

Submitter: Kyle Shavere  
On Behalf Of:  
Committee: Senate Committee On Health Care  
Measure, Appointment or Topic: SB951

Dear Members of the Oregon Senate Healthcare Committee,

As a medical student, I am proud to be joining many of my peers in expressing strong support for SB 951. I understand the need for investment in medicine, but there needs to be a balance between financial sustainability and ethical patient care. This balance is the core of our healthcare system, preserved by the corporate practice of medicine doctrine that has existed in Oregon since 1947, a doctrine that more than 30 other states have also adopted. This proposed legislation supports the original spirit of the doctrine.

Private equity firms and large corporate entities do not take an oath to serve patients. Furthermore, they do not undergo the rigorous training required to make clinical decisions. Yet, in the absence of strong protections like those proposed in SB 951, these entities are gaining increasing control over medical decisions. Loopholes in the existing doctrine have allowed outside entities to exert undue influence over clinical decision-making, effectively compromising the corporate practice of medicine doctrine, which is still the law of the land in Oregon.

This bill does not ban private equity from medicine, nor does it prohibit professional medical entities from contracting with Management Services Organizations for business and administrative support. It simply ensures that physicians retain ultimate authority over clinical matters. I believe that private equity has a role in medicine with regard to business administration. There is a cost to medicine, and private equity and investment have roles in ensuring that patients continue to receive high-quality care in perpetuity. However, this role should not extend into clinical decision-making because of the inherent and unavoidable misalignment of incentives that it creates.

SB 951 is a necessary and reasonable step to close these loopholes and restore decision-making power to those who are trained, licensed, and ethically bound to care for patients. Oregon's physicians must be empowered to make medical decisions based on science, evidence, and individual patient needs; not financial incentives necessitated by private equity firms.

I urge support of SB 951 as one of many important steps to protect the integrity of our healthcare system.

Sincerely,  
Kyle Shavere

