



April 28, 2025

The Honorable Rob Nosse
House Committee on Behavioral Health and Health Care
State Capitol
900 Court Street, NE
Salem, OR 97301

Re: Oppose SB 951

Dear Chair Nosse and members of the committee,

On behalf of Chamber of Progress – a tech industry association supporting public policies to build a more inclusive society in which all people benefit from technological advancements – I write to **oppose SB 951**, which would prohibit doctors from partnering with some management services organizations (MSOs) to spend more time with patients. This bill will stifle innovation, limit doctors' choices, and drive up costs for patients.

Prohibiting partnerships between some MSOs and medical providers would force doctors to spend more time on administrative tasks and less time with patients.

MSOs allow doctors to partner with experts in administration and technology, allowing them to focus more on providing medical care. Studies show that administrative tasks and paperwork take up more time for physicians than actual patient care. Physicians only dedicate about 27% of their office days to direct clinical face time while spending 49% of their time on electronic health records.¹ By partnering with business and technical experts who can improve record management, doctors could spend more time providing patient care.

Oregon already faces significant challenges in healthcare provider availability, particularly in rural areas. Many rural regions in Oregon are designated as Health Professional Shortage Areas (HPSAs), receiving federal resources to improve healthcare access due to a shortage of healthcare professionals.² As of January 2025, the state has 150 HPSAs, with 106 designated as primary care HPSAs, affecting approximately

¹ Study: Physicians spend nearly twice as much time on EHR/desk work as patients. American Hospital Association (Sept. 8 2016).

<https://www.aha.org/news/headline/2016-09-08-study-physicians-spend-nearly-twice-much-time-ehrdesk-work-patients#:~:text=Physicians%20spent%2027%25%20of%20their,the%20Annals%20of%20Internal%20Medicine,n>

² Health Professional Shortage Area Designation. Oregon Health Authority.
<https://www.oregon.gov/oha/hpa/hp-pco/pages/hpsa-designation.aspx>

833,799 residents.³ Forcing doctors to devote more of their time to non-medical tasks would only exacerbate this shortage by reducing their availability.

This bill would also stifle innovation in the medical field by blocking investments and collaboration with technical experts.

In addition to administrative support, MSOs can allow physicians to partner with technology firms. These partnerships enhance medical services or expand patient access. For example, telehealth partnerships can alleviate transportation and mobility issues. People with access to telehealth services see lower prices for treatment and are less likely to visit emergency departments.⁴ For the hundreds of thousands of residents in HPSAs in Oregon, access to telehealth services could lead to better health outcomes and lower medical costs.

This bill would limit options for independent practices.

If partnerships with MSOs are prohibited, physicians looking to expand their practices would have fewer avenues to grow without partnering with larger hospital systems. Hospital consolidation in Oregon has been a notable trend over the past few decades, leading to significant changes in the healthcare landscape. Since 2000, the number of independent hospitals in Oregon has declined by 43%.⁵ This consolidation has contributed to rising healthcare costs. Between 2013 and 2019, healthcare spending in the state increased by 49%, far outpacing the national growth rates for health spending, income, and inflation.⁶ As large healthcare systems gain control over more hospitals and services, they can increase prices without the pressure of market competition, ultimately making healthcare less affordable for Oregonians.

Eliminating partnerships, MSOs would deny physicians critical investments that can improve care and promote competition with larger hospital systems. This bill risks reducing physician availability and eliminating innovations that make healthcare more affordable and more accessible for Oregonians.

³ *Designated Health Professional Shortage Areas Statistics*. Second Quarter of Fiscal Year 2025. Bureau of Health Workforce, HRSA, US Department of Health & Human Services (Mar. 31, 2025).
p.7 <https://data.hrsa.gov/topics/health-workforce/shortage-areas>

⁴ Cuellar, Alison. Pomeroy, J Mary Louise. Burla, Sriteja. Jena, Anupam B. *Outpatients Care Among Users and Nonusers of Direct-to-Patient Telehealth: Observational Study*. National Library of Medicine (June 6, 2022).
<https://pubmed.ncbi.nlm.nih.gov/35666556/>

⁵ *New white paper on healthcare consolidation in Oregon reveals trend likely to accelerate jeopardizing access to care*. Compassion & Choices (Feb. 4, 2021).
<https://compassionandchoices.org/news/new-white-paper-on-healthcare-consolidation-in-oregon-reveals-trend-likely-to-accelerate-jeopardizing-access-to-care/>

⁶ Stovicek, Nadia. *How Oregon's Merger Review Law Combats Consolidation and What Other States Can Learn From It*. CHIRblog (Sept. 30, 2024).
<https://chirblog.org/how-oregons-merger-review-law-combats-consolidation-and-what-other-states-can-learn-from-it/>

This bill would drive up costs for patients and taxpayers.

SB 951 would accelerate hospital consolidation in Oregon by eliminating partnerships with MSOs, a key avenue of support for independent practices. Without access to these management services, independent doctors may have no choice but to join hospital systems, which consistently charge significantly more for identical services. According to data by Chamber of Progress, clinical visits cost 31% more in hospital outpatient departments (HOPDs) than in physician offices, while procedures like mammograms and colonoscopies cost 32% to 58% more.⁷ Cataract surgery, a common procedure for Oregon's aging population, could cost up to 15 times more in a hospital setting.⁸ These higher costs are not associated with better outcomes but result from hospital billing practices, including inflated outpatient rates and facility fees.

These higher consequences extend beyond patients. Medicare also pays more when services shift from office-based settings to HOPDs. A white paper from Avalere found that hospital affiliation increases Medicare spending significantly more than any other type of practice ownership transaction.⁹ With healthcare already consuming nearly 22% of household budgets and over a third of Oregon adults reporting serious financial challenges from medical bills,¹⁰ SB 951 would only deepen the financial strain on patients and taxpayers by making care more expensive.

For these reasons, **we urge you to oppose SB 951.**

Sincerely,



Robert Singleton
Senior Director of Policy and Public Affairs, California and US West

⁷ Harger, Kaitlyn. *Oregon Bill Would Raise Costs for Medicare and Oregon Taxpayers*. Chamber of Progress (Apr. 18, 2025). <https://progresschamber.org/insights/oregon-bill-would-raise-costs-for-medicare-oregon-taxpayers/>

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*