

**SB 485 A STAFF MEASURE SUMMARY**

**Carrier:** Rep. Nosse

**House Committee On Health Care**

---

**Action Date:** 05/17/17

**Action:** Do Pass the A-Eng bill.

**Vote:** 6-3-0-0

**Yeas:** 6 - Alonso Leon, Greenlick, Hack, Kennemer, Malstrom, Nosse

**Nays:** 3 - Buehler, Hayden, Keny-Guyer

**Fiscal:** Has minimal fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Sandy Thiele-Cirka, LPRO Analyst

---

**WHAT THE MEASURE DOES:**

Exempts nonprofit corporations from Oregon’s corporate practice of medicine law (ORS 58.375) if specific federal certification requirements are met and the entity provides services to migrant, rural, homeless or other medically underserved populations. Exempts for-profit and nonprofit business entities from Oregon’s corporate practice of medicine law if entity operates solely as a rural health clinic.

**ISSUES DISCUSSED:**

- Oregon’s current physician professional corporation law
- For-profit versus nonprofit in rural communities
- Narrow scope of bill
- Success of rural health clinics
- Concerns relating to changing the current practice of medicine law

**EFFECT OF AMENDMENT:**

No amendment.

**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-A 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.