

**PRELIMINARY STAFF MEASURE SUMMARY****CARRIER:**

Senate Committee on Senate Health Care

**REVENUE: No revenue impact****FISCAL: No fiscal impact****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Zena Rockowitz, Administrator**Meeting Dates:** 4/8, 4/20

**WHAT THE MEASURE DOES:** Exempts businesses that provide only palliative care or operates rural health clinics, from requirement that licensed physicians hold majority of voting stock in professional corporation organized for purpose of practicing medicine or be majority of directors of professional corporation. Specifies entity's articles of incorporation, organization or bylaws may not direct or control a licensed physician's medical judgement.

**ISSUES DISCUSSED:**

- Corporate practice of medicine as safeguard against business interests from owning and controlling operation of physician practices
- Federal health center or federally qualified health center exemptions
- Promoting access in rural and underserved communities
- Inclusion of nurses as majority owners
- Time taken away from physicians to run business

**EFFECT OF COMMITTEE AMENDMENT:**

**BACKGROUND:** Currently, an Oregon company which is organized for the purpose of practicing medicine, must be majority owned by physicians and directed by physicians. This is known as the "corporate practice of medicine". There are 25 states with these type of laws. The intention of law is to prevent a business corporation or lay person from controlling the medical decisions of physicians and their professional staff. Proponents state that the corporate practice of medicine hurts innovation, as well as negatively impacts quality of care because it takes time away from physicians treating patients.