

February 25, 2024

Re: **Written Testimony against HB 4130**

Chairwoman Patterson and Members of the Committee,

Thank you for the opportunity to submit this written testimony against House Bill 4130. My name is Dr. Russell Massine. I am a full-time practicing Nephrologist and the Chief Physician Executive for Summit Health in Bend, Oregon. I have been practicing medicine in Oregon for over two decades and have served on the Board of Directors of my medical group in Bend for about nine years. I am also a proud resident of Oregon, having grown up here and then returning for my fellowship and remaining in this great state for the last 19 years.

In 2017, after over a decade of poor management and significant fiscal challenges, my medical group in Bend began seeking a partner to help us meet our mission of providing the highest quality healthcare in the country while lowering the total cost of care for our community. At the time, our medical group could not keep up with the data and quality reporting requirements for all payers and lacked the expertise to effectively manage all the numerous administrative systems needed to code, bill, and operate a modern-day medical group. In addition, like all outpatient medical groups, our group in Bend does not charge hospital billing rates or have facility fees like all hospital systems. This significant difference in cost is great for the communities we serve as many of our outpatient services are many times cheaper for patients. However, the major difference in revenue creates significant difficulties for small medical groups like ours to find the capital needed to update our equipment, expand our services, and most importantly invest in value-based care systems focused on high-risk populations.

As a result, our medical group spent most of 2017 searching for a partner to navigate the system with us. We looked at multiple opportunities with hospital systems as well as other private investors. After discussing over twenty potential partners interested in working with us, our leadership team met and discussed how troubled we were with the options that were available to us at that time. Luckily not long after that, our board of directors were introduced to the leadership team of Summit Health, and we immediately found a partner dedicated to maintaining and enhancing the provider-patient relationship with a focus on quality and patient outcomes. Summit's operating model is "physician led and professionally managed" and the governance model embraces a Board of Directors locally in Bend comprised of physician leaders in the market.

Given our similarities in 2018, our medical group in Bend entered into a management services agreement with Summit Health and immediately began rebuilding the group with Summit's guidance. From hiring expert administrators to adopting Summit's best practice care team models to linking into Summit's outstanding business support, our small group in Oregon immediately gained the power of one of America's highest performing quality organizations. We never could have afforded the same level of expertise, capital investments, data systems, or best practice models without this structure. The impact of

the partnership was dramatic and immediate for patients, staff, and providers, led by the physician Board of Directors.

- In 2018, our medical group employed around 84 providers and 325 team members.
- Today, Summit Health in Oregon employs 176 providers and 570 team members.
- In 2018, we served about 30,000 primary care patients and 67,000 unique patients.
- Today we take care of 61,000 primary care patients and over 126,000 unique patients.
- In 2018, we had four main locations.
- Today we have eleven locations throughout Central Oregon, providing access to patients in rural areas that previously did not have the same level of access to healthcare.
- In 2018, we scored an 80% customer satisfaction rating with our patients.
- Today we score a 95.1% Customer Satisfaction Rating and have for over three years.
- In 2018, our group barely scored an 87% Medicare Quality Score.
- For 2023, we scored a perfect 100% Medicare Quality score for the third year in a row.

In Bend with Summit Health, we have been able to build a true partnership between clinical leaders and professional management and I truly believe this model is vital to solving the healthcare crisis in this country.

I firmly believe that House Bill 4130 would limit medical groups from accessing expertise and capital to transform, as our group has been able to benefit from support from tremendous companies like Summit. I am deeply concerned this Bill, as written, will only force more medical groups to close their doors or be consolidated into very expensive hospital systems that drive up the cost of care with facility fees and hospital billing rates. I am sure Oregon can continue to lead the way in transforming healthcare without the unintended consequences from this bill, which would make Oregon an outlier as it relates to physician practice group structures and their ability to obtain support from management services organization (MSO) companies.

Thank you. I appreciate the opportunity to submit this written testimony in opposition to House Bill 4130.

Sincerely,

Russell Massine, MD
Chief Physician Executive