



MEMORANDUM

To: Rep. Rob Nosse, Chair
Rep. Cyrus Javadi, Vice Chair
Rep. Travis Nelson, Vice Chair
Members of the House Committee on Behavioral Health and Health Care

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

Date: May 7, 2025

Re: OMA Comments on SB 957 A-Engrossed

The Oregon Medical Association (OMA) represents and advocates for more than 7,000 physicians, physician associates, medical and PA students across Oregon. Our mission is to support our members in their efforts to practice medicine effectively, improve the health of Oregonians, and provide the highest quality patient care.

We appreciate the opportunity to provide testimony in support of the concept brought forward in Senate Bill 957-A.

Policy of the OMA calls for the reduction of widespread use of noncompete clauses in employment agreements by employers in healthcare settings that seek to impose and enforce them against front line practicing clinicians such as our members who are physicians and physician associates.

Our understanding is that SB 957-A would create a policy against the use of all noncompetition agreements—not just in the employment context—sought to be imposed against licensees of the Oregon Medical Board. There is an exception that would allow the use of noncompete clauses in a business entity for licensees that provide direct patient care and have a five percent or more ownership of the business entity.

To provide some context on how the use of noncompete clauses became widespread in medicine, the use of the restriction was born out of the simpler days in health care where a physician owner wanted to invest in recruiting a new physician but guard against the new physician simply getting to know the practice's patients and staff, then opening up a new clinic

next door and taking patients and staff with them. As a result, the noncompete clause in medicine became standard practice. As more and more physicians became employees rather than owners of their clinics, the use of the noncompete clause appears to have outlived its original purpose because employers are now larger clinics, larger hospitals, and larger health plan organizations. The risk to the small physician owned practice largely is gone.

In closing, we support the concept in the bill. We value the work of the Committee and encourage movement on the noncompete issue in health care in this session.

The Oregon Medical Association (OMA) is the state's largest professional organization engaging in advocacy, policy, and community-building 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.