



# Oregon Pediatric Society

A Chapter of the American Academy of Pediatrics. Incorporated in Oregon

DATE: March 5, 2025

TO: Chair Patterson, Vice-Chair Hayden, and  
Members of the Senate Committee on Health Care

FROM: John Peoples, MD, FAAP, on behalf of the Oregon Pediatric Society

SUBJECT: SB 951-5 Comments

My name is John Peoples, and I am a pediatrician and business partner at Central Oregon Pediatric Associates (COPA), the second largest independent pediatric practice in Oregon, and a former board member of the Oregon Pediatric Society (OPS). As the state chapter of the American Academy of Pediatrics, OPS represents more than 700 members throughout the state of Oregon, including solo, medium and larger private practices.

OPS lauds the intent of SB 951 because it addresses all parts of our nonprofit mission: to promote the optimal health and development of infants, children, adolescents, and young adults in partnership with their families and communities, and to support the clinicians who care for them. We are grateful to Rep. Bowman for his comprehensive leadership and outreach to many entities affected by the corporate practice of medicine (CPOM). OPS shares the overarching goal of this legislation to protect patients from unscrupulous business practices and restrictions on medical decision making by their health care providers. We also stand by our members who work at independent pediatric practices, or are these small business' owners. Over the last few years, OPS has been greatly dismayed by Oregon clinics that have closed or significantly reduced their patient panels because of decisions made under private equity control.

Pediatricians are alarmed by the accelerating trend of for-profit, private equity investment into medicine. Nationally, almost three quarters of physicians are now salaried employees, with most practices owned by a corporate entity.<sup>i</sup> This trend has been accelerated by giant national health conglomerates like UnitedHealth Group and CVS,<sup>ii</sup> retailers like Amazon entering healthcare,<sup>iii</sup> and private equity investors buying medical practices to raise prices and cut costs.<sup>iv</sup> We believe that decisions regarding care for patients and populations should be made without regard to profit, but instead based on what is best for patient care and family stability. Pediatricians listen to the needs of families, utilizing evidence-based best practices to ensure optimal health outcomes. Corporate ownership, whether private equity or otherwise, has been shown to lead to a range of harms to patients and healthcare providers, including higher prices for patients and payers,<sup>v</sup> worse patient outcomes,<sup>vi</sup> higher mortality rates for patients,<sup>vii</sup> and general demoralization for medical professionals.<sup>viii</sup>



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SB 951 is intended to block corporate owners or investors from controlling the medical decisions of physicians and health care providers when it comes to the care for their patients. Specifically, it prohibits corporate entities from setting work schedules, employment terms, staffing levels, diagnostic coding decisions, clinical standards, or billing practices, all of which should appropriately remain with licensed physicians.

Furthermore, SB 951 limits corporate owners from enforcing noncompete agreements for specific providers, an increasingly common practice which leaves doctors unable to speak up about harmful or unsafe conditions for patients; unable to change employment to another practice; or even leave to begin their own medical practice more responsive to patient needs.<sup>ix</sup> Communities are penalized by having even less access to health care when physicians – a shrinking workforce – are subjected to non-compete actions; this has happened to a number of pediatricians within urban and rural Oregon. We strongly endorse this bill section.

That being said, we have concerns about possible unintended consequences of SB 951 during this volatile environment of uncertainty about funding for Medicare and Medicaid, foundational pillars of our state's Oregon Health Plan and medical systems.

As a partner at a private pediatrics practice which has provided medical care for children in Central Oregon for almost 50 years, I know full well the strains of delivering equitable, optimal health care across a large, economically diverse population of children. The partners of COPA have always kept their doors open to patients with all insurances regardless of the impact on the bottom line, and our practice is comprised of nearly 50% Medicaid-funded patients. We have worked creatively and passionately over the years to see all patients, providing care which meets their physical health needs, supports their mental health, and addresses the social drivers critical to future health. Our lens has always placed patients and families over profit, which is challenging when Medicaid payments do not cover the cost of our care. This is not a business model that is sustainable and is increasingly under severe threat of collapse.

With federal Medicare and Medicaid funding under significant threat, removing a possible income source for independent practices will only serve to pull more money out of a fragile ecosystem. Additionally, this will serve to further enlarge hospital systems, who are already absorbing many Oregon independent practices and their patients. While we value and need our local hospitals, this bill does not address the potential dangers of hospital system consolidation of primary or specialty care, especially in regions with little or no other choices. In Central Oregon, Summit Health, a medical services organization (MSO), has empowered their physician group and provided critical stability and competition in our regional health care market.

To best support independent pediatric practices in the state of Oregon, we must improve Medicaid payment rates, decrease the incredible bureaucratic load of caring for



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Medicaid patients, empower practice groups in their negotiations with large health insurance companies, and decrease the tax burden on independent health care business owners (such as the CAT tax). SB 951 has elevated attention to these underlying issues that imperil the pediatric and primary care systems; OPS is eager to continue discussions about legislative and executive branch solutions that will bring financial security to Oregon's pediatric providers and clinics.

While we endorse SB 951's sections about keeping control of medical decisions between a patient and their local medical provider, and restricting non-competes for most healthcare providers, OPS takes a neutral stance on SB 951 at the present time due to the uncertainty of upcoming federal policies and the financial impact they might have on the State of Oregon and independent medical practices.

## REFERENCES

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<sup>ii</sup> Bob Herman, "UnitedHealth Group now employs or is affiliated with 10% of all physicians in the U.S.," Stat News, November 29, 2023, [https://www.statnews.com/2023/11/29/unitedhealth-doctors-workforce/#:~:text=UnitedHealth%20Group%20now%20employs%20or.all%20physicians%20in%20the%20U.S.&text=UnitedHealth%20Group%20has%20about.all%20physicians%20in%20the%20U.S.](https://www.statnews.com/2023/11/29/unitedhealth-doctors-workforce/#:~:text=UnitedHealth%20Group%20now%20employs%20or.all%20physicians%20in%20the%20U.S.&text=UnitedHealth%20Group%20has%20about.all%20physicians%20in%20the%20U.S.;); Nathaniel Meyersohn, "CVS wants to be the doctor for Medicare patients," CNN Business, February 9, 2023, <https://www.cnn.com/2023/02/09/business/cvs-oak-street-health/index.html>.

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<sup>iv</sup> Robert Pearl, "Private Equity and the Monopolization of Medical Care," Forbes, February 20, 2023, <https://www.forbes.com/sites/robertpearl/2023/02/20/private-equity-and-the-monopolization-of-medical-care/?sh=5c9a2d882bad>; Richard Scheffler et al., "Monetizing Medicine: Private Equity and Competition in Physician Practice Markets," American Antitrust Institute, Petris Center, and Washington Center for Equitable Growth, July 10, 2023, [https://www.antitrustinstitute.org/wp-content/uploads/2023/07/AAI-UCB-EG\\_Private-Equity-I-Physician-Practice-Report\\_FINAL.pdf](https://www.antitrustinstitute.org/wp-content/uploads/2023/07/AAI-UCB-EG_Private-Equity-I-Physician-Practice-Report_FINAL.pdf).

<sup>v</sup> Alexander Borsa, et al., "Evaluating trends in private equity ownership and impacts on health outcomes, costs, and quality: systematic review," The BMJ, 2023; 382, <https://doi.org/10.1136/bmj-2023-075244>.

<sup>vi</sup> Sneha Kannan, et al., "Changes in Hospital Adverse Events and Patient Outcomes Associated With Private Equity Acquisition," JAMA, December 26, 2023, [https://jamanetwork.com/journals/jama/article-abstract/2813379?guestAccessKey=e0cef9be-d55c-4bcf-8892-412af8f24355&utm\\_source=For The Media&utm\\_medium=referral&utm\\_campaign=ftm\\_links&utm\\_content=tf1&utm\\_term=122623](https://jamanetwork.com/journals/jama/article-abstract/2813379?guestAccessKey=e0cef9be-d55c-4bcf-8892-412af8f24355&utm_source=For%20The%20Media&utm_medium=referral&utm_campaign=ftm_links&utm_content=tf1&utm_term=122623).

<sup>vii</sup> NBER Digest, "How Patients Fare When Private Equity Funds Acquire Nursing Homes," April 2021, <https://www.nber.org/digest/202104/how-patients-fare-when-private-equity-funds-acquire-nursing-homes>.

<sup>viii</sup> Noam Scheiber, "Why Doctors and Pharmacists Are in Revolt," New York Times, December 5, 2023, <https://www.nytimes.com/2023/12/03/business/economy/doctors-pharmacists-labor-unions.html>.

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