



Testimony in Support of Senate Bill 757

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Oregon Nurses Association

Chair Greenlick and Members of the Committee,

Thank you for the opportunity to submit testimony on behalf of the Oregon Nurses Association in support House Bill 2465. I am legal counsel for Oregon Nurses Association and a partner at Bennett Hartman Morris and Kaplan in Portland, Oregon. I am here testifying on HB 2465. The purpose of this bill is to allow Nurse Practitioners to have an equal or majority ownership interest in a professional corporation that is organized for the purpose of practicing medicine. ORS 58.375 applies to a professional corporations organized, in whole or in part, for the purpose of practicing medicine. That statute requires that a majority of owners, directors and officers be physicians. The bill would allow nurse practitioner's to be treated equally with physicians as to their ability to be equal or majority owners, directors or officers.

There are three important points to be made in regard to this bill:

First, the HB 2465 changes to ORS 58.375 are not directed to the professional activities of nurse practitioners but, rather, to the ownership and direction of certain professional corporations. HB 2465 does not expand the scope a Nurse Practitioners practice and does not allow a Nurse Practitioner to practice medicine. If the business entity is organized for the purpose of practicing medicine within the meaning of ORS 58.015, the business entity is subject to the requirements of ORS 58.375 (1) and (2). A nurse practitioner's ability to own an interest in a business entity that is organized for the specified purposes without that ownership interest is not related to the nurse practitioner's professional activities. ORS 58.156 will continue to provide that a "professional corporation may render professional service or services in this state only through a person or persons who are licensed or otherwise authorized in this state to render such professional service or services." Under HB 2465, a nurse practitioner may hold 50% or a majority of the shares of a professional corporation that is organized for the purpose of practicing medicine but gains no greater ability to expand his or her scope of practice.

Second, HB 2465 retains the power of the licensee's respective licensing board's to require majority ownership and directorship. In other words, this bill would allow majority ownership by physicians or nurse practitioners, but the Board's themselves could restrict that ownership if they saw fit.

Third, this bill is narrowly tailored to allow nurse practitioners to jointly own, via startup or through purchase, clinics that are formed in whole or in part to practice medicine. However, this bill would not place a Nurse Practitioner under the regulations of the Medical Board and would not place physicians under the regulation of the Board of Nursing. Professional practice is different from ownership. HB 2465 allows greater flexibility in ownership of professional corporations organized to practice medicine and nursing services, but does not affect the relationship and the scope of the practice of these two professions.