

March 6, 2025

Chair Deb Patterson
Oregon Senate Committee on Health Care
900 Court St. NE, S-411
Salem, Oregon 97301
Submitted Electronically

Re: Public Comments from The ERISA Industry Committee – Opposition to Oregon SB 951 – Restriction of Physician Practice Administrative Partnerships

Dear Chair Patterson and Members of the Oregon Senate Committee on Health Care:

The ERISA Industry Committee (“ERIC”) appreciates the opportunity to share public comments on the proposed legislation contained in SB 951 and under consideration by the Oregon Senate Committee on Health Care (“Committee”). While ERIC recognizes and shares the interest of state lawmakers in reducing health care costs while protecting the independence of physician practices, we are deeply concerned that the policy approach proposed by SB 951 would have the opposite effect and instead undermine the operation and competitiveness of independent clinical practices across the state. **To prevent further consolidation of Oregon’s health care system, ERIC strongly urges the Committee to consider the long-term impact that SB 951 would have on statewide health care costs and vote to oppose this legislation.**

ERIC is a national advocacy organization exclusively representing the largest employers in the United States in their capacity as sponsors of employee benefit plans for their nationwide workforces. With member companies that are leaders in every economic sector, ERIC is the voice of large employer plan sponsors on federal, state, and local public policies impacting their ability to sponsor benefit plans. ERIC member companies offer benefits to tens of millions of employees and their families, located in every state and city across the country.

Large employers like ERIC member companies have long been at the forefront of innovating health care benefit design and administration trends while reducing overall costs. Their ability to do so depends in large part on continued access to a thriving marketplace of competitive health care providers. Unfortunately, SB 951 would threaten this access by prohibiting the use of business resources that independent physician practices rely on to remain competitive in today’s marketplace.

Specifically, provisions of SB 951 would broadly restrict the ability of physician practices to interact with or receive critical business support from managed services organizations (“MSOs”). Importantly, independent physician practices regularly contract and partner with MSOs to administer non-clinical aspects of their practice, lowering overall

operational costs while allowing medical providers to better focus on patient care and clinical outcomes.

If statewide MSO contracts and partnerships are abolished, as SB 951 proposes, independent physicians will face significant and immediate operational challenges -- forced to either compensate with increased rates or otherwise close up shop entirely. Fewer clinics and physicians would lead to access to care obstacles, driving patients toward higher-cost provider options such as emergency rooms, specialist referrals, and other hospital-based care. Overall, the result would be a diminished health care landscape in which patients and payors alike are stuck with drastically reduced choices of care and significantly higher costs.

To prevent this counterproductive outcome, protect independent physician practices, and combat rising health care costs across Oregon, ERIC strongly urges the Committee to oppose SB 951 as currently drafted.

If you have any questions concerning our comments or the impact SB 951 would have on statewide health care costs, please contact us at (202) 789-1400 or dclair@eric.org.

Sincerely,



Dillon Clair
Director, State Advocacy