

## SB 485 -1 STAFF MEASURE SUMMARY

### Senate Committee On Health Care

---

**Prepared By:** Oliver Droppers, LPRO Analyst

**Sub-Referral To:** Senate Committee On Business and Transportation

**Meeting Dates:** 2/23, 4/6, 4/13

---

#### WHAT THE MEASURE DOES:

Exempts for-profit and non-profit businesses that provide palliative care or a majority of medical services through a rural health clinic, from Oregon law that requires physician ownership among entities created for the purpose of practicing medicine. Specifies that the for-profit exemption only applies to a business entity that derives 50 percent or more of its revenue from providing medical services to individuals that reside in a health professional shortage area, a medically underserved area, or a medically disadvantaged area. Specifies that articles of incorporation, organization or bylaws may not direct or control a licensed physician's medical judgment.

#### ISSUES DISCUSSED:

- Limited access to primary care in rural counties
- Oregon's physician ownership law
- Oversight of a health clinic by a physician

#### EFFECT OF AMENDMENT:

-1 Exempts nonprofit corporations from Oregon's corporate practice of medicine Act if specific federal certification requirements are met, and the entity provides services to migrant, rural, homeless or other medically underserved populations from Oregon's corporate practice of medicine Act. Exempts for-profit and nonprofit business entities from Oregon's corporate practice of medicine Act if entity operates solely as a rural health clinic.

*REVENUE: No revenue impact.*

*FISCAL: Minimal fiscal impact.*

#### BACKGROUND:

Currently, an Oregon company organized for the purpose of practicing medicine must be majority owned by physicians and directed by physicians. More than 20 states have similar laws. The intent of such laws is to prevent a business corporation or lay person from controlling the medical decisions of physicians or their professional staff, referred to as the "corporate practice of medicine."

Senate Bill 485 creates an exemption to Oregon's physician ownership law to address the lack of access to health services due to physician shortages, in medically underserved and disadvantaged communities. The measure allows a for-profit entity that's not physician-owned to provide clinical services when specific criteria are met.