



MEMORANDUM

To: Sen. Prozanski, Chair, Senate Committee on Judiciary
Sen. Thatcher, Vice Chair, Senate Committee on Judiciary
Members of the Senate Committee on Judiciary

From: Mark Bonanno, General Counsel and Vice President of Health Policy

Date: March 5, 2025

Re: OMA Comments on SB 174

The Oregon Medical Association (OMA) engages in advocacy, policy, and community for over 7,000 physicians, physician associates, and medical and PA students in Oregon so they can remain focused on patient care.

We appreciate the opportunity to provide testimony regarding Senate Bill 174 and we are opposed to including medical malpractice insurance in this bill because tying that category of coverage to violations under the Unlawful Trade Practices Act has the potential to impact access to cost-effective insurance for physicians and physician associates.

According to an American Medical Association Policy Research Perspectives for February 2025 that summarizes data on medical malpractice premiums, Oregon remains among the top states with the highest premium increases and the state enjoyed a similar ranking in an April 2023 report. The concern raised in the most recent report is that some states may begin to experience a “hard market” for medical malpractice coverage which means that premiums keep increasing and coverage options decline. Many factors can tip the balance of when a state experiences a hard market including insurance concepts known as the frequency of claims and the severity of claims. A state policy that changes how plaintiffs may bring cases against insureds and insurance companies could tip that balance into a hard market.

Our understanding is that SB 174 would create a new private right of action through the Unlawful Trade Practices Act for issues related to an Oregon Insurance Code provision regarding the settlement of insurance claims. The insurance companies that provide medical malpractice policies to our members have indicated that if a new private right of action is

permitted—that did not exist before—that essentially could create second-guessing of all settlements and attempts to settle cases. Under the bill, a physician could be pressured to assign this new private right of action to a plaintiff to bring a direct lawsuit against an insurance company or a plaintiff could try to sue an insurance company directly. If that occurs over and over, we understand that insurance companies will raise medical malpractice premiums and consider leaving Oregon.

We advocate for stability and predictability in the cost of medical malpractice insurance that our members need access to. Access to insurance coverage is a patient safety issue as well in the event there is a medical injury, and a patient needs economic support. As introduced, we believe the bill could jeopardize that access. If our members and health care facilities have difficulty insuring against risk, in turn, there is the possibility that patient access to services could be impacted. We believe that the loss of access to cost-effective insurance coverage disproportionately impacts high-risk specialties like obstetrics and rural areas of the state where access to care already is challenging.

Respectfully, we urge the Committee not to take the step of bringing more uncertainty to the cost of and access to medical malpractice insurance.

We are glad to respond to questions.

The Oregon Medical Association (OMA) is the state's largest professional organization engaging in advocacy, policy, community-building, and networking opportunities for Oregon's physicians, physician associates medical students, and physician associate students. The OMA's members speak with one voice as they advocate for policies that improve access to quality patient care, reduce administrative burdens on medical professionals, and improve the health of all Oregonians. Additional information can be found at www.theOMA.org.