

Date: April 29, 2025

To: Rep. Rob Nosse, Chair

Rep. Travis Nelson Vice-Chair Rep. Cyrus Javadi, Vice-Chair

Members of the House Behavioral Health and Health Care

Committee

From: Christian Smith, MD, FACEP

Oregon Chapter of the American College of Emergency Physicians

Subject: SB 951, Corporate Practice of Medicine

Chair Nosse, Vice Chairs and members of the committee, my name is Dr. Christian Smith and I'm here on behalf of the Oregon Chapter of the American College of Emergency Physicians. Oregon ACEP is a medical society that has represented physicians specializing in emergency medicine since 1971 and its members share a commitment to improve emergency healthcare for all Oregonians.

We strongly support SB 951which aligns with <u>ACEP's policies</u> in regard to the corporate practice of medicine. SB 951 is, at its core, legislation that closes loopholes in Oregon's Corporate Practice of Medicine law to protect the relationship between the clinician and patient from outside monied and profit-driven interests.

Law firms are prohibited from having non-attorney ownership or investment and revenue-sharing. Why should physician practices be any different?

Sadly, the landscape of medicine has drastically changed in the last 10-20 years where now venture capital and private equity are rapidly buying parts of the healthcare infrastructure. Private equity extracts profits from businesses for their shareholders and Wall Street. Those profits come from several places: increased costs (increased testing, treatments, procedures and up-charges), decreased expenses (cuts to clinician pay amongst many options), and "increasing efficiency" and forcing physicians to do more with less — a worrisome proposition with a thinly stretched and severely burned-out post-pandemic workforce.

The relationship between patient and physician is sacred because we uphold the beneficial interest and autonomy of the patient as most important. OR-ACEP believes this is the doctor and patient relationship is the center of medicine. Clinical decisions should only be made by a physician or a NP/PA for diagnostic tests and treatment, referrals or consultations with other specialists, responsibility for the management of the patient's care.

Chapter President- Christian Smith MD, FACEP Chapter Executive- Michele Byers

President-Elect Patsy Chenpanas, MD Government Rel. Director- Katy King



We want to acknowledge it is challenging for many physicians to own their practices with the burden of extreme medical school debt and burdensome state and federal regulation, not to mention, administrative costs. This bill will help preserve local and community control. Practices should be able to utilize the services of Management Services Organizations but these relationships must specifically not interfere or dictate clinical practice.

This bill does not address the reasons why physicians are selling practices. It simply stems the tide of corporate ownership. We must ensure that Oregon physicians can sustain their independent and locally owned practices that serve our communities. We need to address the terrible workforce shortages that are grinding on us every day – worsening burnout and leading more to retire and move from Oregon. We desperately must attract and support more physicians, particularly to rural parts of the state.

Finally, we want to thank Rep. Bowman and the sponsors for convening the Corporate Practice of Medicine workgroup during the interim and elevating physician participation during the discussion of corporate practice of medicine and the use of non-compete and non-disparagement clauses. Frequently the contracts offered to emergency physicians require them to waive their rights for due process. That includes non-compete and non-disparagement clauses. We appreciate provisions to ensure that practicing physicians always have control of patient care. For emergency physicians who are part of a group, a non-compete clause may force them to leave their community, even though they don't bring their patient roster to their next job.

Please support SB 951 and protect the patient-physician relationship by keeping corporate ownership out of physician clinical practices. Thank you for your consideration.

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