

HB 3439 STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Meeting Dates: 5/4, 5/9, 5/11

WHAT THE MEASURE DOES:

Allows a professional corporation, organized for the purpose of practicing medicine and that renders health care services, to be owned by physicians, physician assistants and nurse practitioners as a majority of voting shares in a corporation. Prohibits an individual whom the professional corporation employs, or individual who owns interest in the professional corporation, from directing medical judgment of physician, physician assistant or nurse practitioner. Prohibits physician, physician assistant or nurse practitioner from directing services of another practitioner in the professional corporation unless the other practitioner also practices within the same scope of practice as a physician, physician assistant or nurse practitioner.

FISCAL: No fiscal impact.

REVENUE: No revenue impact.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In Oregon, a company organized for 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.” Oregon law currently prohibits non-physician (MD) health care providers from being the majority shareholder or purchasing a clinic from a physician.

House Bill 3439 allows physician assistants (PAs) and nurse practitioners (NPs) to have equal or majority ownership in professional corporations organized for the purpose of practicing medicine. HB 3439 allows PAs and NPs to establish new or purchase existing clinics in Oregon.