

Testimony in Opposition to SB951

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

I write today in strong opposition to **Senate Bill 951** which places **unfair and unnecessary restrictions on medical providers**, threatening patient access to care and discouraging capital investment in Oregon's healthcare sector.

Reducing Access to Care

This is a complicated bill. The proponents talk about fixing a loophole in existing law. It's important to understand that the healthcare industry looks nothing like it did when that law was written decades ago. The bill will **directly limit the ability of medical providers to effectively manage and expand healthcare services**, reducing access to care, particularly in underserved and rural areas. By **imposing rigid constraints on management services organizations (MSOs)** and restricting their ability to support medical entities, this bill **reduces operational efficiency, increases administrative burdens, and discourages innovation** in healthcare.

Oregon is already facing a **severe healthcare provider shortage**. Instead of making it harder for medical professionals to operate, Oregon should focus on **encouraging investment and innovation** to expand healthcare access.

Discouraging Investment in Oregon's Healthcare System

SB951 creates an **unstable and hostile regulatory environment** for investors and healthcare businesses. The bill dictates **who can own, manage, and participate in the entities**, while granting **exceptions for certain players**. This **picks winners and losers in the healthcare market**, deterring investment and business expansions that could improve patient care.

- **It blocks MSOs from certain contractual agreements** that drive efficiencies, cost savings, and, in many, patient satisfaction.
- **It limits investment** which restricts capital for expanding services, upgrading facilities, and implementing new healthcare technologies.
- **A lack of private investment** means **fewer choices for patients, higher healthcare costs, and longer wait times** for essential medical services.

Unfair Carveouts Create an Unequal Playing Field

The bill's **numerous carveouts and exemptions** create an unfair system that **benefits select institutions while punishing independent medical providers**.

- **Exempt providers include: Hospitals, behavioral health facilities, PACE organizations, crisis lines, tribal health programs, care facilities, and independent practice organizations. These are all exempt from this.** Allowing them to continue business as usual while independent providers face burdensome regulations. If this is such a good idea, why exempt these organizations?
- **Instead of ensuring fairness and accountability**, these carveouts create an **anti-competitive healthcare environment**.
- **If you want a hospital monopoly, pass bill.**

Forced Dissolution of Existing Healthcare Entities

Most concerning, the bill **effectively outlaws some existing healthcare organizations** after a set period of time, forcing them to either **dissolve or undergo costly and unnecessary restructuring**. This is government overreach, and it is **disruptive, anti-competitive, and, I think, dangerous for patient care**.

- **Long-standing, successful medical entities** that exist in Oregon today will be forced to shut down or comply with restructuring mandates that may not be financially viable.
- **Independent clinics and healthcare providers**—many of whom already struggle with existing burdens—will be disproportionately harmed.
- **The inevitable closures and disruptions in care** will **exacerbate Oregon's healthcare crisis**, leading to **fewer providers, longer wait times, and reduced patient access**.

I think it's important to note that nobody is forcing a physician into these agreements with the MSOs. They are doing it so they can access capital. And if you create an environment, because this is a competitive environment for capital, if Oregon creates an environment that disincentivizes capital investment, that capital will go elsewhere, and patients will suffer for that.

Conclusion: SB951 is Bad for Oregon

To summarize, this bill does not **help patients, improve care, or lower costs**—I think it does the opposite. **It restricts access, discourages investment, and forces successful healthcare providers out of business.** Oregon should be **expanding healthcare access, not creating more obstacles for providers and patients.**

For these reasons, I urge you to **reject SB 951** and instead support policies that truly enhance access to quality healthcare in Oregon.

Thank you for your time and consideration.