



February 26, 2024

Members of the Senate Health Care Committee

**Re: Opposition to House Bill 4130 A**

Dear Senators:

As a provider of primary care and urgent care in 24 locations covering 16 communities in the State of Oregon, we are writing to express our opposition to House Bill 4130 A.

Primary care and urgent care providers deliver the first access point of care for citizens in communities all across Oregon. Primary and urgent care are essential services – ones that keep Oregonians healthy and out of the hospital. Not all essential service providers take patients without commercial insurance. **Unlike some of our competitors, we accept all forms of insurance, including Medicare and Medicaid.** We offer both scheduled and unscheduled care and provide extended hour options for those in need of acute healthcare services. We treat anyone from infants to the elderly. We provide point-of-care imaging and diagnostic testing, treat most illnesses, including ear infections, asthma, upper respiratory infections, stomach ailments, and injuries, including sprains, minor bone breaks and fractures, lacerations, and burns, treat workers compensation injuries and provide employer paid services, school sports physicals, immunizations and vaccinations.

At a time when both independent and hospital owned healthcare facilities are closing their doors, BestMed has maintained its growth in Oregon. **BestMed continues to reach rural communities that otherwise have no access to care, locations such as Cottage Grove, Dallas, Grants Pass, Lebanon, and Roseburg.** These are long-term substantial investments in communities that are underserved and often operate at a loss for a period of time. **It takes us roughly \$2 million dollars to stand up a new clinic and over 2 years, on average, to cover the costs to run the clinics.** In areas where we have provided services for several years, our MSO is able to make additional capital improvement contributions to improve our facilities, an investment that neither our landlords nor our providers are able to make.

We all know that our emergency medical system is currently overwhelmed, provides care at a much higher cost and has much longer wait times, leaving patients to sit in ER waiting rooms for hours with large medical bills on the back end. Our urgent care centers provide care to many illnesses and injuries at a fifth of the cost of emergency room visits. On average, our providers can get patients in and out in 60 minutes or less. We capture and review our patient satisfaction through Google reviews and net promotor scores and are proud of our 4.6 Google rating and an NPS greater than 80. In short, primary and urgent care, resourced to the highest level through private equity, afford Oregonians the lowest cost, highest quality care for the most common illnesses and injuries. We question why the state would want to do anything to eliminate this care through this ill-guided, misinformed legislation.

Unfortunately, none of our convenient, cost-effective, timely, access to essential services would be possible without our partnership with our management services organization, which is targeted by HB 4130 A. This legislation seeks to eliminate an assumed interference by management service organizations with a provider's independent medical judgement, i.e. the corporate practice of medicine. A concept which is already forbidden in Oregon and something we take exceptionally seriously. **Our MSO contracts comply with CPOM restrictions. Our employed providers and provider owners have never felt like our MSO**



**has tried to adversely affect their clinical decisions. To the contrary, our MSO has made significant investments in funding and resources through such things as CME funding and education, clinical leadership, and telemedicine. Our MSO supports, not hinders, our clinical care through organized provider meetings, a medical advisory board composed of physician leaders, access to clinical quality data and outcomes to improve clinical decision making, access to national and regional resources to stay updated on clinical outcomes and ways to improve patient health, and training for changes in coding guidelines and statutory and regulatory changes.** We have staff and resources to assist patients with scheduled care, referral management, and chronic care management. During the Covid pandemic, our MSO was able to utilize resources to partner with the University of Oregon and PacificSource to provide drive through Covid testing caring for over 200,000 patients. These are resources, that as an independent clinical team, we could not afford and do not have the experience to supply.

Without capital afforded to us by private equity, we would not be in a position to build new clinics in communities that are presently underserved; would not have the resources to recruit providers to Oregon from other states to satisfy the shortage of providers; could not build out support systems to ensure seamless and efficient delivery of our services; could not fund receivables related to payer delays; would not be able to invest as heavily as we do in state-of-the art equipment; would not be capable of offering competitive benefits to all of our staff; and would not be able to open seven days a week to deliver healthcare where and when needed.

HB 4130 A, as written, will have the unintended consequences of reducing competition, leaving healthcare largely to the hospitals or underfunded, under-resourced independent providers. If HB 4103 A passes, competition will decrease, costs will rise and ironically given the authors' stated beliefs, quality of care will suffer.

Also noteworthy is the fact that Oregon ranks 34 of 50 among US states for access to primary care. **A key strategy to ensuring Oregonians in rural communities can access quality health care is the formation of Rural Health Clinics. BestMed is proud to operate rural health clinics in Coos, Douglas, Klamath, Lane, Linn, Marion, Polk, and Yamhill counties.** Over 500,000 Oregonians in these counties are low-income and the most vulnerable to healthcare availability. Throughout 2023, BestMed clinics located in rural Oregon communities provided high quality, personalized care to over 92,000 Oregonians.

Over the years, the cost of providing healthcare services has dramatically increased while the reimbursement rate has decreased. For example, from 2014 to 2023, the Medicare conversion factor decreased by a total of 5%, while the compounded increase of inflation was 28%. Government policy and mandates intended for the benefit of patients and insurers have increased the administrative burden around contracting, recruiting support staff, compliance, and revenue cycle management, making it challenging for providers to remain independent. Much like the partnership with hospitals, partnering with an MSO with resources and experience in these areas has proven to be a much-needed alternative for us. As stated above, our MSO provides resources otherwise not affordable.

While the intent of the legislation may be noble, trying to eliminate any factors that get in between the provider and patient, **this particular legislation is misguided, targets private equity-backed companies, and has far reaching consequences. It exempts health/hospital systems or insurance companies who have been acquiring provider practices and consolidating them.** HB 4130 A states private equity limits competition and increases cost; but anyone who has worked in the space knows there is much more to the story, and data shows that hospitals and health systems who buy practices can control referrals and demand higher prices. If the purpose of the legislation is to avoid increased costs to the patient and ensure high quality care to the patient, no one should be exempt.



We agree that interference with the medical decision making of licensed professionals is not acceptable but targeting private equity supported medical practitioners and excluding health and hospital systems, is simply untenable and could dismantle the efforts in Oregon to provider care to underserved populations.

We, at BestMed, have made substantial long-term investments to bring more healthcare to Oregon not ever anticipating that legislature would reverse a long-standing, beneficial structure that delivers essential quality services at affordable prices to communities that will suffer if you should pass HB 4130 A. We urge you to more fully understand the adverse, long-term, unintended consequences of this bill and not move HB 4130 A forward.

Sincerely

ICCO, LLC d/b/a BestMed

Community Care Partners, LLC