me – I was previously the part-owner in a chain of clinics which also had private equity backing. But that private equity money never took control of the clinic operations. We were still able to provide high-quality patient care – and innovative solutions for our patients – all of which makes good business sense and allowed us to run a successful, profitable business.

Rep Bowman’s bill is the right solution at the right time for this problem. This bill would *not* ban private equity or corporate investment in medical practices – it would simply reinforce that those investments can only have up to 49% of the ownership of the medical practice. This bill would *not* ban MSOs – it would just ensure that these management services organizations are staying true to their purpose of providing administrative services, not exercising clinical control.

I am very well aware – *personally* aware – of the financial challenges that physician-owned medical practices face. The clinic where I am a partner has been lucky to remain independent,

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but we are not immune from challenges – and I have seen many of my colleagues close their independent practices or sell them to larger organizations. I know firsthand that primary care physicians ESPECIALLY need more support and better reimbursement. Folks are working to solve that problem, which is mystifyingly hard to do. Still, we need to not allow private equity control of patient care. I am committed to continuing to look for ways to support medical practices - especially primary care – and to ensure that this vital career remains feasible, which I firmly believe is BEST for patient care. But the solution is not to resort to a corporate buyout. No investor should get rich off of patient care.

I am proud to be a Chief Sponsor of SB 951, and as a State Senator, a physician, and an owner in a medical clinic, I urge your support of this important legislation.

Sincerely,

Senator Lisa Reynolds, MD  
Senate District 17

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